

Balance Sheet

as at December 31, 2025

(All amounts are in Indian Rupees Million, unless otherwise stated)

	Particulars	Notes	December 31, 2025	March 31, 2025
A)	ASSETS			
1	Non-current assets			
a)	Property, plant and equipment	3.1	27.1	22.9
b)	Right of use asset		144.7	158.0
c)	Intangible assets	3.2	8.6	9.4
d)	Financial assets			
(i)	Other financial assets	4	20.0	18.6
e)	Deferred tax assets (net)	30	15.5	9.7
f)	Other non-current assets	5	-	1.0
	Total non-current assets		215.9	219.6
2	Current assets			
a)	Inventories	6	225.5	173.1
b)	Financial assets			
(i)	Trade receivables	7	344.4	234.6
(ii)	Cash and cash equivalents	8	48.0	4.6
(iii)	Other financial assets	9	3.1	3.1
c)	Other current assets	10	132.8	93.0
	Total current assets		753.8	508.4
	TOTAL ASSETS		969.7	728.0
B)	EQUITY & LIABILITIES			
1	Equity			
a)	Equity share capital	11	9.4	9.4
b)	Other equity	12	(963.9)	(486.3)
	Total Equity		(954.5)	(476.9)
	Liabilities			
2	Non-current liabilities			
a)	Financial liabilities			
(i)	Borrowings	13	720.0	870.0
(ii)	Lease liabilities		124.5	133.3
(iii)	Other financial liabilities	14	2.0	2.0
b)	Provisions	15	26.8	16.5
	Total non-current liabilities		873.3	1,021.8
3	Current liabilities			
a)	Financial liabilities			
(i)	Borrowings	16	700.0	-
(ii)	Lease liabilities		32.1	29.4
(iii)	Trade payables	17		
	Total outstanding dues of			
a)	micro enterprises and small enterprises		48.2	-
b)	other than micro enterprises and small		161.0	99.3
(iv)	Other financial liabilities	18	30.6	41.5
b)	Other current liabilities	19	25.6	11.0
c)	Provisions	20	53.4	1.9
	Total current liabilities		1,050.9	183.1
	Total Liabilities		1,924.2	1,204.9
	TOTAL EQUITY AND LIABILITIES		969.7	728.0
	Material accounting policies	2		
	Notes to the financial statements	3-49		

The notes referred to above form an integral part of the financial statements.

As per our report of even date attached

For K C Mehta & Co LLP

Chartered Accountants

Firm's Registration No. 106237W/W100829

For and on behalf of the Board of Directors

Shripal Shah

Partner

Membership No: 114988

Place: Vadodara

Date: February 23, 2026

B S Sandeep

Director

DIN: 07283077

Place: Bengaluru

Date: February 23, 2026

Harsha Kadam

Director

DIN: 07736005

Place: Bengaluru

Date: February 23, 2026

Statement of Profit and Loss

for the year ended December 31, 2025

(All amounts are in Indian Rupees Million, unless otherwise stated)

Particulars	Notes	December 31, 2025	March 31, 2025
Income			
Revenue from operations	21	2,272.5	1,981.2
Other income	22	0.8	0.8
Total Income (I)		2,273.3	1,982.0
Expenses			
Purchases of stock-in-trade	23	2,193.5	1,960.5
Changes in inventories of stock-in-trade	24	(52.4)	(94.6)
Employee benefits expense	25	239.2	219.2
Finance costs	26	77.6	58.6
Depreciation and amortisation expense	27	41.8	47.2
Other expenses	28	256.7	161.2
Total Expenses (II)		2,756.4	2,352.1
Loss before tax (I-II)		(483.1)	(370.1)
Tax expense	29		
Current tax		-	-
Deferred tax (credit)		(5.8)	(6.4)
Loss for the year	(A)	(477.3)	(363.7)
Other Comprehensive Income			
Items that will not be reclassified subsequently to profit or loss: (gain) / loss on remeasurement of post employment benefits obligation		0.3	(0.8)
Total Other Comprehensive Income for the year (net of tax)	(B)	0.3	(0.8)
Total comprehensive income for the year	(A + B)	(477.6)	(362.9)
Earnings per equity share [Nominal value of share rupees 10 each]	31		
Basic (In INR)		(507.5)	(386.7)
Diluted (In INR)		(396.2)	(301.9)
Material accounting policies	2		
Notes to the financial statements	3-49		

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For K C Mehta & Co LLP

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For and on behalf of the Board of Directors**Shripal Shah**

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Place: Vadodara

Date: February 23, 2026

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Date: February 23, 2026

Statement of Cashflow

for the year ended December 31, 2025

(All amounts are in Indian Rupees Million, unless otherwise stated)

	December 31, 2025	March 31, 2025
Cash flows from operating activities		
Net profit before tax	(483.1)	(370.1)
Adjustments:		
Depreciation and amortisation	41.8	47.2
Finance costs	77.6	58.6
Interest income on amortisation of security deposit	(0.7)	(0.8)
Provision for doubtful debts/advances	-	1.4
	118.7	106.4
Operating cash flow before changes in working capital	(364.4)	(263.7)
Changes in working capital		
(Increase) / decrease in trade and other receivables	(150.0)	(234.6)
(Increase) / decrease in inventories	(52.4)	(94.6)
Increase / (decrease) in trade and other payables	116.9	49.3
Increase/(decrease) in other liabilities and provisions	76.1	44.7
	(9.4)	(235.2)
Cash used in operating activities	(373.8)	(498.9)
Income tax paid (net of refunds)	-	-
A. Net cash used in operating activities	(373.8)	(498.9)
Cash flows from investing activities		
Purchase and of property, plant and equipment (tangible and intangible fixed assets)	(15.7)	(7.1)
B. Net cash used in investing activities	(15.7)	(7.1)
Cash flows from financing activities		
Finance costs paid	(85.0)	(38.1)
Loan from Holding Company	550.0	566.5
Payment of lease liability	(23.3)	(26.3)
Interest on lease liabilities	(8.8)	(9.5)
C. Net cash generated from financing activities	432.9	492.6
Net (decrease) / increase in cash and cash equivalents (A + B + C)	43.4	(13.4)
Cash and cash equivalents at the beginning of year (see note 2 below)	4.6	18.0
Cash and cash equivalents at the end of year (see note 2 below)	48.0	4.6
	43.4	(13.4)

Notes:

1) The above cash flow statement has been prepared under the "Indirect Method" as set out in Indian Accounting Standards(Ind As) 7 - Statement of Cash Flow.

2) Cash and cash equivalents (refer note 8) comprise of:

Particulars	December 31, 2025	March 31, 2025
Cash on hand	0.1	0.1
With scheduled banks on :		
Current accounts	47.9	4.5
	48.0	4.6

The notes referred to above form an integral part of the financial statements.

Statement of Cashflow

for the year ended December 31, 2025

(All amounts are in Indian Rupees Million, unless otherwise stated)

3) Changes in liabilities arising from financing activities

Particulars	December 31, 2025	March 31, 2025
	Non-current borrowings	
Opening balance	886.2	308.7
Cash flows (net)	550.0	566.5
Interest expense	68.8	49.1
Interest paid	(85.0)	(38.1)
Closing balance of borrowings*	1,420.0	886.2

*Includes current maturities of non-current borrowings.

Movement in Lease Liability:

Particulars	December 31, 2025	March 31, 2025
At the commencement of the year	162.7	-
(Deletions)/adjustments	(1.5)	-
Additions/(deletions) during the year	27.5	198.5
Payments made during the year	(32.1)	(35.8)
Closing Balance	156.6	162.7

As per our report of even date attached

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Date: February 23, 2026

KRSV Innovative Auto Solutions Private Limited

CIN : U50401KA2015PTC083596

Statement of Changes in Equity

as at December 31, 2025

(All amounts are in Indian Rupees Million, unless otherwise stated)

(A) Equity Share Capital

	Amount
As at April 1, 2024(Restated) (Refer Note 44)	9.4
Changes in equity share capital	-
As at March 31, 2025	9.4
Changes in equity share capital	-
As at December 31, 2025	9.4

(B) Other equity

	Reserves and surplus		Equity component of compound financial instruments (c)	Other comprehensive income	Total
	Securities premium	Retained earnings			
As at April 1, 2024(Restated) (Refer Note 44)	254.4	(379.8)	2.6	(0.6)	(123.4)
Loss for the year	-	(363.7)	-	0.8	(362.9)
As at March 31, 2025	254.4	(743.5)	2.6	0.2	(486.3)
Loss for the year	-	(477.3)	-	(0.3)	(477.6)
As at December 31, 2025	254.4	(1,220.8)	2.6	(0.1)	(963.9)

Nature and purpose of reserves:

- a) 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.
- b) Retained earnings are the profits that the Company has earned till date. It is utilised in accordance with the provisions of the Companies Act, 2013.
- c) The compound financial instrument relate to the 0.001% compulsorily convertible cumulative preference shares issued by the Company.

Material accounting policies 2
Notes to the financial statements 3-49

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As per our report of even date attached

For K C Mehta & Co LLP

Chartered Accountants

Firm's Registration No. 106237W/W100829

For and on behalf of the Board of Directors**Shripal Shah**

Partner

Membership No: 114988

Place: Vadodara

Date: February 23, 2026

B S Sandeep

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DIN: 07283077

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Place: Bengaluru

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KRSV Innovative Auto Solutions Private Limited

Notes to the Standalone Financial Statements

for the year ended December 31, 2025

1. Corporate information

KRSV Innovative Auto Solutions Private Limited ('the Company'), was registered as a private limited company on 21st day of October 2015, under Companies Act, 2013 having its registered office at Armatic Building, 3rd Floor, Park Inc, No 8, Banashankari Stage II, Bengaluru, Karnataka 560070 . By virtue of Share Purchase Agreement dated 28th August 2023, the Schaeffler India Limited acquired majority of shares in KRSV Innovative Auto Solutions Private Limited, thus the Schaeffler India Limited became the Holding Company.

The Company 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.

2. Basis of Preparation and Presentation

2.1 Basis of preparation

- (i) These financial statements of the Company have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under Section 133 of the Companies Act, 2013 read with the Companies (Indian Accounting Standards) Rules, 2015, as amended from time to time and other relevant provisions of the Companies Act, 2013.

The financial statements have been prepared on the **accrual basis of accounting** and under the **historical cost convention**, except for certain financial assets and financial liabilities that are measured at fair value at the end of each reporting period, as required by the relevant Ind AS.

The operating cycle has been assumed to have duration of 12 months. Accordingly, all assets and liabilities have been classified as current or non-current as per the Company's operating cycle and other criteria set out in Ind AS-1 'Presentation of Financial Statements'

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:
- defined benefit liability is measured as per actuarial valuation.

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 Significant accounting judgments, 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.

KRSV Innovative Auto Solutions Private Limited

Notes to the Standalone Financial Statements (*continued*)

for the year ended December 31, 2025

Estimates and judgments 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.

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 un-amortised depreciable amount is charged over the remaining useful life of the assets.

c) Current and deferred taxes

Significant management judgment 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 on Gratuity is determined based on actuarial valuation. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These includes 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 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.

KRSV Innovative Auto Solutions Private Limited

Notes to the Standalone Financial Statements (*continued*)

for the year ended December 31, 2025

3. Material Accounting Policies Information

2.4 Property, Plant and Equipment and intangible assets

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.

If significant parts of an item of PPE have different useful lives, then they are accounted for as separate items (major components) of PPE.

Advances given towards acquisition 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.

Intangible assets are initially recognised at cost.

Intangible assets with definite useful lives are amortized on a straight-line basis so as to reflect the pattern in which the asset's economic benefits are consumed.

Depreciation / amortization

- (i) 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	Furniture & fixtures	5-10 Years
2	Office equipments	5 Years
3	Vehicles	5 Years

- (ii) 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.
- (iii) Depreciation on subsequent expenditure on PPE arising on account of capital improvement or other factors is provided for prospectively over the remaining useful life.
- (iv) Intangible assets (software) are recorded at its acquisition price and amortized on the straight-line method over a period of three years.

2.5 Leases

Effective April 1, 2022, 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.

KRSV Innovative Auto Solutions Private Limited

Notes to the Standalone Financial Statements (*continued*)

for the year ended December 31, 2025

Company as a lessee

The Company's lease asset classes primarily consist of leases for 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.

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 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.

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

KRSV Innovative Auto Solutions Private Limited

Notes to the Standalone Financial Statements (*continued*)

for the year ended December 31, 2025

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, other costs incurred in bringing the inventories to their present location and condition.

Traded goods are carried at the lower of cost and net realizable value.

Cost is determined on a weighted average basis.

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.

2.9 Borrowing costs

Borrowing costs attributable to the acquisition and/or construction of an qualifying asset, i.e., that necessarily takes a substantial period of time to get ready for use in the manner as intended by management, are capitalised as part of the cost of the asset. All other borrowing costs are expensed in the period in which they are incurred.

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 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

KRSV Innovative Auto Solutions Private Limited

Notes to the Standalone Financial Statements (*continued*)

for the year ended December 31, 2025

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 April 1, 2022, 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 of 30 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.

2.11 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.

b) Post-employment benefits

Defined benefit plans

In accordance with the payment of Gratuity Act, 1972, the Company provides gratuity covering the eligible employees. The Gratuity policy provides a lump sum payment to vested employees at retirement, death, incapacitation or termination of employment, of an amount based on the respective employee's salary and the tenure of employment. Liabilities with regard to gratuity plan are determined by actuarial valuation, based upon which, the Company discharges its obligations to its employees

Defined contribution plans

Retirement benefit in the form of Provident Fund is a defined contribution plan. Eligible employees receive benefit from a provident fund which is a defined contribution plan. The Company makes contribution under Provident Fund to "Regional Provident Fund Commissioner". Both the employee and the Company make monthly contribution to the above said office equal to specific percentage of covered employee's salary

Long-term employee benefits

KRSV Innovative Auto Solutions Private Limited

Notes to the Standalone Financial Statements (*continued*)

for the year ended December 31, 2025

Provision for long-term employee benefits comprise of compensated absences. Company is providing benefit of en-cashing or carry forwarding the unclaimed leave in line with the terms of employment Agreement.

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 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 at amortized cost.

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.

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 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.

KRSV Innovative Auto Solutions Private Limited

Notes to the Standalone Financial Statements (*continued*)

for the year ended December 31, 2025

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. 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 are measured at amortised cost using Effective Interest Rate (EIR) method. The Company has not designated any financial liability as at FVTPL.

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.

2.13 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.

2.14 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

KRSV Innovative Auto Solutions Private Limited

Notes to the Standalone Financial Statements (*continued*)

for the year ended December 31, 2025

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.

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.

2.15 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.

Contingent liabilities are disclosed in the Financial Statements by way of notes to accounts, unless possibility of an outflow of resources embodying economic benefit is remote. Contingent assets are not recognised or disclosed in the financial statements.

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 cash in hand and at bank.

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

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.

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.

KRSV Innovative Auto Solutions Private Limited

Notes to the Standalone Financial Statements (*continued*)

for the year ended December 31, 2025

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 Recent accounting pronouncements

Standards issued but not yet effective

Ministry of Corporate Affairs ("MCA") notifies new standard or amendments to the existing standards. For the year ended December 31, 2025, MCA has notified amendments as follows:

Lack of exchangeability – Amendments to Ind AS 21

MCA via notification dated 7 May 2025, announced amendments to Ind AS 21 “The Effects of Changes in Foreign Exchange Rates” to specify how an entity should assess whether a currency is exchangeable and how it should determine a spot exchange rate when exchangeability is lacking. The amendments also require disclosure of information that enables users of its financial statements to understand how the currency not being exchangeable into the other currency affects, or is expected to affect, the entity’s financial performance, financial position and cash flows. The amendments will be effective for annual reporting periods beginning on or after 1 April 2025. The amendments are not expected to have a material impact on the Financial Statements.

Notes to the Financial Statements

as at December 31, 2025

(All amounts are in Indian Rupees Million, unless otherwise stated)

3.1 Property plant and equipment

	Furniture & fixtures	Office equipments	Vehicles	Total
Gross Block				
As at April 1, 2024	8.8	10.2	0.4	19.4
Additions	2.4	12.1	-	14.5
Disposals	-	-	-	-
As at March 31, 2025	11.2	22.3	0.4	33.9
Additions	2.1	7.7	-	9.8
Disposals	-	-	-	-
Adjustments*	(1.4)	(1.8)	-	(3.2)
As at December 31, 2025	11.9	28.2	0.4	40.5
Accumulated depreciation				
As at April 1, 2024	3.2	3.0	0.1	6.3
Depreciation for the period	1.7	3.0	-	4.7
Deletions	-	-	-	-
As at March 31, 2025	4.9	6.0	0.1	11.0
Depreciation for the period	1.6	3.9	0.1	5.6
Deletions	-	-	-	-
Adjustments*	(1.4)	(1.8)	-	(3.2)
As at December 31, 2025	5.1	8.1	0.2	13.4
Net Block				
As at March 31, 2025	6.3	16.3	0.3	22.9
As at December 31, 2025	6.8	20.1	0.2	27.1

*The company had elected to apply the deemed cost exemption for Property, Plant and Equipment ("PPE") in accordance with Ind AS 101 "First-time Adoption of Indian Accounting Standards" at the time of transition to Ind AS. The adjustments in PPE during the current period inter-alia, include changes in their presentation in order to align the same with the requirements of Ind AS 101; these adjustments are presentation related in nature and has no impact on the net carry values of PPE.

The Company has not revalued its property, plant and equipment.

3.2 Intangible assets

	Software
Gross Block	
As at April 1, 2024	39.0
Additions	6.0
Disposals	-
As at March 31, 2025	45.0
Additions	4.7
Disposals	-
Adjustments*	(14.6)
As at December 31, 2025	35.1
Accumulated amortisation	
As at April 1, 2024	28.5
Amortisation for the period	7.1
Deletions/adjustments	-
As at March 31, 2025	35.6
Amortisation for the period	5.5
Deletions	-
Adjustments*	(14.6)
As at December 31, 2025	26.5
Net Block	
As at March 31, 2025	9.4
As at December 31, 2025	8.6

*The company had elected to apply the deemed cost exemption for Intangible assets in accordance with Ind AS 101 "First-time Adoption of Indian Accounting Standards" at the time of transition to Ind AS. The adjustments in Intangible assets during the current period inter-alia, include changes in their presentation in order to align the same with the requirements of Ind AS 101; these adjustments are presentation related in nature and has no impact on the net carry values of Intangible assets.

The Company has not revalued its intangible assets.

Notes to the Financial Statements

as at December 31, 2025

(All amounts are in Indian Rupees Million, unless otherwise stated)

4 Other financial assets

	December 31, 2025	March 31, 2025
Security deposits (considered good, unsecured)	20.0	18.6
Total	20.0	18.6

5 Other non-current assets

	December 31, 2025	March 31, 2025
Balance with government authorities	-	0.5
Capital advances*	-	0.5
Total	-	1.0

(*) Amount is less than 0.05 Million for year ended December 31, 2025

6 Inventories

(Valued at the lower of cost and net realisable value)

	December 31, 2025	March 31, 2025
Stock-in-trade	225.5	173.1
Total	225.5	173.1

The basis of valuation of inventories is set out in note 2.7 to the financial statements.

7 Trade receivables

	December 31, 2025	March 31, 2025
Other than related parties*	348.4	238.6
Less: Allowance for expected credit loss	4.0	4.0
	344.4	234.6
Of which;		
unsecured, considered good	344.4	234.6
which have significant increase in credit risk	2.3	2.3
credit impaired	1.7	1.7
Considered doubtful	-	-
	348.4	238.6
Less: Allowance for expected credit loss	4.0	4.0
Total	344.4	234.6

*Company does not have receivables from related party.

Trade receivables ageing as at December 31, 2025

Particulars	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	177.2	148.3	7.9	7.7	3.3	-	344.4
Undisputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	2.3	2.3
Undisputed Trade Receivables – credit impaired*	0.9	0.8	*	*	*	-	1.7
Disputed Trade Receivables – considered good	-	-	-	-	-	-	-
Disputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-	-
Disputed Trade Receivables – credit impaired	-	-	-	-	-	-	-
Gross receivables	178.1	149.1	7.9	7.7	3.3	2.3	348.4
Less: Allowance for credit losses							4.0
Net receivables							344.4

(*) Amount is less than 0.05 Million

Trade receivables ageing as at March 31, 2025

Particulars	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	171.5	50.2	7.9	4.0	1.0	-	234.6
Undisputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	1.9	0.4	2.3
Undisputed Trade Receivables – credit impaired	1.2	0.4	0.1	*	*	*	1.7
Disputed Trade Receivables – considered good	-	-	-	-	-	-	-
Disputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-	-
Disputed Trade Receivables – credit impaired	-	-	-	-	-	-	-
Gross receivables	172.7	50.6	8.0	4.0	2.9	0.4	238.6
Less: Allowance for credit losses							4.0
Net receivables							234.6

(*) Amount is less than 0.05 Million

KRSV Innovative Auto Solutions Private Limited**Notes to the Financial Statements***as at December 31, 2025**(All amounts are in Indian Rupees Million, unless otherwise stated)***8 Cash and cash equivalents**

	December 31, 2025	March 31, 2025
Balances with banks in current accounts	47.9	4.5
Cash on hand	0.1	0.1
Total	48.0	4.6

9 Other financial assets

	December 31, 2025	March 31, 2025
Security deposits (considered good, unsecured)	3.1	3.1
Total	3.1	3.1

10 Other current assets

	December 31, 2025	March 31, 2025
<i>Unsecured and considered good</i>		
Balance with Government authorities	105.7	67.4
Advances to suppliers	21.6	20.4
Advances to employees	0.2	1.1
Prepaid expenses	5.2	4.1
Others	0.1	-
Total	132.8	93.0

KRSV Innovative Auto Solutions Private Limited

Notes to the Financial Statements

as at December 31, 2025

(All amounts are in Indian Rupees Million, unless otherwise stated)

11 Equity share capital

	December 31, 2025	March 31, 2025
Authorised capital		
10,00,000 (March 31, 2025: 10,00,000) Equity shares of Rs. 10/- each	10.0	10.0
Total	10.0	10.0
Issued, subscribed and paid-up		
9,40,502 (March 31, 2025: 9,40,502) fully paid-up equity shares of Rs. 10/- each	9.4	9.4
Total	9.4	9.4

Details of Promoters shares holding

S. No.	Promoter name	December 31, 2025			March 31, 2025		
		Number of shares held	% of total shares ¹	% change during the year	Number of shares held	% of total shares	% change during the year
1	Schaeffler India Limited	9,40,496	99.999	-	9,40,496	99.999	-
	Nominee Shareholders						
2	Industriewerk Schaeffler INA-Ingenieurdienst GmbH	1	0.0	-	1	0.0	-
3	Schaeffler Beteiligungsgesellschaft mitbeschränkter Haftung	1	0.0	-	1	0.0	-
4	Schaeffler Beteiligungsverwaltungs GmbH	1	0.0	-	1	0.0	-
5	Schaeffler Bühl Verwaltungs GmbH	1	0.0	-	1	0.0	-
6	Schaeffler Schweinfurt Beteiligungs GmbH	1	0.0	-	1	0.0	-
7	Schaeffler Verwaltungsholding Sechs GmbH	1	0.0	-	1	0.0	-
		9,40,502	100.0	-	9,40,502	100.0	-

¹Zero represents less than 1%

a) Reconciliation of shares outstanding at the beginning and at the end of the year:

	December 31, 2025		March 31, 2025	
	No. of shares	Amount	No. of shares	Amount
Equity				
Shares outstanding at the beginning of the period	9,40,502	9.4	9,40,502	9.4
Increase in Equity shares	-	-	-	-
Shares outstanding at the end of the period	9,40,502	9.4	9,40,502	9.4

b) Rights, preferences and restrictions attached to equity shares:

The Company has Equity Shares, having a par value of Rs. 10 per share. Each shareholder is eligible for one vote. 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 holding company:

Name of Shareholders	December 31, 2025		March 31, 2025	
	No. of Shares held (of ₹ 10 each)	Amount	No. of Shares held (of ₹ 10 each)	Amount
Schaeffler India Limited ¹	9,40,502	9.4	9,40,502	9.4
Total	9,40,502	9.4	9,40,502	9.4

¹ includes shares held by Nominee shareholders

d) Particulars of shareholders holding more than 5% shares of a class of shares:

Name of Shareholder	December 31, 2025		March 31, 2025	
	No. of Shares held	% of shareholding	No. of Shares held	% of shareholding
Schaeffler India Limited ¹	9,40,502	100.0	9,40,502	100.0

¹ includes shares held by Nominee shareholders

Other equity

	December 31, 2025	March 31, 2025
Preference Share Capital (Equity component of compound financial instruments)	2.6	2.6
	2.6	2.6
Securities premium	254.4	254.4
	254.4	254.4
Retained earnings		
At the beginning of the year	(743.5)	(379.8)
Add: Net Profit/(loss) for the year	(477.3)	(363.7)
	(1,220.8)	(743.5)
Other comprehensive income		
Loss on remeasurement of post employment benefits obligation		
At the beginning of the year	0.2	(0.6)
Add: for the year	(0.3)	0.8
	(0.1)	0.2
Total	(963.9)	(486.3)

Preference share capital

	December 31, 2025	March 31, 2025
Authorised capital		
3,50,000 (March 31, 2025: 3,50,000) Compulsory Convertible Preference Shares of Rs.10/- each	3.5	3.5
Total	3.5	3.5
Issued, subscribed and paid-up		
2,64,256 (March 31, 2025: 2,64,256) fully paid-up Compulsory Convertible Preference Shares of Rs. 10/- each	2.6	2.6
Total	2.6	2.6

Details of Promoters holding of Preference shares

S. No.	Promoter name	December 31, 2025			March 31, 2025		
		Number of shares held	% of total shares	% change during the period	Number of shares held	% of total shares	% change during the period
1	Schaeffler India Limited	2,64,256	100.0	-	2,64,256	100.0	-
		2,64,256	100.0	-	2,64,256	100.0	-

Reconciliation of shares outstanding at the beginning and at the end of the year:

	December 31, 2025		March 31, 2025	
	No. of shares	Amount	No. of shares	Amount
Preference Shares				
Shares outstanding at the beginning of the period	2,64,256	2.6	2,64,256	2.6
Increase in Preference shares	-	-	-	-
Shares outstanding at the end of the period	2,64,256	2.6	2,64,256	2.6

b) Rights, preferences and restrictions attached to preference shares:

The Company has 0.001% Cumulative Compulsory Convertible Preference Shares, having a par value of Rs. 10 per share which are convertible within 20 years at the discretion of the holder. The Preference Shareholders shall be entitled to voting rights on an as if converted basis. The Preference Shareholders shall carry on such voting rights as are exercisable by persons, holding Equity Shares in the Company and shall be treated pari passu with the equity shares for all voting matters.

c) Shares held by holding company:

Name of Shareholders	December 31, 2025		March 31, 2025	
	No. of Shares held (of ₹ 10 each)	Amount	No. of Shares held (of ₹ 10 each)	Amount
Schaeffler India Limited	2,64,256	2.6	2,64,256	2.6
Total	2,64,256	2.6	2,64,256	2.6

d) Particulars of shareholders holding more than 5% shares of a class of shares:

Name of Shareholder	December 31, 2025		March 31, 2025	
	No. of Shares held	% of shareholding	No. of Shares held	% of shareholding
Schaeffler India Limited	2,64,256	100.0	2,64,256	100.0

KRSV Innovative Auto Solutions Private Limited**Notes to the Financial Statements**

as at December 31, 2025

(All amounts are in Indian Rupees Million, unless otherwise stated)

13 Borrowings (Non-current)

	December 31, 2025	March 31, 2025
Loans from related parties (unsecured) ¹	1,420.0	870.0
less: Disclosed under Note 16: Current borrowings Current maturities	(700.0)	-
Total	720.0	870.0

¹ Indian rupee unsecured loans from Schaeffler India Limited (Holding Company) carrying interest rate ranging from 6.8% to 8.7%. The repayment of the loan tranches is up to December 31, 2030. Rollover is applicable for the loan tranches with bullet repayment at the end of the loan period as per mutually agreed terms between the lender and the borrower.

There is no default in repayment of principal or interest on borrowings.

Name of the lender	Rate of Interest / Due date	Secured/ unsecured	December 31, 2025	March 31, 2025
Schaeffler India Limited	6.8% - 8.7%	Unsecured	1,420.0	870.0
	Various			

14 Other financial liabilities (non current)

	December 31, 2025	March 31, 2025
Security deposits from customers	2.0	2.0
Total	2.0	2.0

15 Provisions (non current)

	December 31, 2025	March 31, 2025
Provision for employee benefits		
Gratuity (refer Note 40)	13.1	8.4
Compensated absences	13.7	8.1
Total	26.8	16.5

16 Borrowings (Current)

	December 31, 2025	March 31, 2025
Current maturities of long-term borrowings (from Note 13) (unsecured)	700.0	-
Total	700.0	-

There is no default in repayment of principal or interest on borrowings.

17 Trade payables

	December 31, 2025	March 31, 2025
Total outstanding dues of micro and small enterprises	48.2	-
Total outstanding dues of creditors other than micro and small enterprises		
Other than related parties	151.2	96.2
Related parties (refer note 36)	9.8	3.1
Total	209.2	99.3

Under the Micro, Small and Medium Enterprises Development Act, 2006, (MSMED) which came into force from 2 October 2006, certain disclosures are required to be made relating to Micro, Small and Medium enterprises.

Particulars	December 31, 2025	March 31, 2025
a) the principal amount and the interest due thereon remaining unpaid to any supplier at the end of each accounting year, if any:		
Principal	48.2	-
Interest	0.1	-
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.	-	-
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.	0.6	-
d) the amount of interest accrued and remaining unpaid at the end of each accounting year; and	0.7	-
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.	0.7	-

The above information has been compiled by the Company on the basis of information made available by vendors during the period ended December 31, 2025. This has been relied upon by auditors.

The Company's exposure to currency and liquidity risks related to trade payables is disclosed in Note 32

Trade Payables Ageing as at December 31, 2025

Particulars	Outstanding for following periods from due date of payment					Total
	Not due	< 1 year	1-2 years	2-3 years	< 3 years	
Undisputed dues of micro enterprises and small enterprises	52.5	107.0	1.5	-	-	161.0
Undisputed dues of creditors other than micro enterprises and small enterprises	19.2	29.0	-	-	-	48.2
Disputed dues of micro enterprises and small enterprises	-	-	-	-	-	-
Disputed dues of creditors other than micro enterprises and small enterprises	-	-	-	-	-	-
Total	71.7	136.0	1.5	-	-	209.2

Trade Payables Ageing as at March 31, 2025

Particulars	Outstanding for following periods from due date of payment					Total
	Not due	< 1 year	1-2 years	2-3 years	< 3 years	
Undisputed dues of micro enterprises and small enterprises	-	-	-	-	-	-
Undisputed dues of creditors other than micro enterprises and small enterprises	-	99.3	-	-	-	99.3
Disputed dues of micro enterprises and small enterprises	-	-	-	-	-	-
Disputed dues of creditors other than micro enterprises and small enterprises	-	-	-	-	-	-
Total	-	99.3	-	-	-	99.3

KRSV Innovative Auto Solutions Private Limited**Notes to the Financial Statements***as at December 31, 2025**(All amounts are in Indian Rupees Million, unless otherwise stated)***18 Other financial liabilities**

	December 31, 2025	March 31, 2025
Employee liabilities ¹	26.5	18.4
Creditors for capital goods	0.2	1.9
Accrued expense	3.1	6.6
Interest on MSME dues	0.8	-
Interest accrued on borrowings	-	14.6
Total	30.6	41.5

¹ includes remuneration to Key Managerial Personnel (refer note 36(5))

19 Other current liabilities

	December 31, 2025	March 31, 2025
Statutory dues payable	6.3	7.6
Advances from customers	19.3	3.4
Total	25.6	11.0

20 Provisions (Current)

	December 31, 2025	March 31, 2025
Provision for employee benefits		
Gratuity (refer note 40)	0.7	0.3
Compensated absences	2.7	1.6
Provision for contingent incentive*	50.0	-
Total	53.4	1.9

*This represents probable employee incentive contingent upon fulfilment of performance based criteria by end of FY 2026.

KRSV Innovative Auto Solutions Private Limited**Notes to the Financial Statements***for the year ended December 31, 2025**(All amounts are in Indian Rupees Million, unless otherwise stated)***21 Revenue from operations**

	December 31, 2025	March 31, 2025
Revenue from contract with customer		
Sale of products		
Traded goods	2,266.6	1,978.0
	2,266.6	1,978.0
Other operating revenues		
Logistics income	5.9	3.2
Total	2,272.5	1,981.2

A Revenue recognised from Contract liabilities (Advances from Customers)

Particulars	December 31, 2025	March 31, 2025
Closing Contract liabilities	19.3	3.4

Contract liabilities outstanding at the beginning of the year were recognised as revenue to the extent of 2.5 million during the year ended December 31, 2025

B Reconciliation of revenue as per contract price and as recognised in statement of profit and loss:

Particulars	December 31, 2025	March 31, 2025
Revenue as per Contract price	2,273.8	1,985.6
Less: Incentives and rebates	-	-
Less: Discounts	(7.2)	(7.6)
Revenue as per statement of profit and loss	2,266.6	1,978.0

22 Other income

	December 31, 2025	March 31, 2025
Interest income		
on amortisation of discounting of security deposit	0.7	0.8
Other non operating income	0.1	-
Total	0.8	0.8

KRSV Innovative Auto Solutions Private Limited**Notes to the Financial Statements***for the year ended December 31, 2025**(All amounts are in Indian Rupees Million, unless otherwise stated)***23 Purchases of stock-in-trade**

	December 31, 2025	March 31, 2025
Purchase of traded goods	2,193.5	1,960.5
Total	2,193.5	1,960.5

24 Changes in inventories of stock in trade

	December 31, 2025	March 31, 2025
(Increase) in inventory of traded goods		
Opening inventory	173.1	78.5
less: closing inventory	225.5	173.1
Total	(52.4)	(94.6)

25 Employee benefits expense

	December 31, 2025	March 31, 2025
Salaries, wages and incentives	212.5	189.4
Contributions to: (refer note 40)		
- provident fund	8.5	8.8
- gratuity fund	4.8	5.0
- ESIC	0.4	0.6
Compensated absences	6.7	9.7
Staff welfare expenses	6.3	5.7
Total	239.2	219.2

26 Finance costs

	December 31, 2025	March 31, 2025
Interest paid on		
- loans from holding company	68.8	49.1
Lease interest expenses	8.8	9.5
Total	77.6	58.6

27 Depreciation and amortisation expense

	December 31, 2025	March 31, 2025
Depreciation on property, plant and equipment	5.6	4.7
Depreciation on right of use assets	30.7	35.4
Amortisation of intangible assets	5.5	7.1
Total	41.8	47.2

KRSV Innovative Auto Solutions Private Limited

Notes to the Financial Statements

for the year ended December 31, 2025

(All amounts are in Indian Rupees Million, unless otherwise stated)

28 Other expenses

	December 31, 2025	March 31, 2025
Freight, clearing and forwarding	122.2	82.7
Provision for contingent incentive	50.0	-
Rent and maintenance	19.2	13.6
Travelling expenses	17.0	16.8
Office maintenance	11.5	11.7
Subscriptions	14.4	14.1
Legal and professional fees	10.3	7.2
Provision for doubtful debts	-	1.4
Local conveyance	-	-
Rates and taxes	0.3	2.0
Advertising and sales promotion	2.7	2.6
Printing and stationery	2.0	2.0
Electricity charges	2.0	2.1
Telephone and other communication expenses	2.2	2.0
Insurance	1.1	0.8
Payments to auditors (refer note below)	0.6	1.0
Bank charges*	-	0.4
Repairs- equipment	-	0.1
Interest on delayed statutory payments	0.8	0.3
Miscellaneous expenses	0.4	0.4
Total	256.7	161.2

(*) Amount is less than 0.05 Million for year ended 31st December 2025.

Note : Payments to auditors	December 31, 2025	March 31, 2025
As auditors		
-statutory audit	0.6	0.7
-limited review	*	0.1
-tax audit	-	0.2
Total	0.6	1.0

(*) Amount is less than 0.05 Million for year ended 31st December 2025.

29 Income tax expense

	December 31, 2025	March 31, 2025
Income tax recognised in statement of Profit and Loss Account		
Deferred tax		
Deferred tax (credit) / expense attributable to origination and reversal of temporary differences	(5.8)	(6.4)
Total tax expense	(5.8)	(6.4)
Reconciliation of effective tax rate		
Profit before tax	(483.1)	(370.1)
Current tax at the Indian tax rate of 25.168%	(121.6)	(93.2)
Tax effect on losses on which deferred taxes has not been recognised	115.8	86.8
Income tax recognised in statement of Profit and Loss Account	(5.8)	(6.4)

KRSV Innovative Auto Solutions Private Limited

Notes to the Financial Statements

as at December 31, 2025

(All amounts are in Indian Rupees Million, unless otherwise stated)

30 Deferred tax assets (net)

A)	December 31, 2025	March 31, 2025
Deferred tax liabilities		
Depreciation / amortisation on property, plant and equipment provided in accounts over depreciation /amortisation under tax laws	-	-
(A)	-	-
Deferred tax assets		
Excess of depreciation / amortisation on property, plant and equipment provided	2.6	1.6
Provision for employee benefits	7.9	5.0
Provision for expenses and others	0.2	-
Allowance for expected credit loss	1.0	1.0
Leases	3.8	2.1
(B)	15.5	9.7
Net deferred tax asset/ (liabilities) (A- B)	15.5	9.7

B) Movement in deferred tax assets/(liabilities) net

Particulars	Depreciation	Provision for employee benefits	Provision for expenses and others	Allowance for expected credit loss	Leases	Total
As at April 1, 2024	0.9	1.5	0.1	0.8	-	3.3
(Charged)/ credited to:						
Statement of Profit and Loss	0.7	3.5	(0.1)	0.2	2.1	6.4
Other Comprehensive Income						
As at March 31, 2025	1.6	5.0	-	1.0	2.1	9.7
(Charged)/ credited to:						
Statement of Profit and Loss	1.0	2.9	0.2	0.0	1.7	5.8
Other Comprehensive Income						
As at December 31, 2025	2.6	7.9	0.2	1.0	3.8	15.5

31 Earnings Per Share (EPS)

	December 31, 2025	March 31, 2025
Basic earning per share		
Profit after tax attributable to shareholders	(477.3)	(363.7)
Less:		
Dividend to Preference Share holders	0.0	0.0
Profit attributable to equity shareholders	(477.3)	(363.7)
Weighted average number of equity shares	9,40,502	9,40,502
Nominal value of share (in Rs.)	10.0	10.0
Earnings per share (Rs.)	(507.5)	(386.7)
Diluted earning per share		
Profit after tax attributable to shareholders	(477.3)	(363.7)
Weighted average number of equity shares (Nos.)	12,04,758	12,04,758
Earnings per share (Rs.)	(396.2)	(301.9)

KRSV Innovative Auto Solutions Private Limited

Notes to the Financial Statements

as at December 31, 2025

32 Financial instruments

A) Accounting classifications

The following tables shows the carrying amount / fair values of financial assets and financial liabilities:

	December 31, 2025	March 31, 2025
Financial Assets		
a) Measurement at amortised cost:		
Security deposits	20.0	18.6
Trade receivables	344.4	234.6
Cash and cash equivalents	48.0	4.6
Financial assets	3.1	3.1
Total Financial Assets	415.5	260.9
Financial Liabilities		
a) Measurement at amortised cost:		
Trade payables	209.2	99.3
Other financial liabilities	32.6	43.5
Borrowings	720.0	870.0
Lease liabilities	156.6	162.7
Total Financial Liabilities	1,118.4	1,175.5

The carrying amounts of all financial instruments (except 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, 2025

	Level 1	Level 2	Level 3	December 31, 2025
Financial Assets				
Security deposits	-	-	20.0	20.0
Trade receivables	-	-	344.4	344.4
Financial assets	-	-	3.1	3.1
Total	-	-	367.5	367.5

	Level 1	Level 2	Level 3	December 31, 2025
Financial Liabilities				
Trade payables	-	-	209.2	209.2
Other financial liabilities	-	-	32.6	32.6
Borrowings	-	-	720.0	720.0
Lease liabilities	-	-	156.6	156.6
Total	-	-	1,118.4	1,118.4

March 31, 2025

	Level 1	Level 2	Level 3	March 31, 2025
Financial Assets				
Security deposits	-	-	18.6	18.6
Trade receivables	-	-	234.6	234.6
Financial assets	-	-	3.1	3.1
Total	-	-	256.3	256.3

	Level 1	Level 2	Level 3	March 31, 2025
Financial Liabilities				
Trade payables	-	-	99.3	99.3
Other financial liabilities	-	-	43.5	43.5
Borrowings	-	-	870.0	870.0
Lease liabilities	-	-	162.7	162.7
Total	-	-	1,175.5	1,175.5

Valuation techniques and significant unobservable inputs

-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

KRSV Innovative Auto Solutions Private Limited

Notes to the Financial Statements

as at December 31, 2025

33 Ratio Analysis and its elements

Ratio	Unit of Measurement	Numerator	Denominator	December 31, 2025	March 31, 2025	Change
Current ratio ¹	Times	Current assets	Current liabilities	0.7	2.8	(74.2%)
Debt service coverage ratio	Times	Earnings for debt service	Debt service	(4.7)	(4.5)	3.9%
Return on equity ratio ²	Percentage	Net Loss after taxes	Average total equity	(50.0%)	(76.3%)	(34.4%)
Inventory turnover ratio ³	Times	Cost of goods sold	Average inventory	10.7	14.8	(27.6%)
Trade receivables turnover ratio ⁴	Times	Net credit sales	Average trade receivables	7.8	11.5	(32.1%)
Trade payables turnover ratio ⁵	Times	Net credit purchases	Average trade payables	14.2	25.5	(44.3%)
Net capital turnover ratio ⁶	Times	Net Sales	Working capital	(7.6)	6.1	(225.5%)
Net loss ratio	Percentage	Net loss	Net Sales	(21.1%)	(18.4%)	14.5%
Debt-Equity ratio	Times	Debt consists of borrowings and lease liabilities	Total Equity	(1.7)	(2.2)	(23.7%)
Return on capital employed ⁷	Percentage	Earnings before interest and taxes	Capital employed	(174.9%)	(83.9%)	108.5%
Return on investment	Percentage	Earnings before interest and taxes	Average total assets	(47.8%)	(59.9%)	(20.3%)

Explanation is provided for any change in the ratio by more than 25% as compared to the ratio of preceding year:

¹ Decrease in current ratio on account of increase in current maturities of borrowings from Schaeffler India Limited.

² Decrease in return on equity ratio on account of increase in other expenses due to expansions to newer locations

³ Decrease in inventory turnover ratio is on account of increase in inventory for new locations

⁴ Decrease in trade receivable turnover ratio is on account of higher credit period for certain product categories and customer segment including for new location customers

⁵ Decrease in trade payable turnover ratio is on account of better credit period negotiated with existing vendors and higher credit terms with new product segments

⁶ Decrease in net capital turnover ratio during the current period is on account of increase in working capital employed vis-à-vis increase in sales.

⁷ Return on capital employed decreased during the period primarily on account of higher losses compared to previous year.

KRSV Innovative Auto Solutions Private Limited**Notes to the Financial Statements***as at December 31, 2025**(All amounts are in Indian Rupees Million, unless otherwise stated)*

34 The Company does not have any contingent liabilities as at the end of the reporting period (March 31, 2025: Nil).

35 There are no capital commitments outstanding as at the end of the reporting period (March 31, 2025: Nil).

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:**

Holding Company- Schaeffler India Limited (100% shareholding)

2) Names of the Related Parties having transactions with the Company during the year.

Holding Company- Schaeffler India Limited (100% shareholding)

Affiliate Company - Schaeffler AG, Germany

Affiliate Company - Schaeffler Technologies AG & Co. KG

3) List of directors

Begur Seshadri Sandeep

Director and Chief Executive Officer

Hardevi Gordhan Das Vazirani

Director (w.e.f. February 7, 2024)

Micah Shepard

Director (w.e.f. February 7, 2024)

Kadam Harsha Gopal

Director (w.e.f. September 8, 2023)

Debasish Satapathy

Additional director (w.e.f. February 7, 2024 upto August 13, 2024)

4) Transactions with related parties during the period:

Nature of transactions	December 31, 2025	March 31, 2025
Sale of traded goods		
Schaeffler India Limited	-	0.2
Purchase of traded goods		
Schaeffler India Limited	10.8	17.1
Other services		
Schaeffler India Limited	1.7	1.8
Schaeffler AG	-	0.1
Schaeffler Technologies AG & Co. KG	5.0	-
Interest on loan from related parties		
Schaeffler India Limited	68.8	103.6
Loans from related parties		
Schaeffler India Limited	550.0	566.5
Managerial remuneration		
Begur Seshadri Sandeep	8.7	10.0
Reimbursement of Travel expenses		
Begur Seshadri Sandeep	0.8	0.7

5) Balances outstanding:

Nature of Transaction	December 31, 2025	March 31, 2025
Loans from related parties		
Schaeffler India Limited	1,420.0	870.0
Current financial liability - Trade payables		
Schaeffler India Limited	4.8	3.1
Schaeffler Technologies AG & Co. KG	5.0	-
Other financial liabilities		
Managerial remuneration	0.7	0.7
Interest accrued on loan from related parties	-	14.7

*Due to inadequacy of profit, the Company has paid managerial remuneration in accordance with section 197 read with Schedule V of the Companies Act, 2013.

Key Managerial Personnel who are under the employment of the Company are entitled to post employment benefits and other long term employee benefits recognised as per Ind AS 19 - Employee Benefits in the financial statements. As these employee benefits are lump sum amounts provided on the basis of actuarial valuation, the same is not included above.

All outstanding balances are unsecured and repayable in cash.

37 Derivative instruments:

There are no foreign currency exposures that have been hedged by a derivative instrument as at the period end.

38 Financial risk management

A) Market risk

(i) Foreign currency risk

	Effect on Loss Before Tax		
		2025	2024
EUR	+5%	(0.3)	-
	-5%	0.3	-

(ii) Interest rate risk

Nil

B) Liquidity risk

The Company's principal sources of liquidity are cash and cash equivalents and cash flows generated from operations and additionally receives funds from its parent Company Schaeffler India Limited as Borrowings ensuring adequate liquidity and timely settlement of obligations.

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 43) at the balance sheet date:

Particulars	Carrying amount	Less than 12 Months	More than 12 Months	Total
As at December 31, 2025				
Financial liabilities				
Borrowings	1420.0	700.0	720.0	1420.0
Lease liabilities	156.6	32.1	124.5	156.6
Trade payables	209.2	209.2	-	209.2
Security deposits from customers	2.0	-	2.0	2.0
Employee liabilities	26.5	26.5	-	26.5
Creditors for capital goods	0.2	0.2	-	0.2
Accrued expense	3.1	3.1	-	3.1
Other payables	0.8	0.8	-	0.8

Particulars	Carrying amount	Less than 12 Months	More than 12 Months	Total
As at March 31, 2025				
Financial liabilities				
Borrowings	870.0	-	870.0	870.0
Lease liabilities	162.7	29.4	133.3	162.7
Trade payables	99.3	99.3	-	99.3
Security deposits from customers	2.0	-	2.00	2
Employee liabilities	18.4	18.4	-	18.4
Creditors for capital goods	1.9	1.9	-	1.9
Accrued expense	6.6	6.6	-	6.6
Interest accrued on borrowings	14.6	14.6	-	14.6

C) Credit Risk

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. The expected credit loss allowance is considered as a percentage of net receivable position.

	December 31, 2025		March 31, 2025	
	Less than 6 months	More than 6 months	Less than 6 months	More than 6 months
Gross carrying amount	327.2	21.2	223.3	15.3
Allowance for expected credit loss	1.7	2.3	1.6	2.4
Carrying amount of trade receivables (net)	325.5	18.9	221.7	12.9

Reconciliation of expected credit loss allowance is as follows:

	<u>Amount</u>
As at April 1, 2024	2.6
Movement in expected credit loss allowance	1.4
As at March 31, 2025	4.0
Movement in expected credit loss allowance	-
As at December 31, 2025	4.0

39 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.

Notes to the Financial Statements

as at December 31, 2025

(All amounts are in Indian Rupees Million, unless otherwise stated)

40 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 8.5 million (March 31, 2025: 8.8 million) and contribution to ESIC for the year aggregated to 0.4 million (March 31, 2025: 0.6 million).

Defined benefit plans

The Company has defined benefit plans that provide gratuity benefit which is unfunded. 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 following table summarises the position of assets and obligations

	Gratuity	
	December 31, 2025	March 31, 2025
Present value of funded obligations	13.8	8.8
Liability recognised in balance sheet	13.8	8.8

Classification into current / non-current

The (asset) / liability in respect of each of the plans comprises of the following non-current and current portions:

	Gratuity	
	December 31, 2025	March 31, 2025
Non current liability	13.1	8.4
Current liability	0.7	0.4
Total	13.8	8.8

Movement in present values of defined benefit obligations:

	Gratuity	
	December 31, 2025	March 31, 2025
Defined benefit obligation- opening	8.8	4.7
Interest cost	0.4	0.3
Service cost	4.3	4.7
Actuarial (gains)/ losses recognised in other comprehensive income due to:		
Change in assumptions	(0.3)	0.3
Demographic assumptions	0.6	(1.1)
Experience changes	-	-
Benefits paid / Employees contribution	-	(0.1)
Liabilities assumed / (settled)	-	-
Defined benefit obligation- closing	13.8	8.8

Expense recognized in the Statement of Profit and Loss:

	Gratuity	
	December 31, 2025	March 31, 2025
Current service cost	4.3	4.7
Interest on net defined benefit liability / (asset)	0.4	0.3
Actuarial (Gain)/Loss	-	-
Total included in Employee benefits expense	4.7	5.0

Remeasurements recognised in other comprehensive income

	Gratuity	
	December 31, 2025	March 31, 2025
Actuarial (gain)/ loss on defined benefit obligation	0.3	(0.8)
Return on plan assets excluding interest income	-	-
Currency effects - OCI from DBO	-	-
	0.3	(0.8)

Notes to the Financial Statements

as at December 31, 2025

(All amounts are in Indian Rupees Million, unless otherwise stated)

40 Employee benefits: Post employment benefit plans (continued)**Principal actuarial assumptions at the balance sheet date**

	Gratuity	
	December 31, 2025	March 31, 2025
Discount rate per annum as at December 31	6.6%	6.8%
Expected return per annum on plan assets as at December 31	0.0%	0.0%
Future salary increment	7.0%	7.0%
Retirement age	58	60
Mortality	Indian Assured Lives Mortality (2012-14) Ultimate	Indian Assured Lives Mortality (2012-14) Ultimate
Attrition rate	10.0%	10.0%

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 50 basis points:

	December 31, 2025		March 31, 2025	
	Increase	Decrease	Increase	Decrease
Discount rate (50 bps movement on DBO)				
- % change	(7.9%)	9.1%	(7.8%)	9.0%
- decrease or increase in DBO	(12.7)	15.1	(8.1)	9.6
Salary escalation rate (50 bps movement on DBO)				
- % change	9.0%	(8.0%)	8.9%	(7.9%)
- decrease or increase in DBO	15.1	12.7	9.6	8.1

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.

Maturity profile of defined benefit obligations:

Year	December 31, 2025	March 31, 2025
Year 1	0.7	0.4
Year 2	1.1	0.6
Year 3	1.5	1.1
Year 4	1.3	0.9
Year 5	1.6	0.9
Year 6-9	6.3	4.2
Year 10 and above	15.2	9.8

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:

(i) 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).

(ii) 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.

(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.

Notes to the Financial Statements

as at December 31, 2025

(All amounts are in Indian Rupees Million, unless otherwise stated)

41 Segment reporting**Information about business segments:**

As per 'Ind AS 108 - Operating Segments', the Company offers spare parts solution to Indian Automotive aftermarket workshops via B-to-B e-commerce platform and its activity falls within a single business segment. Accordingly no additional disclosures are to be provided under this Ind AS.

42 No tax provision is made since the Company is in losses.

Accordingly, the Company has recognised deferred tax asset for the year ended December 31, 2025 on the basis of estimated annual effective income tax rate.

43 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 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:**

Particulars	December 31, 2025	March 31, 2025
At the commencement of the year	162.7	-
(Deletions)/adjustments	(1.5)	-
Additions/(deletions) during the period	27.5	198.5
Payments made during the period	(32.1)	(35.8)
Closing Balance	156.6	162.7

4 Amounts recognised in the Statement of Profit and Loss

The statement of profit and loss shows the following amounts relating to lease:

Particulars	December 31, 2025	March 31, 2025
Depreciation charge on right-of-use assets	30.7	35.4
Interest expense (included in finance cost)	8.8	9.5
Expense relating to short-term leases /leases of low-value assets (refer note 28)	11.6	7.3
Interest income on amortisation of discounting of security deposit	(0.7)	(0.8)
Total	50.4	51.4

5 Right-of-use assets by class of assets is as follows

Particulars	Gross Block				Amortisation				Net Block
	As at April 1, 2025	Additions	Deductions	As at December 31, 2025	As at April 1, 2025	For the year	Deductions	As at December 31, 2026	As at December 31, 2025
Tangible Assets									
Buildings	193.4	18.9	1.5	210.8	35.4	30.7	-	66.1	144.7
Total	193.4	18.9	1.5	210.8	35.4	30.7	-	66.1	144.7

Particulars	Gross Block				Amortisation				Net Block
	As at April 1, 2025	Additions	Deductions	As at December 31, 2025	As at April 1, 2025	For the year	Deductions	As at December 31, 2026	As at December 31, 2025
Tangible Assets									
Buildings	-	193.4	-	193.4	-	35.4	-	35.4	158.0
Total	-	193.4	-	193.4	-	35.4	-	35.4	158.0

6 Lease liabilities

The table provides details regarding contractual liabilities of lease liabilities on an undiscounted basis.

Particulars	2025	2024
Undiscounted future cash outflows		
Not later than 1 year	42.2	39.6
Later than 1 year and not later than 5 years	103.8	105.8
Later than 5 years	35.3	46.1

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.

Notes to the Financial Statements

as at December 31, 2025

(All amounts are in Indian Rupees Million, unless otherwise stated)

44 Disclosure as per Ind AS 1 'Presentation of Financial Statements'

Reconciliation of restated items of Balance Sheet as at December 31, 2025

Particulars	As previously reported	Regrouping	As regrouped	Reasons for regrouping/adjustments
Other non-current assets				
Balance with government authorities	67.6	(67.1)	0.5	Adjustment of set off of GST Receivable with GST Payable and regrouping from Non Current Assets to Current Assets
Capital advances	-	0.5	0.5	Capital advances regrouped from Current Assets to Non-Current Assets
Other current assets				
Balance with Government Authorities	67.3	0.1	67.4	Adjustment of set off of GST Receivable with GST Payable and regrouping from Non Current Assets to Current Assets
Capital Advances	0.5	(0.5)	-	Capital advances regrouped from Current Assets to Non-Current Assets
Total Assets	135.4	(67.0)	68.4	
Equity	12.0	(2.6)	9.4	Regrouped compulsory convertible preference share from Equity to Other Equity
Other equity	(488.9)	2.6	(486.3)	Regrouped compulsory convertible preference share from Equity to Other Equity
Other current liabilities				
Other statutory dues	78.0	(67.0)	11.0	Adjustment of set off of GST Receivable with GST Payable
Total Equity & Liability	(398.9)	(67.0)	(465.9)	

- 45 Pursuant to an application filed by the Company with the Regional Director, South Eastern Region Ministry of Corporate Affairs under Section 2(41) of the Companies Act, 2013 read with Rule 40 of the Companies (Incorporation) Rules, 2014, an order was passed on September 26, 2025 approving the change in the Company's financial year. Accordingly, the financial year has been changed from April–March to January–December.

Consequently, these financial statements have been prepared for the nine-month period from April 1, 2025 to December 31, 2025. The comparative figures presented relate to the previous financial year, which covered the twelve-month period from April 1, 2024 to March 31, 2025. As a result, figures for the current period are not directly comparable with those of the previous year.

The financial statements have been prepared in accordance with the provisions of the Companies Act, 2013, applicable accounting standards, and relevant guidance issued by regulatory authorities. All amounts are presented in Indian Rupees (INR), unless otherwise stated.

- 46 The implementation of the new Labour Codes has not resulted in any incremental impact on the provision for gratuity and compensated absences in the books of account since the company's salary structure is aligned with the provisions of new Labour Codes. The Company continues to monitor the finalization of Central / State Rules and clarifications from the Government on other aspects of the new Labour Codes and would provide appropriate accounting effect on the basis of such developments, as needed.

Going Concern and Support from

47 Holding Company

For the year ended December 2025, the Company incurred a net loss of Rs. 477.3 million (Previous year: Rs. 363.7 million) and, as at the reporting date, the accumulated losses stood at Rs. 1,220.7 million, primarily on account of scaling up in ramp-up period and overhauling of business operations, which has its gestation period. Schaeffler India Limited, the Holding Company acquired the Company in 2023 for strategic long term business goal purpose. Hence, this is second full year of operations after Company's acquisition by the Holding Company and operations' overhaul. During the current period, the Company's business operations have demonstrated significant growth as compared to the previous year, as evidenced by an increase in revenues. Additionally, during the period, the Company recorded an increase in its customer base and expanded its geographical reach and adding new locations and the same will continue in CY26. Company Management has high focus on profitable growth and according to management's approved business plans and financial projections, the Company expects continued improvement in operational performance leading to positive EBIT position in CY28 and the same is expected to witness further push in subsequent periods. Further, the Holding Company has demonstrated strong confidence and firm conviction in the business prospects/potential of the Company through infusion of Rs. 550 million in form of loans have been infused in current period. Further, the Holding Company has also extended loan of Rs. 120 million subsequent to the reporting date. While the financial statements indicate that the current liabilities exceed the current assets, this position primarily stems from the loan of Rs. 700 million obtained from the Holding Company, classified as current liability. The Holding Company has demonstrated its intention and ability to continue providing financial support, as evidenced from the fact that the loan of Rs. 700 million has been approved by board of directors to convert the same from short term to long term subsequent to the reporting date. The Parent Company has also given comfort letter to the Company expressing commitment to infuse the additional funds in future as well. Furthermore, the Company operates without external debt obligations, with all funding exclusively provided by the Parent entity. Consequently, Company faces no liquidity constraints and has consistently met its financial obligations when due. The Company continues to operate uninterruptedly and poised to post better financial results in coming periods.

48 Other Statutory Information

- The Company does not have any Benami property, where any proceeding has been initiated or pending against the Company for Holding any Benami property.
- The Company does not have any transactions with companies struck off.
- The Company does not have any charges or satisfaction which is yet to be registered with ROC beyond the statutory period.
- The Company has not traded or invested in Crypto currency or Virtual Currency during the period.
- The Company has not advanced or loaned or invested funds to any other person(s) or entity(is), including foreign entities (Intermediaries) with the understanding that the Intermediary shall:
 - 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
 - provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries
- The Company has not received any fund from any person(s) or entity(is), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Company shall:
 - 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,
- 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 period 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).

- 49 The financial statement are approved for issued by the Board of Directors in their meeting held on February 23, 2026.

As per our report of even date attached

For K C Mehta & Co LLP

Chartered Accountants

Firm's Registration No. 106237W/W100829

For and on behalf of the Board of Directors

Shripal Shah
Partner
Membership No: 114988

B S Sandeep
Director
DIN: 07283077

Harsha Kadam
Director
DIN: 07736005

Place: Vadodara
Date: February 23, 2026

Place: Bengaluru
Date: February 23, 2026

Place: Bengaluru
Date: February 23, 2026