

Balance Sheet

as at March 31, 2025

(All amounts are in Indian Rupees Million, except share data and per share data, unless otherwise stated)

	Particulars	Notes	March 31, 2025	March 31, 2024
A)	ASSETS			
1	Non-current assets			
a)	Property, plant and equipment	3.1	22.9	13.1
b)	Right of use asset		158.0	-
c)	Intangible assets	3.2	9.4	10.5
d)	Financial assets			
(i)	Security deposits	4	18.6	15.1
d)	Deferred tax assets (net)	29	9.7	3.2
e)	Other non-current assets	5	67.6	26.7
	Total non-current assets		286.2	68.6
2	Current assets			
a)	Inventories	6	173.1	78.5
b)	Financial assets			
(i)	Trade receivables	7	234.6	108.3
(ii)	Cash and cash equivalents	8	4.6	18.0
(iii)	Bank balances other than (ii) above		-	-
(iv)	Other financial assets	9	3.1	0.3
c)	Other current assets	10	93.4	37.5
	Total current assets		508.8	242.6
	TOTAL ASSETS		795.0	311.2
B)	EQUITY & LIABILITIES			
1	Equity			
a)	Equity share capital	11	12.0	12.0
b)	Other equity	12	(488.9)	(126.0)
	Total Equity		(476.9)	(114.0)
	Liabilities			
2	Non-current liabilities			
a)	Financial liabilities			
(i)	Borrowings	13	870.0	303.5
(ii)	Lease liabilities		133.3	-
(iii)	Other financial liabilities	14	2.0	3.7
b)	Provisions	15	16.5	4.6
c)	Deferred tax liabilities (net)	29	-	-
	Total non-current liabilities		1,021.8	311.8
3	Current liabilities			
a)	Financial liabilities			
(i)	Lease liabilities		29.4	-
(ii)	Trade payables	16		
	Total outstanding dues of			
a)	micro enterprises and small enterprises		-	-
b)	other than micro enterprises and small		99.3	54.2
(ii)	Other financial liabilities	17	41.5	27.4
b)	Other current liabilities	18	78.0	31.7
c)	Provisions	19	1.9	0.1
d)	Current tax liabilities (net)		-	-
	Total current liabilities		250.1	113.4
	Total Liabilities		1,271.9	425.2
	TOTAL EQUITY AND LIABILITIES		795.0	311.2
	Significant accounting policies	2		
	Notes to the financial statements	3-46		

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

As per our report of even date attached

For Mohana Mani & Associates

Chartered Accountants

Firm Regn. No. 010711S

For and on behalf of the Board of Directors

H.P Mohana Kumar

Partner

Membership No: 029181

Place: Bengaluru

Date: 16-Sep-2025

B S Sandeep

Director

DIN: 07283077

Place: Bengaluru

Date: 16-Sep-2025

Harsha Kadam

Director

DIN: 07736005

Place: Bengaluru

Date: 16-Sep-2025

Statement of Profit and Loss

for the year ended March 31, 2025

(All amounts are in Indian Rupees Million, except share data and per share data, unless otherwise stated)

Particulars	Notes	For the period ended March 31, 2025	For the period ended March 31, 2024
Income			
Revenue from operations	20	1,981.2	786.6
Other income	21	0.8	6.0
Total Income (I)		1,982.0	792.6
Expenses			
Purchases of stock-in-trade	22	1,960.5	799.5
Changes in inventories of finished goods, stock-in-trade and work-in-progress	23	(94.6)	(45.2)
Employee benefits expense	24	219.2	112.7
Finance costs	25	58.6	14.3
Depreciation and amortisation expense	26	47.2	12.8
Other expenses	27	161.2	70.4
Total Expenses (II)		2,352.1	964.5
Profit/(Loss) before tax		(370.1)	(171.9)
Tax expense	28		
Deferred tax (credit)		(6.4)	(3.8)
Profit/(Loss) for the year	(A)	(363.7)	(168.1)
Other Comprehensive Income			
Items that will not be reclassified subsequently to profit or loss: (gain) / loss on remeasurement of post employment benefits obligation		(0.8)	0.6
Total Other Comprehensive Income for the year (net of tax)	(B)	(0.8)	0.6
Total comprehensive income for the year	(A + B)	(362.9)	(168.7)
Earnings per equity share [Nominal value of share rupees 10 each]	30		
Basic		(386.7)	(178.9)
Diluted		(386.7)	(178.9)
Significant accounting policies	2		
Notes to the financial statements	3-46		

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

As per our report of even date attached

For Mohana Mani & Associates
Chartered Accountants
Firm Regn. No. 010711S

For and on behalf of the Board of Directors

H.P Mohana Kumar
Partner
Membership No: 029181

B S Sandeep
Director
DIN: 07283077

Harsha Kadam
Director
DIN: 07736005

Place: Bengaluru
Date: 16-Sep-2025

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Date: 16-Sep-2025

Cash Flow Statement

for the year ended March 31, 2025

(All amounts are in Indian Rupees Million, except share data and per share data, unless otherwise stated)

	March 31, 2025	March 31, 2024
Cash flows from operating activities		
Net profit before tax	(370.1)	(171.9)
Adjustments:		
Depreciation and amortisation	47.2	12.8
Finance costs	58.6	14.3
Loss on fixed assets sold (net)	-	0.1
Interest income on fixed deposit	-	(0.6)
Interest income on amortisation of security deposit	(0.8)	
Provision for doubtful debts/advances	1.4	2.6
Bad debts written off	-	0.2
Provision no longer required written back	-	0.1
	106.4	29.5
Operating cash flow before changes in working capital	(263.7)	(142.4)
Changes in working capital		
(Increase) / decrease in trade and other receivables	(234.6)	(133.1)
(Increase) / decrease in inventories	(94.6)	(45.2)
Increase / (decrease) in trade and other payables	49.3	40.9
Increase/(decrease) in other liabilities and provisions	44.7	32.5
	(235.2)	(104.9)
Cash generated from operating activities	(498.9)	(247.3)
Income tax paid (net of refunds)	-	-
A. Net cash from operating activities	(498.9)	(247.3)
Cash flows from investing activities		
Purchase and construction of property, plant and equipment (tangible and intangible fixed assets, capital work-in-progress)	(7.1)	(18.7)
Proceeds from sale of property, plant and equipment	-	0.1
(Investment in) / maturity of fixed deposits (with original maturity of more than 3 months and remaining maturity of less than 12 months)	-	16.0
Interest received	-	0.6
B. Net cash used in investing activities	(7.1)	(2.0)
Cash flows from financing activities		
Finance costs paid	(38.1)	(9.6)
Loan from Holding Co	566.5	303.5
Payment of lease liability	(26.3)	-
Interest on lease liabilities	(9.5)	-
Repayment of short term borrowings	-	(32.6)
Repayment of long term borrowings	-	(48.7)
Term Loan from others	-	-
C. Net cash used in financing activities	492.6	212.6
Net (decrease) / increase in cash and cash equivalents (A + B + C)	(13.4)	(36.7)
Cash and cash equivalents at the beginning of period (see note 2 below)	18.0	54.7
Cash and cash equivalents at the end of period (see note 2 below)	4.6	18.0
	(13.4)	(36.7)

Cash Flow Statement

for the year ended March 31, 2025

(All amounts are in Indian Rupees Million, except share data and per share data, unless otherwise stated)

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 comprise of:

	March 31, 2025	March 31, 2024
Cash on hand	0.1	0.2
With scheduled banks on :		
Current accounts	4.5	17.8
Deposit accounts (with original maturity of three months or less)	-	-
	4.6	18.0

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

As per our report of even date attached

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Chartered Accountants

Firm Regn. No. 010711S

For and on behalf of the Board of Directors

H.P Mohana Kumar

Partner

Membership No: 029181

Place: Bengaluru

Date: 16-Sep-2025

B S Sandeep

Director

DIN: 07283077

Place: Bengaluru

Date: 16-Sep-2025

Harsha Kadam

Managing Director

DIN: 07736005

Place: Bengaluru

Date: 16-Sep-2025

Statement of Changes in Equity
for the year ended March 31, 2025

(All amounts are in Indian Rupees Million, except share data and per share data, unless otherwise stated)

(A) Equity Share Capital

	Amount
As at April 1, 2022	9.4
Changes in equity share capital	-
As at March 31, 2023	9.4
Changes in equity share capital	-
As at March 31, 2024	9.4
Changes in equity share capital	-
As at March 31, 2025	9.4

(B) Preference Share Capital

	Amount
As at April 1, 2022	2.6
Changes in equity share capital	-
As at March 31, 2023	2.6
Changes in equity share capital	-
As at March 31, 2024	2.6
Changes in equity share capital	-
As at March 31, 2025	2.6

(C) Other equity

	Reserves and surplus			Total
	Securities premium	Retained earnings	Other comprehensive income	
As at April 1, 2022	207.7	(122.5)	-	85.2
Issued during the year	46.7	-	-	46.7
Profit for the year	-	(89.2)	-	(89.2)
As at March 31, 2023	254.4	(211.7)	-	42.7
Profit for the year	-	(168.1)	(0.6)	(168.7)
As at March 31, 2024	254.4	(379.8)	(0.6)	(126.0)
Profit for the year	-	(363.7)	0.8	(362.9)
As at March 31, 2025	254.4	(743.5)	0.2	(488.9)

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, less any transfers to General reserve and payment of dividend. It is utilised in accordance with the provisions of the Companies Act, 2013.

Significant accounting policies 2
Notes to the financial statement 3-46

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

As per our report of even date attached

For Mohana Mani & Associates

Chartered Accountants

Firm Regn. No. 010711S

For and on behalf of the Board of Directors

H.P Mohana Kumar

Partner

Membership No: 029181

Place: Bengaluru

Date: 16-Sep-2025

B S Sandeep

Director

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Place: Bengaluru

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Harsha Kadam

Director

DIN: 07736005

Place: Bengaluru

Date: 16-Sep-2025

KRSV Innovative Auto Solutions Private Limited

Notes to the Standalone Financial Statements

for the year ended March 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. 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. Significant accounting policies

2.1 Basis of preparation

- (i) These financial statements of KRSV Innovative Auto Solutions Private Limited ('the Company') have been prepared in accordance with Indian Accounting Standards as per the Companies (Indian Accounting Standards) Rules, 2015 as amended and notified under Section 133 of the Companies Act, 2013 (the 'Act') and other relevant provisions of the Act.

During the year the Company has adopted Ind AS for the first time by virtue of the acquisition by Schaeffler India Limited and the Company becoming the Subsidiary Company.

The accounting policies adopted in the preparation of these financial statements are consistent for all the periods presented.

The financial statements are presented in Indian Rupees, which is the Company's functional currency and all values are rounded off to the nearest million with one decimal place, except when otherwise indicated.

- (ii) The financial statements have been prepared on a historical cost convention basis, except for the following:
- defined benefit plans - net defined benefit (asset) / liabilities – Fair value of plan assets less present value of defined benefit obligation.

2.2 Current and non-current classification

All assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle and other criteria set out in Schedule III of the Act. Based on the nature of the products and time taken between acquisition of assets for processing and their realisation in cash and cash equivalents, the Company has ascertained its normal operating cycle as twelve months for the purpose of current or non-current classification of assets and liabilities.

Deferred tax assets and deferred tax liabilities are classified as non-current assets and non-current liabilities.

2.3 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.

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

KRSV Innovative Auto Solutions Private Limited

Notes to the Standalone Financial Statements (*continued*)

for the year ended March 31, 2025

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 39 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 March 31, 2025

2.4 Property, Plant and Equipment and intangible

Property, Plant and Equipment (PPE) are stated at cost of acquisition or construction (including directly attributable expenses thereto), net of impairment loss if any, less depreciation / amortisation. Cost includes financing costs of borrowed funds attributable to acquisition or construction of qualifying fixed assets, up to the date the assets are put to use.

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

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.

Expenditure pertaining to research is expensed out as and when incurred. Expenditure incurred on development is capitalized if such expenditure leads to creation of an asset, otherwise such expenditure is charged to the statement of profit and loss.

At the time of first-time adoption of Ind AS the company has opted to continue with the carrying value for all of its property, plant and equipment and intangible assets as recognized in financial statement prepared under previous GAAP and use the same as deemed cost in the financial statement as at the transition date i.e. September 1, 2023.

On transition to Ind AS, the Company has elected to continue with the carrying value of all its PPE recognised as at April 1, 2022 (transition date) measured as per the Previous GAAP and use that carrying value as the deemed cost of the PPE.

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	Plant and equipments	3-8 Years
2	Furniture & fixtures	5-10 Years
3	Office equipments	5 Years
4	Vehicles	5 Years
5	Software	3 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.

KRSV Innovative Auto Solutions Private Limited

Notes to the Standalone Financial Statements (*continued*)

for the year ended March 31, 2025

- (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 1 September 2023, 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.

At inception of the Contract, the Company assess whether a contract contains a lease, at the inception of the contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Company assesses whether (i) the contract involves the use of identified asset; (ii) the Company has substantially all of the economic benefits from the use of the asset through the period of lease and (iii) the Company has right to direct the use of the asset.

At the inception date, right-of-use asset is recognised at cost which includes present value of lease payments adjusted for any payments made on or before the commencement of lease and initial direct cost, if any. It is subsequently measured at cost less accumulated depreciation, accumulated impairment losses, if any and adjusted for any remeasurement of the lease liability. Right-of-use asset is depreciated using the straight-line method from the commencement date over the earlier of useful life of the asset or the lease term. When the Company has purchase option available under lease and cost of right-of-use assets reflects that purchase option will be exercised, right-of-use asset is depreciated over the useful life of underlying asset. Right-of-use assets are tested for impairment whenever there is any indication that their carrying amounts may not be recoverable. Impairment loss, if any, is recognised in the statement of profit and loss.

At the inception date, lease liability is recognised at present value of lease payments that are not made at the commencement of lease. Lease liability is subsequently measured by adjusting carrying amount to reflect interest, lease payments and remeasurement, if any.

Lease payments are discounted using the incremental borrowing rate or interest rate implicit in the lease, if the rate can be determined.

The Company has elected not to apply requirements of Ind AS 116 to leases that has a term of 12 months or less and leases for which the underlying asset is of low value. Lease payments of such lease are recognised as an expense on straight line basis over the lease term.

Lease term is a non-cancellable period together with periods covered by an option to extend the lease if the Company is reasonably certain to exercise that option; and periods covered by an option to terminate the lease if the Company is reasonably certain not to exercise that option.

Operating leases

Leases, where the lessor effectively retains substantially all the risks and benefits of ownership of the leased assets during the lease term, are classified as operating leases. Operating lease payments are recognized as expense in the Statement of Profit and Loss on a straight-line basis over the lease term, unless such payments are structured to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases.

KRSV Innovative Auto Solutions Private Limited

Notes to the Standalone Financial Statements (*continued*)

for the year ended March 31, 2025

2.6 Impairment

The carrying amounts of assets are reviewed at each reporting date to determine if there is any indication of impairment based on internal/external factors. Assessment of indication of impairment of an asset is made at the year end. An impairment loss is recognized wherever the carrying amount of an asset exceeds its recoverable amount. The recoverable amount is the greater of the asset's net selling price and value in use. In assessing value in use, the Company measures its 'value in use' on the basis of estimated discounted cash flows of projections based on current prices. After impairment, depreciation is provided on the revised carrying amount of the asset over its remaining useful life.

When an impairment loss subsequently reverses, the carrying amount of the asset or a cash-generating unit is increased to the revised estimate of its recoverable amount, so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset earlier.

2.7 Inventories

Inventories comprise of all costs of purchase, 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.

Stores, spares and tools other than obsolete and slow-moving items are carried at cost.

Cost is determined on a weighted average basis.

2.8 Revenue recognition

Revenue from sale of goods is recognised when control of the goods or services are transferred to the customer at an amount that reflects the consideration to which the Company expects to be entitled in exchange for those goods. Company recognized revenue at a point-in-time. The point-in-time is determined when the control of the goods or services is transferred which is generally determined based on when the significant risks and rewards of ownership are transferred to the customer. Apart from this, the Company also considers its present right to payment, the legal title to the goods, the physical possession and the customer acceptance in determining the point in time where control has been transferred. The Company assesses promises in the contract that are separate performance obligations to which a portion of transaction price is allocated.

In determining the transaction price, the Company considers below, if any:

Variable consideration

This includes discounts, incentives, volume rebates, etc. It is estimated at contract inception and constrained until it is highly probable that a significant revenue reversal in the amount of cumulative revenue recognized will not occur when the associated uncertainty with the variable consideration is subsequently resolved. It is reassessed at end of each reporting period.

Contract balances

Trade receivables: A receivable represents the Company's right to an amount of consideration that is unconditional i.e. only the passage of time is required before payment of consideration is due.

Contract 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

KRSV Innovative Auto Solutions Private Limited

Notes to the Standalone Financial Statements (*continued*)

for the year ended March 31, 2025

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.

2.9 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

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.

2.10 Income and deferred taxes

Tax expense comprises current and deferred tax. Current income tax is measured at the amount expected to be paid to the tax authorities in accordance with the provisions of the Indian Income Tax Act, 1961. Deferred tax is provided using the liability method on temporary differences between the tax base of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

Deferred tax is measured based on the tax rates and tax laws enacted or substantively enacted at the balance sheet date. Deferred tax liabilities are recognized for all taxable temporary differences.

KRSV Innovative Auto Solutions Private Limited

Notes to the Standalone Financial Statements (*continued*)

for the year ended March 31, 2025

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.

2.11 Provisions, Contingent Liabilities and Contingent Assets

Provisions are recognized when the Company has a present obligation (legal or constructive) as a result of past events, it is probable that an outflow of resources will be required to settle the obligation and in respect of which a reliable estimate can be made of the amount of obligation. Provisions are not discounted to its present value and are determined based on best estimates required to settle the obligation at the reporting date. These are reviewed at each reporting date and adjusted to reflect the current best estimates.

A disclosure by way of a contingent liability is made when there is a possible obligation or a present obligation that may, but probably will not, require an outflow of resources. Contingent assets are not recognised or disclosed in the financial statements.

2.12 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.

2.13 Cash and cash equivalents

Cash and cash equivalents include, cash in hand and at bank.

2.14 Fair value measurement

The Company's accounting policies and disclosures require the measurement of fair values for both financial and non-financial assets and liabilities. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The Company has an established control framework with respect to the measurement of fair values. The Company's management regularly reviews significant unobservable inputs and valuation adjustments. If third party information is used to measure fair values, then the Company's management assesses the evidence obtained from the third parties to support the conclusion that such valuations meet the requirements of Ind AS, including the level in the fair value hierarchy in which such valuations should be classified.

When measuring the fair value of a financial asset or a financial liability, the Company uses observable market data as far as possible. Fair values are categorized into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2: Inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

KRSV Innovative Auto Solutions Private Limited

Notes to the Standalone Financial Statements (*continued*)

for the year ended March 31, 2025

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 2.9 on financial instruments

2.15 Recent accounting pronouncements

Standards issued but not yet effective

Ministry of Corporate Affairs ("MCA") notifies new standard or amendments to the existing standards. There is no such notification which would have been applicable from April 1, 2025.

Notes to the Financial Statements

for the year ended March 31, 2025

(All amounts are in Indian Rupees Million, except share data and per share data, unless otherwise stated)

3.1 Property plant and equipment

	Furniture & fixtures	Office equipments	Vehicles	Total
Cost				
As at 1st April, 2022 (Deemed cost)	3.5	2.3	-	5.8
Additions	1.3	0.9	0.4	2.6
Disposals	-	-	-	-
As at March 31, 2023	4.8	3.2	0.4	8.4
Additions	4.1	7.1	-	11.2
Disposals	0.1	0.1	-	0.2
As at March 31, 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
Accumulated depreciation				
As at 1st April, 2022	1.4	1.8	-	3.2
Depreciation for the year	0.7	0.4	0.1	1.2
Deletions	-	-	-	-
As at March 31, 2023	2.1	2.2	0.1	4.4
Depreciation for the period	1.1	0.9	-	2.0
Deletions	-	0.1	-	0.1
As at March 31, 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
Net Block				
As at 1st April, 2022	2.1	0.5	-	2.6
As at March 31, 2023	2.7	1.0	0.3	4.0
As at March 31, 2024	5.6	7.2	0.3	13.1
As at March 31, 2025	6.3	16.3	0.3	22.9

3.2 Intangible assets

	Software
Cost	
As at 1st April, 2022 (Deemed cost)	23.0
Additions	8.7
Disposals	-
As at March 31, 2023	31.7
Additions	7.3
Disposals	-
Assets held for sale	-
As at March 31, 2024	39.0
Additions	6.0
Disposals	-
Assets held for sale	-
As at March 31, 2025	45.0
Accumulated amortisation	
As at 1st April, 2022	14.6
Amortisation for the year	3.1
Deletions	-
As at March 31, 2023	17.7
Amortisation for the year	10.8
Deletions	-
Assets held for sale	-
As at March 31, 2024	28.5
Amortisation for the year	7.1
Deletions	-
Assets held for sale	-
As at March 31, 2025	35.6
Net Block	
As at 1st April, 2022	8.4
As at March 31, 2023	14.0
As at March 31, 2024	10.5
As at March 31, 2025	9.4

Notes to the Financial Statements

for the year ended March 31, 2025

(All amounts are in Indian Rupees Million, except share data and per share data, unless otherwise stated)

8 Cash and cash equivalents

	March 31, 2025	March 31, 2024
Cash on hand	0.1	0.2
Balances with banks in current accounts	4.5	17.8
Total	4.6	18.0

9 Other financial assets

	March 31, 2025	March 31, 2024
Security deposits (considered good, unsecured)	3.1	0.3
Total	3.1	0.3

10 Other current assets

	March 31, 2025	March 31, 2024
<i>Unsecured and considered good</i>		
Balance with Government authorities	67.3	27.3
Advances to suppliers	20.4	8.4
Capital advance, considered good	0.5	0.3
Advances to employees	1.1	0.1
Prepaid expenses	4.1	1.4
Total	93.4	37.5

KRSV Innovative Auto Solutions Private Limited

Notes to the Financial Statements

for the year ended March 31, 2025

(All amounts are in Indian Rupees Million, except share data and per share data, unless otherwise stated)

11 Equity share capital

	March 31, 2025	March 31, 2024
Authorised capital		
10,00,000 (March 31, 2024: 10,00,000) Equity shares of Rs. 10/- each	10.0	10.0
3,50,000 (March 31, 2024: 3,50,000) Compulsory Convertible Preference Shares of Rs. 10/- each	3.5	3.5
Total	13.5	13.5
Issued, subscribed and paid-up		
9,40,502 (March 31, 2024: 9,40,502) fully paid-up equity shares of Rs. 10/- each	9.4	9.4
2,64,256 (March 31, 2024: 2,64,256) fully paid-up Compulsory Convertible Preference Shares of Rs. 10/- each	2.6	2.6
Total	12.0	12.0

During the previous year ended March 31, 2024, Schaeffler India Limited has acquired 100% shareholding in Koovers on September 8, 2023. Consequently, the Company has become a subsidiary of Schaeffler India Limited.

Details of Promoters shares holding

S. No.	Promoter name	Number of shares held	% of total shares ¹
1	Schaeffler India Limited	9,40,496	99.999
2	Industriewerk Schaeffler INA-Ingeneurdienst GmbH	1	0.0
3	Schaeffler Beteiligungsgesellschaft mit beschränkter Haftung	1	0.0
4	Schaeffler Beteiligungsverwaltungs GmbH	1	0.0
5	Schaeffler Böhler Verwaltungs GmbH	1	0.0
6	Schaeffler Schweinfurt Beteiligungs GmbH	1	0.0
7	Schaeffler Verwaltungsholding Sechis GmbH	1	0.0
		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:

	March 31, 2025		March 31, 2024	
	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

	March 31, 2025		March 31, 2024	
	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 equity shares:

The Company has two classes of shares, viz Equity Shares and Compulsory Convertible Preference Shares, having a par value of Rs. 10 per share. Each shareholder is eligible for one vote.

c) Shares held by ultimate holding company and / or their subsidiaries/ affiliates:

Name of Shareholders	March 31, 2025		March 31, 2024	
	No. of Shares held (of ₹ 10 each)	Amount	No. of Shares held (of ₹ 10 each)	Amount
Schaeffler India Limited	9,40,496	9.4	9,40,496	9.4
Total	9,40,496	9.4	9,40,496	9.4

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

Name of Shareholder	March 31, 2025		March 31, 2024	
	No. of Shares held	% of shareholding	No. of Shares held	% of shareholding
Schaeffler India Limited	9,40,496	99.999	9,40,496	99.999
Preference Shares				
Name of Shareholder	March 31, 2025		March 31, 2024	
	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

e) Aggregate number of equity shares allotted as fully paid up pursuant to contract without consideration received in cash, Bonus shares issued and shares bought back during the period of 5 years immediately preceding the financial year: Nil

12 Other equity

	March 31, 2025	March 31, 2024
Securities premium	254.4	254.4
Retained earnings		
At the beginning of the year	(379.8)	(211.7)
Add: Net Profit/(loss) for the year	(363.7)	(168.1)
	(743.5)	(379.8)
Other comprehensive income		
Loss on remeasurement of post employment benefits obligation	(0.6)	-
At the beginning of the year	0.8	(0.6)
Add: for the year	0.2	(0.6)
Total	(488.9)	(126.0)

13 Borrowings			March 31, 2025	March 31, 2024
Non-current				
Loans from related parties (unsecured) ¹			870.0	303.5
Total			870.0	303.5
¹ Indian rupee unsecured loans from Schaeffler India Limited (Holding Company) carrying interest rate ranging from 8.0% to 9.0%. 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 three year as per mutually agreed terms between the lender and the borrower.				
Name of the lender	Rate of Interest / Due date	Secured/ unsecured	March 31, 2025	March 31, 2024
Schaeffler India Limited	8.0% - 9.0%	Unsecured	870.0	303.5
	Various			

Changes in liabilities arising from financing activities:

	March 31, 2025	March 31, 2024
Net debt at beginning of the year	303.5	81.3
Increase in current borrowings	566.5	-
Increase in non-current borrowings	-	303.5
Decrease in current borrowings	-	(32.6)
Decrease in non-current borrowings	-	(48.7)
Closing balance of borrowings	870.0	303.5

14 Other financial liabilities (non current)			March 31, 2025	March 31, 2024
Security deposits from customers			2.0	3.7
Total			2.0	3.7

15 Provisions (non current)			March 31, 2025	March 31, 2024
Provision for employee benefits				
Gratuity (refer Note 39)			8.4	4.6
Compensated absences			8.1	-
Total			16.5	4.6

16 Current financial liability - Trade payables			March 31, 2025	March 31, 2024
Total outstanding dues of micro and small enterprises			-	-
Total outstanding dues of creditors other than micro and small enterprises				
Other than related parties			99.3	54.2
Related parties (refer note 35)			-	-
Total			99.3	54.2

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	March 31, 2025	March 31, 2024
a) the principal amount and the interest due thereon remaining unpaid to any supplier at the end of each accounting year, if any:		
Principal	-	-
Interest	-	-
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.	-	-
d) the amount of interest accrued and remaining unpaid at the end of each accounting year;	-	-
e) the amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprise, for the purpose of disallowance of a deductible expenditure under section 23 of Micro, Small and Medium Enterprises Development Act, 2006.	-	-
The above information has been compiled by the Company on the basis of information made available by vendors during the year ended March 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 31		

Trade Payables Ageing as at March 31, 2025

Particulars	Outstanding for following periods from due date of payment				Total
	< 1 year	1-2 years	2-3 years	> 3 years	
Undisputed dues of creditors other than micro enterprises and small enterprises	99.3	-	-	-	99.3
Total	99.3	-	-	-	99.3

Trade Payables Ageing as at March 31, 2024

Particulars	Outstanding for following periods from due date of payment				Total
	< 1 year	1-2 years	2-3 years	> 3 years	
Undisputed dues of micro enterprises and small enterprises	-	-	-	-	-
Undisputed dues of creditors other than micro enterprises and small enterprises	54.2	-	-	-	54.2
Total	54.2	-	-	-	54.2

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

for the year ended March 31, 2025

(All amounts are in Indian Rupees Million, except share data and per share data, unless otherwise stated)

17 Other financial liabilities

	March 31, 2025	March 31, 2024
Employee liabilities ¹	18.4	10.4
Creditors for capital goods	1.9	0.1
Accrued expense	6.6	12.2
Interest accrued on borrowings	14.6	4.7
Total	41.5	27.4
¹ includes remuneration to Key Managerial Personnel (refer note 35(4))		

18 Other current liabilities

	March 31, 2025	March 31, 2024
Other statutory dues	74.6	30.6
Advances from customers	3.4	1.1
Total	78.0	31.7

19 Provisions (Current)

	March 31, 2025	March 31, 2024
Provision for employee benefits		
Gratuity (refer note 39)	0.3	0.1
Compensated absences	1.6	-
Total	1.9	0.1

KRSV Innovative Auto Solutions Private Limited
Notes to the Financial Statements
for the year ended March 31, 2025
(All amounts are in Indian Rupees Million, except share data and per share data, unless otherwise stated)

20 Revenue from operations		
	March 31, 2025	March 31, 2024
Revenue from contract with customer		
Sale of products		
Traded goods	1,978.0	785.7
	1,978.0	785.7
Other operating revenues		
Logistics income	3.2	0.9
Total	1,981.2	786.6

21 Other income		
	March 31, 2025	March 31, 2024
Interest income		
on amortisation of discounting of security deposit	0.8	-
on fixed deposits	-	0.6
Provisions no longer required written-back	-	0.1
Insurance claim on damage stock	-	5.1
Other income	-	0.2
Total	0.8	6.0

22 Purchases of stock-in-trade		
	March 31, 2025	March 31, 2024
Purchase of traded goods	1,960.5	799.5
Total	1,960.5	799.5

23 Changes in inventories of stock in trade		
	March 31, 2025	March 31, 2024
(Increase) in inventory of traded goods		
Opening inventory	78.5	33.3
less: closing inventory	173.1	78.5
Total	(94.6)	(45.2)

¹Closing inventory is net off scrapped / reworked items and shortages / excesses.

24 Employee benefits expense		
	March 31, 2025	March 31, 2024
Salaries, wages and incentives	189.4	103.6
Contributions to: (refer note 39)		
- provident fund	8.8	4.3
- gratuity fund	5.0	1.8
- ESIC	0.6	0.5
Compensated absences	9.7	-
Staff welfare expenses	5.7	2.5
Total	219.20	112.7

25 Finance costs		
	March 31, 2025	March 31, 2024
Interest paid on		
- loans from holding company	49.1	8.7
- loans from banks	-	2.4
- loans from others	-	3.2
Lease interest expenses	9.5	-
Total	58.6	14.3

26 Depreciation and amortisation expense		
	March 31, 2025	March 31, 2024
Depreciation on property, plant and equipment	4.7	2.0
Depreciation on right of use assets	35.4	-
Amortisation of intangible assets	7.1	10.8
Total	47.2	12.8

Notes to the Financial Statements

for the year ended March 31, 2025

(All amounts are in Indian Rupees Million, except share data and per share data, unless otherwise stated)

27 Other expenses

	March 31, 2025	March 31, 2024
Freight, clearing and forwarding	82.7	17.9
Rent and maintenance	13.6	15.2
Travelling expenses	16.8	6.6
Office maintenance	11.7	4.2
Subscriptions	14.1	1.8
Legal and professional fees	7.2	11.9
Rates and taxes	2.0	0.3
Advertising and sales promotion	2.6	1.1
Printing and stationery	2.0	1.0
Electricity charges	2.1	0.7
Telephone and other communication expenses	2.0	0.8
Insurance	0.8	0.4
Payments to auditors (refer note below)	1.0	0.6
Bank charges	0.4	0.6
Loss on sale / retirement of assets (net)	-	0.1
Account written off	-	0.2
Interest on delayed statutory payments	0.3	1.4
Provision for doubtful debts	1.4	2.6
Consumption of stores and spare parts	-	1.3
Miscellaneous expenses	0.4	1.7
Total	161.2	70.4

Note : Payments to auditors

	March 31, 2025	March 31, 2024
As auditors		
-statutory audit	0.7	0.5
-limited review	0.1	-
-tax audit	0.2	0.1
Total	1.0	0.6

28 Tax expense

	March 31, 2025	March 31, 2024
(a) Current tax		
Current tax on loss during the period	-	-
Tax in respect of prior years	-	-
(b) Deferred tax		
Deferred tax (credit) / expense attributable to origination and reversal of temporary differences	(6.4)	(3.8)
Total tax expense	(6.4)	(3.8)
Reconciliation of effective tax rate		
Profit before tax	(370.1)	(171.9)
Current tax at the Indian tax rate of	(93.2)	(53.6)
Tax adjustments of earlier years	-	-
Expenses allowable when paid and other timing differences	93.2	53.6
Current tax expense (A)	-	-
Deferred tax		
On WDV of property, plant and equipment	(0.7)	(1.5)
Provision for employee benefits	(3.4)	(1.5)
Provision for expenses	-	-
Provision for doubtful trade receivables	(0.2)	(0.8)
Lease accounting	(2.1)	-
Effective portion of gain / (loss) on cash flow hedge	-	-
Amortisation of contract assets	-	-
Deferred tax expense (B)	(6.4)	(3.8)
Tax expense recognised in Statement of Profit and Loss (A + B)	(6.4)	(3.8)
Tax impact recognised in Other Comprehensive Income (OCI)		
Remeasurement of defined benefits obligation	(0.8)	0.60
Effective portion of gain / (loss) on hedging instruments in cash flow hedge	-	-
Remeasurement of expected credit loss provision	-	-
Total	(7.2)	(3.2)

KRSV Innovative Auto Solutions Private Limited

Notes to the Financial Statements
for the year ended **March 31, 2025**
(All amounts are in Indian Rupees Million, except share data and per share data, unless otherwise stated)

29	Deferred tax assets (net)	March 31, 2025	March 31, 2024
	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	1.6	0.9
	Provision for employee benefits	5.0	1.5
	Provision for expenses and others	1.0	0.8
	Allowance for expected credit loss	2.1	
	Leases	9.7	3.2
	(B)	9.7	3.2
	Net deferred tax asset/ (liabilities)	(A- B)	3.2

30	Earnings Per Share (EPS)	March 31, 2025	March 31, 2024
	a) Amount used as the numerator		
	Profit after tax attributable to equity shareholders	(363.7)	(168.1)
	b) Weighted average number of equity shares used as the denominator (Nos.)	9,40,502	9,40,502
	c) Nominal value of share	10.0	10.0
	d) Earnings per share- Basic	(386.7)	(178.9)

31	Financial instruments	March 31, 2025	March 31, 2024
	A) Accounting classifications		
	The following tables shows the carrying amount / fair values of financial assets and financial liabilities:		
	Financial Assets		
	a) Measurement at amortised cost:		
	Security deposits	18.6	15.1
	Trade receivables	234.6	108.3
	Cash and cash equivalents	4.6	18.0
	Bank balances other than cash and cash equivalents	-	-
	Financial assets	3.1	0.3
	Total Financial Assets	260.9	141.7
	Financial Liabilities		
	a) Measurement at amortised cost:		
	Trade payables	99.3	54.2
	Other financial liabilities	43.5	31.1
	Borrowings	870.0	303.5
	Lease liabilities	162.7	-
	Total Financial Liabilities	1,175.5	388.8

The carrying amounts of all financial instruments (except derivative instruments which are measured at fair value through other comprehensive income and long-term loans) are not materially different from their fair values, since these are of short term nature.

KRSV Innovative Auto Solutions Private Limited

**Notes to the Financial Statements
for the year ended March 31, 2025**

B) Fair value hierarchy

The following table provides quantitative disclosures of fair value measurement hierarchy of financial instruments as referred above:

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
	Level 1	Level 2	Level 3	March 31, 2024
Financial Assets				
Security deposits	-	-	15.1	15.1
Trade receivables	-	-	108.3	108.3
Financial assets	-	-	0.3	0.3
Total	-	-	123.7	123.7
	Level 1	Level 2	Level 3	March 31, 2024
Financial Liabilities				
Trade payables	-	-	54.2	54.2
Other financial liabilities	-	-	31.1	31.1
Borrowings	-	-	303.5	303.5
Lease liabilities	-	-	-	-
Total	-	-	388.8	388.8

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
for the year ended March 31, 2025

32 Ratio Analysis and its elements

Ratio	Unit of Measurement	Numerator	Denominator	March 31, 2025	March 31, 2024	Change	Remark
Current ratio	Times	Current assets	Current liabilities	2.0	2.1	-5%	-
Debt service coverage ratio ¹	Times	Net Operating Income	Debt service	(4.5)	(10.1)	-55%	-
Return on equity ratio ²	Percentage	Net Loss after taxes	Total equity	76.3%	147.5%	-48%	-
Inventory turnover ratio	Times	Cost of goods sold	Average inventory	14.8	13.4	11%	-
Trade receivables turnover ratio ³	Times	Net credit sales	Average trade receivables	11.5	9.1	26%	-
Trade payables turnover ratio ⁴	Times	Net credit purchases	Average trade payables	25.5	17.6	46%	-
Net capital turnover ratio ⁵	Times	Net Sales	Working capital	7.6	6.1	26%	-
Net loss ratio	Percentage	Net loss	Net Sales	(18.4%)	(21.4%)	-14%	-
Debt-Equity ratio ⁶	Times	Debt consists of borrowings	Total Equity	(1.8)	(2.7)	-31%	-
Return on capital employed ⁷	Percentage	Earnings before interest and taxes	Capital employed	(84.1%)	(160.1%)	-47%	-
Return on investment	Percentage	Earnings before interest and taxes	Average total assets	(56.3%)	(71.0%)	-21%	-

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

- ¹ During the current year, the Company has taken loan from Schaeffler India Limited due to which there is increase in finance costs and net operating income decreased due to increase in employee benefit expenses and other expenses.
- ² During the current year, net loss after taxes has increased due to increase in employee benefit expenses, finance cost and depreciation and Total equity has increased due to accumulated losses for the current and previous years.
- ³ Trade receivables turnover ratio decreased due to increase in average trade receivables during the current year.
- ⁴ Trade payables turnover ratio decrease due to decrease in average trade payables outstanding during the current year.
- ⁵ Increase in net capital turnover ratio during the current year is on account of increase in working capital employed vis-a-vis increase in sales.
- ⁶ Debt-Equity ratio increased during the current year, due to increase in accumulated losses and increase in loan from Schaeffler India Limited.
- ⁷ Return on capital employed increased during the year primarily due to increase in capital employed despite higher losses compared to the previous year.

KRSV Innovative Auto Solutions Private Limited

Notes to the Financial Statements
For the year ended March 31, 2025

(All amounts are in Indian Rupees Million, except share data and per share data, unless otherwise stated)

	March 31, 2025	March 31, 2024
33 Contingent liabilities not provided for in respect of:		
Claims against the Company not acknowledged as debts	-	-
a) Employees and ex-employees related matters:	-	-
b) (i) Sales-tax	-	-
(ii) Excise duty and Service tax:	-	-
c) Income tax:	-	-
d) Others:	-	-
34 Commitments		
Contracts on capital account:	-	-
Estimated amount of contracts remaining to be executed on capital account and not provided for (net of capital advance)	-	-

35 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 w.e.f. September 8, 2023)

2) Names of the Related Parties having transactions with the Company during the year.
Holding Company- Schaeffler India Limited (100% shareholding w.e.f. September 8, 2023)
Affiliate Company - Schaeffler AG, Germany

3) List of directors

Begur Seshadri Sandeep	Director and Chief Executive Officer
Hardevi Gordhan Das Vazirani	Additional director (w.e.f. February 7, 2024)
Micah Shepard	Additional director (w.e.f. February 7, 2024)
Kadam Harsha Gopal	Additional director (w.e.f. September 8, 2023)
Vinayak Y B	Director and Chief Technological Officer (upto September 8, 2023)
Sathianarayanan Premkumar	Director and Chief Operations Officer (upto September 8, 2023)
Debashish Satapathy	Additional director (w.e.f. February 7, 2024 upto August 13, 2024)
Satish Patel	Additional director (upto February 12, 2024)

4) Transactions with related parties during the year:

Nature of transactions	March 31, 2025	March 31, 2024
Sale of traded goods		
Schaeffler India Limited	0.2	-
Purchase of traded goods		
Schaeffler India Limited	17.1	-
Other services		
Schaeffler India Limited	1.8	-
Schaeffler AG	0.1	-
Interest on loan from related parties		
Schaeffler India Limited	49.1	8.7
Loans from related parties (unsecured)		
Schaeffler India Limited	566.5	303.5
Managerial remuneration		
Begur Seshadri Sandeep	10.0	2.7
Reimbursement of Travel expenses		
Begur Seshadri Sandeep	0.7	0.3

5) Balances outstanding:	March 31, 2025	March 31, 2024
Nature of Transaction		
Loans from related parties (unsecured) Schaeffler India Limited	870.0	303.5
Current financial liability - Trade payables Schaeffler India Limited	3.1	-
Other financial liabilities Managerial remuneration	0.7	0.5
Interest accrued on loan from related parties	14.7	4.7

36 Derivative instruments:

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

37 Financial risk management

A) Market risk

- (i) Foreign currency risk
- (ii) Interest rate risk

Nil
Nil
Nil

B) Liquidity risk

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.

	March 31, 2025		March 31, 2024	
	Less than 6 months	More than 6 months	Less than 6 months	More than 6 months
Gross carrying amount	223.3	15.3	104.2	6.7
Allowance for expected credit loss	-	4.0	-	2.6
Carrying amount of trade receivables (net)	223.3	11.3	104.2	4.1

Reconciliation of expected credit loss allowance is as follows:

	Amount
As at March 31, 2023	2.6
Movement in expected credit loss allowance	-
As at March 31, 2024	2.6
Movement in expected credit loss allowance	1.4
As at March 31, 2025	4.0

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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

For the year ended March 31, 2025

(All amounts are in Indian Rupees Million, except share data and per share data, unless otherwise stated)

39 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 8.8 million (March 31, 2024: 4.3 million) and contribution to ESIC for the year aggregated to 0.6 million (March 31, 2024: 0.5 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	
	March 31, 2025	March 31, 2024
Present value of funded obligations	8.8	4.7
Liability recognised in balance sheet	8.8	4.7

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	
	March 31, 2025	March 31, 2024
Noncurrent liability	8.4	4.6
Current liability	0.4	0.1
Total	8.8	4.7

Movement in present values of defined benefit obligations:

	Gratuity	
	March 31, 2025	March 31, 2024
Defined benefit obligation- opening	4.7	2.2
Interest cost	0.3	0.2
Service cost	4.7	1.7
Actuarial (gains)/ losses recognised in other comprehensive income due to:		
Change in assumptions	0.3	0.2
Demographic assumptions	(1.1)	0.4
Experience changes	-	-
Benefits paid / Employees contribution	(0.1)	-
Liabilities assumed / (settled)	-	-
Defined benefit obligation- closing	8.8	4.7

Movement in fair value of plan assets:

	Gratuity	
	March 31, 2025	March 31, 2024
Fair value of plan assets- opening	-	-
Return on plan assets recognised in other comprehensive income	-	-
Interest on plan assets	-	-
Contributions by employer	0.1	-
Benefits paid / Employees contribution	(0.1)	-
Fair value of plan assets- closing	-	-

Expense recognized in the Statement of Profit and Loss:

	Gratuity	
	March 31, 2025	March 31, 2024
Current service cost	4.7	1.6
Interest on net defined benefit liability / (asset)	0.3	0.2
Actuarial (Gain)/Loss	-	-
Total included in Employee benefits expense	5.0	1.8

Remeasurements recognised in other comprehensive income

	Gratuity	
	March 31, 2025	March 31, 2024
Actuarial (gain)/ loss on defined benefit obligation	(0.8)	0.6
Return on plan assets excluding interest income	-	-
Currency effects - OCI from DBO	-	-
	(0.8)	0.6

Notes to the Financial Statements

For the year ended March 31, 2025

(All amounts are in Indian Rupees Million, except share data and per share data, unless otherwise stated)

39 Employee benefits: Post employment benefit plans (continued)

Principal actuarial assumptions at the balance sheet date

	Gratuity	
	March 31, 2025	March 31, 2024
Discount rate per annum as at March 31	6.8%	7.2%
Expected return per annum on plan assets as at March 31	0.0%	0.0%
Future salary increment	7.0%	7.0%
Retirement age	60	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 100 basis points:

	March 31, 2025		March 31, 2024	
	Increase	Decrease	Increase	Decrease
Discount rate (100 bps movement on DBO)				
- % change	(7.8%)	9.0%	(9.9%)	11.7%
- decrease or increase in DBO	(8.1)	9.6	(0.5)	0.5
Salary escalation rate (100 bps movement on DBO)				
- % change	8.9%	(7.9%)	11.2%	(9.8%)
- decrease or increase in DBO	9.6	8.1	0.5	(0.5)

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	March 31, 2025	March 31, 2024
Year 1	0.4	0.1
Year 2	0.6	0.1
Year 3	1.1	0.1
Year 4	0.9	0.1
Year 5	0.9	0.1
Year 6-9	4.2	1.5
Year 10 and above	9.8	2.6

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.

KRSV Innovative Auto Solutions Private Limited

Notes to the Financial Statements

For the year ended March 31, 2025

(All amounts are in Indian Rupees Million, except share data and per share data, unless otherwise stated)

40 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.

41 The tax year for the Company being the year ending March 31, 2025, No tax provision is made since the Company is in losses. Accordingly, the Company has recognised deferred tax expenses for the year ended March 31, 2025 on the basis of estimated annual effective income tax rate.

42 By virtue of Share Purchase Agreement dated 28th August 2023, Schaeffler India Limited acquired majority of shares in KRSV Innovative Auto Solutions Private Limited, thus Schaeffler India Limited became the Holding Company.

43 Revenue (Ind AS 115)

The Company offers spare parts solution to Indian Automotive aftermarket workshops via B-to-B e-commerce platform. All sales are made at a point in time and revenue recognised upon satisfaction of the performance obligations which is typically upon dispatch/delivery.

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

Particulars	March 31, 2025	March 31, 2024
Revenue as per Contract price	1,985.6	786.9
Less: Incentives and rebates	-	-
Less: Discounts	(7.6)	(1.2)
Revenue as per statement of profit and loss	1,978.0	785.7

44 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 Right-of-use assets by class of assets is as follows.

Particulars	Gross Block			Amortisation			Net Block As at March 31, 2025
	As at April 1, 2024	Additions	Deductions	As at March 31, 2025	For the Year	Deductions	
Tangible Assets Buildings	-	193.4	-	193.4	35.4	-	158.0
Total	-	193.4	-	193.4	35.4	-	158.0

KRSV Innovative Auto Solutions Private Limited

Notes to the Financial Statements

For the year ended March 31, 2025

(All amounts are in Indian Rupees Million, except share data and per share data, unless otherwise stated)

4 Finance costs includes interest expense amounting to 9.5 (March 31, 2024: Nil) on lease liability accounted in accordance with Ind AS 116 "Leases".

5 Rent expense amounting to 13.6 (March 31, 2024: 15.2) in note no.27 represents lease charges for short term leases.

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	39.6	-
Later than 1 year and not later than 5 years	105.8	-
Later than 5 years	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.

45 Other Statutory Information

- 1 The Company does not have any Benami property, where any proceeding has been initiated or pending against the Company for holding any Benami property.
- 2 The Company does not have any transactions with companies struck off.
- 3 The Company does not have any charges or satisfaction which is yet to be registered with ROC beyond the statutory period.
- 4 The Company has not traded or invested in Crypto currency or Virtual Currency during the financial year.
- 5 The Company has not advanced or loaned or invested funds to any other person(s) or entity(is), including foreign entities (Intermediaries) with the understanding that the Intermediary shall:
 - a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company (Ultimate Beneficiaries) or
 - b) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries
- 6 The Company has not received any fund from any person(s) or entity(is), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Company shall:
 - a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or
 - b) provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries,
- 7 The Company does not have any such transaction which is not recorded in the books of account that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961).

46 The financial statement are approved for issued by the Board of Directors in their meeting held on 16th September, 2025.

As per our report of even date attached
For Mohana Mani & Associates
Chartered Accountants
Firm Regn. No. 010711S

For and on behalf of the Board of Directors

(H.P Mohana Kumar)
Partner
Membership No: 029181

B S Sandeep
Director
DIN: 07283077

Harsha Kadam
Director
DIN: 07736005

Place: Bengaluru
Date: 16-Sep-2025

Place: Bengaluru
Date: 16-Sep-2025

Place: Bengaluru
Date: 16-Sep-2025