Independent Auditor's Report

To the Members of Schaeffler India Limited
Report on the Audit of the Consolidated Financial Statements

Opinion

1. We have audited the accompanying consolidated financial statements of **Schaeffler India Limited** ('the Holding Company') and its subsidiary, KRSV Innovative Auto Solutions Private Limited (the Holding Company and its subsidiary together referred to as 'the Group'), which comprise the Consolidated Balance Sheet as at **31 December 2024**, the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Cash Flow Statement and the Consolidated Statement of Changes in Equity for the year then ended, and notes to the consolidated financial statements, including a material accounting policy information and other explanatory information.

2. In our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the report of the other auditor on separate financial statement and on the other financial information of the subsidiary, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 ('the Act') in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards ('Ind AS') specified under section 133 of the Act, read with the Companies (Indian Accounting Standards) Rules, 2015, and other accounting principles generally accepted in India of the consolidated state of affairs of the Group, as at 31 December 2024, and their consolidated profit (including other comprehensive income), consolidated cash flows and the consolidated changes in equity for the year ended on that date.

Basis for Opinion

3. We conducted our audit in accordance with the Standards on Auditing specified under section 143(10) of the Act. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group, in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India ('ICAI') together with the ethical requirements that are relevant to our audit of the consolidated financial statements under the provisions of the Act and the rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained together with the audit evidence obtained by the other auditor in terms of their report referred to in paragraph 14 of the Other Matter section below, is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

4. Key audit matters are those matters that, in our professional judgement and based on the consideration of the report of the other auditor on separate financial statement of the subsidiary, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key audit matter	How our audit addressed the key audit matter
Revenue Recognition **(refer note 23 and 46 of the accompanying consolidated financial statements)** The Group's revenue principally comprises sale of goods. Revenue from the sale of goods is recognised at point in time when the control of the goods is transferred to the customers, which is on dispatch/delivery in accordance with the terms of sales contracts. We have identified the recognition of revenue as a key audit matter since the Group has various customers with different terms of trade which increase the risk of error in the timing of revenue recognition. Revenue is determined to be an area involving significant risk in line with the requirements on Standards of Auditing and hence requiring significant auditor attention. The Group and its external stakeholders focus on revenue as a key performance indicator and therefore there could be a risk of material misstatement in so far as revenue recognition is concerned. Considering the aforesaid significance to our audit and the external stakeholders, revenue recognition has been considered as a key audit matter for the current year's audit.	Our key audit procedures around revenue recognition included, and not limited to, the following: • Obtained an understanding of and assessed the design, implementation and operating effectiveness of management's key internal financial controls in relation to revenue recognition; • Assessed the appropriateness of the revenue recognition accounting policies of the Group including those relating to variable consideration, by evaluating compliance with the applicable accounting standards; • Selected samples of revenue transactions during the year and inspected underlying customer contracts and shipping documents to identify the terms and conditions relating to the transfer of control of the products sold and assessed the Group's timing of revenue recognition; • Performed analytical review procedures on revenue recognized during the year to identify any unusual and/or material variances; • Tested selected samples of revenue transactions recorded before and after the financial year end date to determine whether the revenue has been recognised in the appropriate financial period. Evaluated the appropriateness and adequacy of disclosures in the financial statements in respect of revenue recognition with the applicable standards

Independent Auditor's Report on the Audit of the Consolidated Financial Statements

Key audit matter	How our audit addressed the key audit matter
Revenue Recognition **(refer note 36 of the accompanying consolidated financial statements)** The Group has entered into several transactions with related parties during the year ended 31 December 2024 and has outstanding balances as the year-end. The Group's related party transactions comprises purchase and sale of goods, purchase of tangible assets, payments for royalty, information technology services and other services, guarantee commission and reimbursements. Each related party operates under different jurisdiction and applies its own pricing model to be compliant with the respective legal and tax (transfer pricing) framework of the respective jurisdiction. We have identified transactions with related parties as a key audit matter due to quantum of transactions, completeness of the disclosures made in the financial statements, compliance with various tax requirements and judgements involved to ensure arm's length pricing, compliance with statutory regulations governing related party transactions such as Companies Act, 2013 and Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations 2015 ('the SEBI listing regulations').	Our key audit procedures around Related party transactions included, and not limited to, the following: • Obtained an understanding and assessed the design, implementation and operating effectiveness of management's key internal financial controls in relation to identification and disclosure of related party transactions and arm's length assessment. • Assessed the compliance with the SEBI listing regulations and the regulations under the Companies Act, 2013, including authorisation and approvals as specified in sections 177 and 188 of the Companies Act, 2013 with respect to the related party transactions, as applicable. • Evaluated the compliance with Indian Transfer Pricing Regulations with respect to arm's length based on the transfer pricing documentation prepared by the Group. This also involved obtaining views from the auditor's internal tax experts regarding the arm's length pricing. • On a sample basis, inspected relevant ledgers, agreements and other information that may indicate the existence of related party relationships or transactions. We also assessed the completeness of related parties with reference to the various statutory registers and declarations maintained by the Group's management. Evaluated the adequacy and appropriateness of the disclosures on related party transactions in the financial statements with the requirements of the applicable accounting standard.

Information other than the Consolidated Financial Statements and Auditor's Report thereon

5. The Holding Company's Board of Directors are responsible for the other information. The other information comprises the information included in the Annual Report, but does not include the consolidated financial statements and our auditor's report thereon.

   Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

   In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

6. The accompanying consolidated financial statements have been approved by the Holding Company's Board of Directors. The Holding Company's Board of Directors are responsible for the matters stated in section 134(5) of the Act with respect to the preparation and presentation of these consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance including other comprehensive income, consolidated changes in equity and consolidated cash flows of the Group in accordance with the Ind AS specified under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, and other accounting principles generally accepted in India. The respective Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Group and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting

Independent Auditor's Report on the Audit of the Consolidated Financial Statements

policies; making judgements and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Board of Directors of the Holding Company, as aforesaid.

7. In preparing the consolidated financial statements, the respective Board of Directors of the companies included in the Group are responsible for assessing the ability of the Group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intend to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

8. Those respective Board of Directors are also responsible for overseeing the financial reporting process of the companies included in the Group.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

9. Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

10. As part of an audit in accordance with Standards on Auditing specified under section 143(10) of the Act we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

    - Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
    - Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act we are also responsible for expressing our opinion on whether the Holding Company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls;
    - Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management;
    - Conclude on the appropriateness of Board of Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern;
    - Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation; and
    - Obtain sufficient appropriate audit evidence regarding the financial statements of the entities or business activities within the Group, to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of financial statements of such entities included in the financial statements, of which we are the independent auditors. For the other entities included in the financial statements, which have been audited by the other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

Independent Auditor's Report on the Audit of the Consolidated Financial Statements

11. We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

12. We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

13. From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Other Matter

14. We did not audit the financial statement of one (1) subsidiary, whose financial statement reflect total assets of ₹ 684.4 as at 31 December 2024, total revenues of ₹ 1,580.6 and net cash outflows amounting to ₹ 0.8 for the year ended on that date, as considered in the consolidated financial statements. These financial statements have been audited by other auditors whose report have been furnished to us by the management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of the subsidiary, and our report in terms of sub-section (3) of section 143 of the Act in so far as it relates to the aforesaid subsidiary, are based solely on the reports of the other auditor.

    Our opinion above on the consolidated financial statements, and our report on other legal and regulatory requirements below, are not modified in respect of the above matters with respect to our reliance on the work done by and the reports of the other auditors.

Report on Other Legal and Regulatory Requirements

15. As required by section 197(16) of the Act based on our audit and on the consideration of the report of the other auditor, referred to in paragraph 14, on separate financial statements of the subsidiary, we report that the Holding Company and its subsidiary company incorporated in India whose financial statements have been audited under the Act have paid remuneration to their respective directors during the year in accordance with the provisions of and limits laid down under section 197 read with Schedule V to the Act. Further, we report that the provisions of section 197 read with Schedule V to the Act are not applicable to the subsidiary company, as it is not a public company as defined under section 2(71) of the Act.

16. As required by clause (xxi) of paragraph 3 of Companies (Auditor's Report) Order, 2020 ('the Order') issued by the Central Government of India in terms of section 143(11) of the Act based on the consideration of the Order reports issued by us and by the respective other auditor as mentioned in paragraph 14 above, of companies included in the consolidated financial statements and covered under the Act we report that there are no qualifications or adverse remarks reported in the respective Order reports of such companies.

17. As required by section 143(3) of the Act, based on our audit and on the consideration of the report of the other auditor on separate financial statements and other financial information of the subsidiary incorporated in India whose financial statements have been audited under the Act, we report, to the extent applicable, that:

    a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit of the aforesaid consolidated financial statements;

    b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the report of the other auditor except for the matters stated in paragraph 17(h)(vi) below on reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014 (as amended). Further, the back-up of the books of accounts and other books and papers maintained in electronic mode has not been maintained on servers physically located in India, on a daily basis. Although, the Company has created a backup of data for the entire year ended 31 December 2024 as of such date;

Independent Auditor's Report on the Audit of the Consolidated Financial Statements

c) The consolidated financial statements dealt with by this report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements;

d) In our opinion, the aforesaid consolidated financial statements comply with Ind AS specified under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015;

e) On the basis of the written representations received from the directors of the Holding Company, and taken on record by the Board of Directors of the Holding Company, and the report of the statutory auditor of its subsidiary, covered under the Act, none of the directors of the Group companies, are disqualified as on 31 December 2024 from being appointed as a director in terms of section 164(2) of the Act;

f) The qualification relating to the maintenance of accounts and other matters connected therewith with respect to the consolidated financial statements are as stated in paragraph 17(b) above on reporting under section 143(3)(b) of the Act and paragraph 17(h)(vi) below on reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014 (as amended);

g) With respect to the adequacy of the internal financial controls with reference to financial statements of the Holding Company, and its subsidiary company covered under the Act, and the operating effectiveness of such controls, refer to our separate report in 'Annexure A' wherein we have expressed an unmodified opinion; and

h) With respect to the other matters to be included in the Auditor's Report in accordance with rule 11 of the Companies (Audit and Auditors) Rules, 2014 (as amended), in our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the report of the other auditor on separate financial statement and other financial information of the subsidiary incorporated in India whose financial statements have been audited under the Act:

i. The consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Group, as detailed in Note 34 to the consolidated financial statements;

ii. The Holding Company and its subsidiary company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses as at 31 December 2024;

iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Holding Company and its subsidiary company during the year ended 31 December 2024;

There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Holding Company, and its subsidiary company covered under the Act, during the year ended 31 December 2024;

iv. a) The respective managements of the Holding Company and its subsidiary company incorporated in India whose financial statements have been audited under the Act have represented to us and the other auditor of such subsidiary respectively that, to the best of their knowledge and belief , as disclosed in note 50(5) to the consolidated financial statements, no funds have been advanced or loaned or invested (either from borrowed funds or securities premium or any other sources or kind of funds) by the Holding Company or its subsidiary to or in any person(s) or entity(ies), including foreign entities ('the intermediaries'), with the understanding, whether recorded in writing or otherwise, that the intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Holding Company, or any such subsidiary ('the Ultimate Beneficiaries') or provide any guarantee, security or the like on behalf the Ultimate Beneficiaries;

b) The respective managements of the Holding Company and its subsidiary incorporated in India whose financial statements have been audited under the Act have represented to us and the other auditor of such subsidiary respectively that, to the best of their knowledge and belief, as disclosed in the note 50(6) to the accompanying consolidated financial statements, no funds have been received by the Holding Company or its subsidiary from any person(s) or entity(ies), including foreign entities ('the Funding Parties'), with the understanding, whether recorded in writing or otherwise, that the Holding Company, or any such subsidiary shall, whether directly or indirectly, lend or

Independent Auditor's Report on the Audit of the Consolidated Financial Statements

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; and

c) Based on such audit procedures performed by us and that performed by the auditor of the subsidiary, as considered reasonable and appropriate in the circumstances, nothing has come to our or other auditor notice that has caused us or the other auditor to believe that the management representations under sub-clauses (a) and (b) above contain any material misstatement.

v. a) The final dividend paid by the Holding Company during the year ended 31 December 2024 in respect of such dividend declared for the previous year is in accordance with section 123 of the Act to the extent it applies to payment of dividend and

b) As stated in note 15 to the accompanying consolidated financial statements, the Board of Directors of the Holding Company have proposed final dividend for the year ended 31 December 2024 which is subject to the approval of the members at the ensuing Annual General Meeting. The dividend declared is in accordance with section 123 of the Act to the extent it applies to declaration of dividend.

vi. As stated in note 51 to the consolidated financial statement and based on our examination, which included enquiries and relevant procedures performed by us on the Holding Company and by the statutory auditor of the subsidiary company on a test check basis, the Holding Company and its subsidiary which are companies incorporated in India and audited under the Act, in respect of financial years commencing on 1 January 2024, have used accounting software for maintaining their books of account, which has a feature of recording audit trail (edit log) facility, and the same is operating throughout the year for all relevant transactions recorded in the software, except at the database level in the case of the Holding Company. In the case of the subsidiary company, the accounting software has a feature of recording audit trail (edit log) facility effective March 2024. Further, during the course of the audit, we and the statutory auditor of the subsidiary company did not come across any instance of audit trail feature being tampered with in respect of the accounting software where such feature is enabled.

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

Khushroo B. Panthaky
Partner
Membership No.: 042423
UDIN: 25042423BMNQYO3912

Place: Mumbai
Date: 27 February 2025

Annexure A

Independent Auditor's Report on the internal financial controls with reference to consolidated financial statements under Clause (i) of Sub-section 3 of section 143 of the Companies Act, 2013 ('the Act')

1. In conjunction with our audit of the consolidated financial statements of Schaeffler India Limited ('the Holding Company') and its subsidiary (the Holding Company and its subsidiary together referred to as 'the Group'), as at and for the year ended 31 December 2024, we have audited the internal financial controls with reference to financial statements of the Holding Company and its subsidiary company, which are companies covered under the Act, as at that date.

Responsibilities of Management and Those Charged with Governance for Internal Financial Controls

2. The respective Board of Directors of the Holding Company and its subsidiary company, which are companies covered under the Act, are responsible for establishing and maintaining internal financial controls based on the internal financial controls with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting ('the Guidance Note') issued by the Institute of Chartered Accountants of India ('ICAI'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of the Company's business, including adherence to the Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditor's Responsibility for the Audit of the Internal Financial Controls with Reference to Consolidated Financial Statements

3. Our responsibility is to express an opinion on the internal financial controls with reference to financial statements of the Holding Company and its subsidiary company, as aforesaid, based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the ICAI prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls with reference to financial statements, and the Guidance Note issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to financial statements were established and maintained and if such controls operated effectively in all material respects.

4. Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements includes obtaining an understanding of such internal financial controls, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

5. We believe that the audit evidence we have obtained, and the audit evidence obtained by the other auditor in terms of their reports referred to in the Other Matter paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls with reference to financial statements of the Holding Company and its subsidiary company as aforesaid.

Meaning of Internal Financial Controls with Reference to Consolidated Financial Statements

6. A company's internal financial controls with reference to financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial controls with reference to financial statements include those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with authorisations of management and directors of the Company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the Company's assets that could have a material effect on the financial statements.

Independent Auditor's Report on the Audit of the Consolidated Financial Statements

Inherent Limitations of Internal Financial Controls with Reference to Consolidated Financial Statements

7. Because of the inherent limitations of internal financial controls with reference to financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to financial statements to future periods are subject to the risk that the internal financial controls with reference to financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

8. In our opinion and based on the consideration of the report of the other auditor on internal financial controls with reference to financial statements of the subsidiary company, the Holding Company and its subsidiary company, which are companies covered under the Act, have in all material respects, adequate internal financial controls with reference to financial statements and such controls were operating effectively as at 31 December 2024, based on the internal financial controls with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note issued by the ICAI.

Other Matter

9. We did not audit the internal financial controls with reference to financial statements insofar as it relates to one (1) subsidiary company, which are companies covered under the Act, whose financial statements reflect total assets of ₹ 684.4 million and net assets of ₹ (360.2) million as at 31 December 2024, total revenues of ₹ 1,580.6 million and net cash outflows amounting to ₹ 0.8 million for the year ended on that date, as considered in the consolidated financial statements. The internal financial controls with reference to financial statements in so far as it relates to such subsidiary company have been audited by other auditor whose report have been furnished to us by the management and our report on the adequacy and operating effectiveness of the internal financial controls with reference to financial statements for the Holding Company and its subsidiary company, as aforesaid, under section 143(3)(i) of the Act in so far as it relates to such subsidiary company is based solely on the report of the auditor of such company.

   Our opinion is not modified in respect of this matter with respect to our reliance on the work done by and on the report of the other auditor.

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

Khushroo B. Panthaky
Partner
Membership No.: 042423
UDIN: 25042423BMNQYO3912

Place: Mumbai
Date: 27 February 2025

Consolidated Balance Sheet

as at December 31, 2024

(₹ in million)

	Notes	2024	2023
A. ASSETS			
1 Non-current assets			
a) Property, plant and equipment	3.1	17,203.7	11,851.2
b) Right of use assets	3.2	978.8	951.6
c) Capital work-in-progress	3.3	4,491.1	4,907.7
d) Goodwill		822.3	822.3
e) Intangible assets	3.4	690.4	786.8
f) Financial assets			
(i) Security deposits	4	187.5	150.3
(ii) Other financial assets	4	5.3	5.0
g) Deferred tax assets (net)	5	211.5	249.2
h) Non-current tax assets (net)	6	670.0	779.1
i) Other non-current assets	7	1,031.5	1,100.3
Total non-current assets		**26,292.1**	**21,603.5**
2 Current assets			
a) Inventories	8	14,696.2	13,156.1
b) Financial assets			
(i) Trade receivables	9	12,929.2	10,555.9
(ii) Cash and cash equivalents	10	4,639.4	697.1
(iii) Bank balances other than (ii) above	11	8,860.9	15,159.5
(iv) Other financial assets	12	561.0	410.1
c) Other current assets	13	850.4	1,082.9
Total current assets		**42,537.1**	**41,061.6**
TOTAL ASSETS		**68,829.2**	**62,665.1**

(₹ in million)

	Notes	2024	2023
B. EQUITY AND LIABILITIES			
1 Equity			
a) Equity share capital	14	312.6	312.6
b) Other equity	15	53,031.7	47,740.9
Total Equity		**53,344.3**	**48,053.5**
Liabilities			
2 Non-current liabilities			
a) Financial liabilities			
(i) Lease liabilities	16 (a)	434.3	406.5
(ii) Other financial liabilities	17	143.7	108.8
b) Provisions	18	26.5	44.8
Total non-current liabilities		**604.5**	**560.1**
3 Current liabilities			
a) Financial liabilities			
(i) Lease liabilities	16 (b)	121.0	104.5
(ii) Trade payables	19		
a) Total outstanding dues of micro enterprises and small enterprises		778.6	1,526.3
b) Total outstanding dues of creditors other than micro enterprises and small enterprises		10,502.2	9,025.1
(iii) Other financial liabilities	20	1,993.4	2,130.6
b) Other current liabilities	21	455.2	440.5
c) Provisions	22	790.6	685.7
d) Current tax liabilities (net)		239.4	138.8
Total current liabilities		**14,880.4**	**14,051.5**
Total Liabilities		**15,484.9**	**14,611.6**
TOTAL EQUITY AND LIABILITIES		**68,829.2**	**62,665.1**
Material accounting policies	2		
Notes to the consolidated financial statements	3 - 55		

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

As per our report of even date attached

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

Khushroo B. Panthaky
Partner
Membership No.: 042423

Place: Mumbai
Date: February 27, 2025

For and on behalf of the Board of Directors

E.V. Sumithasri
Chairperson
DIN: 07087197

Harsha Kadam
Managing Director
DIN: 07736005

Hardevi Vazirani
Director-Finance & CFO
DIN: 10212814

Ashish Tiwari
VP - Legal & Company Secretary

Place: Bengaluru
Date: February 27, 2025

Consolidated Statement of Profit and Loss

for the year ended December 31, 2024

(₹ in million)

	Notes	2024	2023
Income			
Revenue from operations	23	82,323.8	72,509.1
Other income	24	1,183.0	1,245.5
Total income (I)		**83,506.8**	**73,754.6**
Expenses			
Cost of materials consumed	25	32,888.1	30,834.7
Purchases of stock-in-trade	26	20,245.6	14,942.5
Changes in inventories of finished goods,stock-in-trade and work-in-progress	27	(1,564.4)	(749.0)
Employee benefits expense	28	5,421.8	4,619.4
Finance costs	29	43.6	42.7
Depreciation and amortisation expense	30	2,815.5	2,230.1
Other expenses	31	10,879.1	9,649.5
Total expenses (II)		**70,729.3**	**61,569.9**
Profit before exceptional items and tax (I -II)		**12,777.5**	**12,184.7**
Exceptional items (refer Note 49)		**-**	**(47.0)**
Profit before tax		**12,777.5**	**12,137.7**

(₹ in million)

	Notes	2024	2023
Tax expense	32		
Current tax		3,312.5	3,172.9
Deferred tax charge / (credit)		49.0	(51.5)
Tax in respect of prior years		27.4	26.1
Profit for the year		**9,388.6**	**8,990.2**
Other Comprehensive Income (A)			
Items that will not be reclassified subsequently to profit or loss:			
loss on remeasurement of post employment benefits obligation		(52.9)	(59.3)
Income tax relating to these items		12.8	14.9
Total other comprehensive income for the year (net of tax) (B)		**(40.1)**	**(44.4)**
Total comprehensive income for the year (A+B)		**9,348.5**	**8,945.8**
Earnings per equity share [Nominal value of share ₹ 2 each]	33		
Basic (in ₹)		60.1	57.5
Diluted (in ₹)		60.1	57.5
Material accounting policies	2		
Notes to the consolidated financial statements	3 - 55		

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

As per our report of even date attached

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

Khushroo B. Panthaky
Partner
Membership No.: 042423

Place: Mumbai
Date: February 27, 2025

For and on behalf of the Board of Directors

E.V. Sumithasri
Chairperson
DIN: 07087197

Harsha Kadam
Managing Director
DIN: 07736005

Hardevi Vazirani
Director-Finance & CFO
DIN: 10212814

Ashish Tiwari
VP - Legal & Company Secretary

Place: Bengaluru
Date: February 27, 2025

Consolidated Statement of Cash Flows

for the year ended December 31, 2024

(₹ in million)

	2024		2023	
Cash flows from operating activities				
Profit before tax		12,777.5		12,137.7
Adjustments for:				
Depreciation and amortisation expense	2,815.5		2,230.1	
Finance costs	43.6		42.7	
Interest income	(890.6)		(988.9)	
Profit on sale of assets (net)	(2.4)		(25.4)	
Provisions no longer required written off / (written back)	0.5		(10.8)	
Unrealised exchange loss/(gain) (net)	(0.6)		(14.8)	
Bad debts written off	0.1		-	
		1,966.1		1,232.9
Operating cash flow before changes in working capital		**14,743.6**		**13,370.6**
Changes in working capital				
(Increase) in inventories	(1,316.3)		(488.8)	
(Increase) in trade and other receivables	(2,426.8)		(383.1)	
Increase/(decrease) in trade and other payables	710.8		(530.5)	
(decrease) in other liabilities and provisions	(171.1)		(151.0)	
		(3,203.4)		(1,553.4)
Cash generated from operating activities		**11,540.2**		**11,817.2**
Income tax paid (net of refunds)		(3,141.5)		(2,972.6)
A Net cash generated from operating activities		**8,398.7**		**8,844.6**
Cash flows from investing activities				
Purchase of property, plant and equipment (tangible and intangible, capital work-in-progress, capital advance and capital creditors)	(7,440.2)		(5,201.0)	
Proceeds from sale of property, plant and equipment	14.1		6.0	
Payment of purchase consideration for business combination	-		(1,424.0)	
Proceeds from / (Investment in) bank deposits (with original maturity of more than 3 months and remaining maturity of less than 12 months)	6,298.3		(245.1)	
Interest received	882.1		914.0	
B Net cash (used) in investing activities		**(245.7)**		**(5,950.1)**

(₹ in million)

	2024		2023	
Cash flows from financing activities				
Finance costs paid	(9.1)		(16.6)	
Principal payment of lease liability	(103.2)		(62.8)	
Interest on lease liabilities	(34.5)		(29.6)	
Dividends paid on equity shares	(4,063.9)		(3,751.3)	
C Net cash used in financing activities		**(4,210.7)**		**(3,860.3)**
Net increase / (decrease) in cash and cash equivalents (A + B + C)		**3,942.3**		**(965.8)**
Cash and cash equivalents at the beginning of year (see note 2 below)		697.1		1,660.4
Effect of Acquisition of "Koovers" (refer Note 49)		-		2.5
Cash and cash equivalents at the end of year (see note 2 below)		4,639.4		697.1
		3,942.3		**(965.8)**

Notes:

1) The above consolidated cash flow statement has been prepared under the "Indirect Method" set out in 'Indian Accounting Standard (Ind AS) 7 - *Statement of Cash Flow*

2) Cash and cash equivalents comprise of:

	2024	2023
Cash on Hand	0.3	0.1
With scheduled banks as at December 31:		
Current accounts	774.2	636.0
Deposit accounts (with original maturity of three months or less)	3,864.9	61.0
	4,639.4	**697.1**

Material accounting policies 2

Notes to the financial statements 3 - 55

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

As per our report of even date attached

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

Khushroo B. Panthaky
Partner
Membership No.: 042423

Place: Mumbai
Date: February 27, 2025

For and on behalf of the Board of Directors

E.V. Sumithasri
Chairperson
DIN: 07087197

Harsha Kadam
Managing Director
DIN: 07736005

Hardevi Vazirani
Director-Finance & CFO
DIN: 10212814

Ashish Tiwari
VP - Legal & Company Secretary

Place: Bengaluru
Date: February 27, 2025

Consolidated Statement of Changes in Equity

for the year ended December 31, 2024

(A) Equity Share Capital

(₹ in million)

	Amount
As at January 1, 2023	312.6
Changes in equity share capital	-
As at December 31, 2023	**312.6**
Changes in equity share capital	-
As at December 31, 2024	**312.6**

(B) Other equity

(₹ in million)

	Reserves and surplus				Total
	Capital reserve	Securities premium	General reserve	Retained earnings	
As at January 1, 2023	**617.8**	**600.0**	**4,218.4**	**37,110.2**	**42,546.4**
Profit for the year	-	-	-	8,990.2	8,990.2
Other Comprehensive Income for the year	-	-	-	(44.4)	(44.4)
Total Comprehensive Income for the year	**-**	**-**	**-**	**8,945.8**	**8,945.8**
Dividends	-	-	-	(3,751.3)	(3,751.3)
As at December 31, 2023	**617.8**	**600.0**	**4,218.4**	**42,304.7**	**47,740.9**
Profit for the year	-	-	-	9,388.6	9,388.6
Other Comprehensive Income for the year	-	-	-	(40.1)	(40.1)
Change of valuation (net of deferred tax liability ₹ 2.0 million)	-	-	-	6.2	6.2
Total Comprehensive Income for the year	**-**	**-**	**-**	**9,354.7**	**9,354.7**
Dividends	-	-	-	(4,063.9)	(4,063.9)
As at December 31, 2024	**617.8**	**600.0**	**4,218.4**	**47,595.5**	**53,031.7**

Nature and purpose of reserves:

a) Capital reserve on account of Scheme of Amalgamation (refer Note 45).

b) 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.

c) General reserve is created out of profits earned by the Group by way of transfer from surplus in the Statement of Profit and Loss. The Group can use this reserve for payment of dividends and/or issue of fully paid-up shares.

d) Retained earnings are the profits that the Group 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.

Material accounting policies 2

Notes to the consolidated financial statement 3 - 55

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

As per our report of even date attached

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

Khushroo B. Panthaky
Partner
Membership No.: 042423

Place: Mumbai
Date: February 27, 2025

For and on behalf of the Board of Directors

E.V. Sumithasri
Chairperson
DIN: 07087197

Harsha Kadam
Managing Director
DIN: 07736005

Hardevi Vazirani
Director-Finance & CFO
DIN: 10212814

Ashish Tiwari
VP - Legal & Company Secretary

Place: Bengaluru
Date: February 27, 2025

Notes to the Consolidated Financial Statements
for the year ended December 31, 2024

1. Corporate information

Schaeffler India Limited ('the Company' or "Holding Company" or "the Parent Company") (CIN: L29130PN1962PLC204515) is domiciled and incorporated in India.

The Company along with its subsidiary, KRSV Innovative Auto Solutions Private Limited (collectively referred to as "the Group") is engaged in the development, manufacturing and distribution of high-precision roller and ball bearings, engine systems and transmission components, chassis applications, clutch systems and related machine building manufacturing activities, through its subsidiary also offers spare parts solution to Indian Automotive aftermarket workshops via B-to-B e-commerce platform. The Company's manufacturing units are located in the State of Gujarat at Vadodara and Savli, in the State of Maharashtra at Talegoan (Pune) and in the State of Tamilnadu at Hosur.

The registered office of the Company is located at 15th Floor, ASTP (Amar Sadanand Tech Park), Baner, Pune - 411045. Maharashtra. The Company's shares are listed on BSE Limited (BSE) and National Stock Exchange of India Limited (NSE) in India.

2. Basis of preparation and material accounting policies

2.1 Basis of preparation of Consolidated Financial Statements (CFS)

(i) The CFS 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.

The accounting policies adopted in the preparation of the CFS are consistent for all the periods presented.

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

(ii) The CFS have been prepared on a historical cost convention basis, except for the following:

- certain financial assets and liabilities (including derivatives) that are measured at fair value;
- defined benefit plans - net defined benefit (asset) / liabilities – Fair value of plan assets less present value of defined benefit obligation.

2.2 Basis of consolidation

Subsidiaries:

Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Specifically, the Holding Company controls an investee if and only if the Group has:

(i) Power over the investee (i.e., existing rights that give it the current ability to direct the relevant activities of the investee),

(ii) Exposure, or rights, to variable returns from its involvement with the investee, and

(iii) The ability to use its power over the investee to affect its returns

The Group re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the years are included in the consolidated financial statements from the date the Group gains control until the date the Group ceases to control the subsidiary.

Consolidated financial statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances. If a member of the group uses accounting policies other than those adopted in the consolidated financial statements for like transactions and events in similar circumstances, appropriate adjustments are made to that group member's statements in preparing the consolidated financial statements to ensure conformity with the group's accounting policies.

The consolidated financial statements of all entities used for the purpose of consolidation are drawn up to same reporting date as that of the parent Company, i.e. year ended on December 31, 2024.

Consolidation procedure:

i) Combine like items of assets, liabilities, equity, income, expenses and cash flows of the parent with those of its subsidiaries. For this purpose, income and expenses of the subsidiary are based on the amounts of the assets and liabilities recognised in the consolidated financial statements at the acquisition date.

Notes to the Consolidated Financial Statements
for the year ended December 31, 2024

ii) Offset (eliminate) the carrying amount of the parent's investment in each subsidiary and the parent's portion of equity of each subsidiary. Business combinations policy explains how to account for any related goodwill/ reserve.

iii) Eliminate in full intragroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between entities of the group, profits or losses resulting from intragroup transactions that are recognised in assets (if any), such as inventory, are eliminated in full. Intragroup losses may indicate an impairment that requires recognition in the consolidated financial statements. Ind AS 12, Income Taxes applies to temporary differences that arise from the elimination of profits and losses resulting from intragroup transactions.

Consolidated Statement of profit and loss and each component of other comprehensive income (OCI) are attributed to the equity holders of the parent of the Group and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance. When necessary, adjustments are made to the statements of subsidiaries to bring their accounting policies into line with the Group's accounting policies. All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction. If the Group loses control over a subsidiary, it:

(i) Derecognises the assets (including goodwill) and liabilities of the subsidiary;

(ii) Derecognises the carrying amount of any non-controlling interests;

(iii) Derecognises the cumulative translation differences recorded in equity;

(iv) Recognises the fair value of the consideration received;

(v) Recognises the fair value of any investment retained;

(vi) Recognises any surplus or deficit in profit and loss;

(vii) Reclassifies the parent's share of components previously recognised in OCI to profit and loss or retained earnings, as appropriate, as would be required if the Group had directly disposed of the related assets or liabilities.

2.3 Current and non-current classification

All assets and liabilities have been classified as current or non-current as per the Group'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 Group 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.

2.4 Material accounting judgements, estimates and assumptions

The preparation of financial statements in conformity with Ind AS requires the Group'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 judgements 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 Group 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.

Goodwill recognised on business combination are tested for impairment at least annually or when events occur or changes in circumstances indicate that

Notes to the Consolidated Financial Statements

for the year ended December 31, 2024

the recoverable amount of the asset to which these pertain is less than the carrying value. The recoverable amount of the asset is higher of value-in use and fair value less cost of disposal. The calculation of value in use involves use of significant estimates and assumptions which includes turnover and earnings multiples, growth rates and net margins used to calculate projected future cash flows, risk adjusted discount rate, future economic and market conditions.

b) Determination of the estimated useful lives

The Group 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 unamortised depreciable amount is charged over the remaining useful life of the assets.

c) Current and deferred taxes

Significant management judgement 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 Group's obligation is determined based on actuarial valuation. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include 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 Group'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 obsolesce

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.

f) Business combinations

Business combinations are accounted for using Ind AS 103. Ind AS 103 requires the identifiable intangible assets and contingent consideration to be fair valued in order to ascertain the net fair value of identifiable assets, liabilities and contingent liabilities of the acquiree. Significant estimates are required to be made in determining the value of contingent consideration and intangible assets and their estimated useful life. These valuations are conducted by independent valuation experts.

2.5 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.

Capital work in progress is carried at cost, less any recognised impairment loss. Depreciation of these assets commences when the assets are substantially ready for their intended use. Advances given towards acquisition or construction 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.

Notes to the Consolidated Financial Statements

for the year ended December 31, 2024

Cost of assets not ready for intended use, as on the reporting date, is shown under capital work-in-progress. Advances given towards acquisition of property, plant and equipment outstanding as at reporting date are disclosed as “other non-current assets”.

Intangible assets are initially recognised at cost.

Intangible assets with definite useful lives are amortised 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.

Depreciation / amortization

(i) Leasehold land is amortised over the period of lease using straight-line method (SLM) and included in depreciation and amortization in statement of profit and loss statement.

Useful lives are reviewed by the Group’s management at each reporting date and revised, if appropriate.

(ii) 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	Buildings	25-30 Years
2	Plant and equipments	3-8 Years
3	Furniture & fixtures	5-10 Years
4	Office equipments	5 Years
5	Vehicles	5 Years
6	Software	3 Years

(iii) 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.

(iv) Depreciation on subsequent expenditure on PPE arising on account of capital improvement or other factors is provided for prospectively over the remaining useful life.

(v) Intangible assets (software) are recorded at its acquisition price and amortized on the straight-line method over a period of three years.

(vi) Intangible assets acquired in business combination, include brand, consumer contracts and relationship, technology platform, content review, patents, trademarks and non-compete which are amortised on a straight-line basis over their estimated useful life which is as follows:

No	Nature	Estimated Useful Life
1	Patents and trademarks	8.6 Years

2.6 Leases

Effective January 1, 2020, the Group 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.

Group as a lessee

The Group’s lease asset classes primarily consist of leases for land and buildings. The Group applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Group 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 Group 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

Notes to the Consolidated Financial Statements

for the year ended December 31, 2024

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. The useful life of Right-of-use assets varies from 2 to 10 years.

Lease liabilities

At the commencement date of the lease, the Group 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 Group and payments of penalties for terminating the lease, if the lease term reflects the Group 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 Group 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 Group 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.

Group as a lessor

Leases in which the Group does not transfer substantially all the risks and rewards incidental to ownership of an asset is classified as operating leases. Rental income arising is accounted for on a straight-line basis over the lease terms. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognized over the lease term on the same basis as rental income. Contingent rents are recognized as revenue in the period in which they are earned.

2.7 Impairment non-current 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 Group 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.

2.8 Inventories

Inventories comprise of all costs of purchase, conversion and other costs incurred in bringing the inventories to their present location and condition.

Raw materials are valued at the lower of cost and net realisable value. Cost is ascertained on a moving weighted average basis, except for goods in transit which is ascertained on a specific identification basis.

Work-in-progress, finished goods and traded goods are carried at the lower of cost and net realizable value. Cost is determined on a weighted average basis. In case of work-in-progress and manufactured finished goods, cost includes material, labour

Notes to the Consolidated Financial Statements

for the year ended December 31, 2024

and production overheads. Fixed production overheads are allocated on the basis of normal capacity of production facilities.

Net realisable value of work-in-progress and finished goods is determined with reference to the estimated selling price less estimated cost of completion and estimated costs necessary to make the sale of related finished goods as applicable.

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

2.9 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, except exchange differences arising from the translation of qualifying cash flow hedge to the extent that the hedges are effective, which are recognized in Other Comprehensive Income (OCI).

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 Group expects to be entitled in exchange for those goods. The Group 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 Group 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 Group 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 Group 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 Group'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 January 1, 2021, 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 Group has received consideration (or an amount of consideration is due) from the customer. Contract liabilities are recognised as revenue when the Group performs under the contract.

Significant payment terms

Generally, the Group provides credit period ranging from 60 to 75 days.

Interest income

Interest income from a financial asset is recognised when it is probable that the economic benefits will flow to the Group 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.

Notes to the Consolidated Financial Statements

for the year ended December 31, 2024

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 and comprises part of compensated absences paid on annual basis.

b) Post-employment benefits

Defined benefit plans

All employees are covered under Employees' Group Gratuity Scheme, which is a defined benefit plan. The Group contributes to a fund maintained with Life Insurance Company (LIC) on the basis of the year end liability determined based on actuarial valuation using the Projected Unit Cost Method. Remeasurements of the net defined benefit liability, which comprise actuarial gains/losses, return on plan assets (excluding interest) and the effect of asset ceiling (if any, excluding interest) are recognized in Other Comprehensive Income. Net interest expense and other expenses related to defined benefit plans are recognised in the Statement of Profit and Loss.

Defined contribution plans

All other employees are covered under contributory provident fund benefit of specific percentage contribution of basic salary. Certain employees are also covered by the Group managed superannuation fund. Both are defined contribution schemes and the contributions are charged to the Statement of Profit and Loss of the year, when the contributions to the respective funds are due. There are no obligations other than the contributions payable to the respective funds.

Long-term employee benefits

Provision for long-term employee benefits comprise of compensated absences. These are measured on the basis of year end actuarial valuation in line with the Group's rules for compensated absences. Remeasurement gains or losses are recognized in statement of profit and loss in the period in which they arise.

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 Group 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 Group 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 into below categories:

- Financial assets at amortized cost;
- Financial assets including derivatives at fair value through profit or loss (FVTPL)
- Financial assets at fair value through other comprehensive income (FVTOCI)

Financial assets are not reclassified subsequent to their initial recognition, except if and in the period the Group 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:

Notes to the Consolidated Financial Statements

for the year ended December 31, 2024

- 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.

(ii) Financial assets including derivatives at fair value through profit or loss (FVTPL)

Financial assets are measured at fair value through profit or loss unless it is measured at amortized cost or at fair value through other comprehensive income on initial recognition. The transaction costs directly attributable to the acquisition of financial assets at fair value through profit or loss are immediately recognized in the Statement of Profit and Loss.

(iii) Financial assets at fair value through other comprehensive income (FVTOCI)

Financial assets are measured at fair value through Other Comprehensive Income if these financial assets are held within a business whose objective is achieved by both collecting contractual cash flows and selling financial assets and contractual terms of the financial asset give rise to cash flows on specified dates that are solely payments of principal and interest on the principal amount outstanding. Derivative instruments included in FVTOCI category are measured initially as well as at each reporting date at fair value. Movement in fair value is recognized in OCI.

Derecognition

A financial asset is derecognized when the right to receive cash flows from the asset has expired or the Group 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 Group 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.

Impairment of financial assets

The Group 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 Group 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 Group to track changes in credit risk. As a practical expedient, the Group 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 through profit or loss (FVTPL). A financial liability is classified as at FVTPL if it is classified as held for trading or is a derivative or it is designated as such on initial recognition. The Group’s financial liabilities include trade payables and other payables.

Equity instruments issued by the Group 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.

Notes to the Consolidated Financial Statements

for the year ended December 31, 2024

Subsequent measurement

Financial liabilities, including derivatives, which are designated for measurement at FVTPL are subsequently measured at fair value. Other financial liabilities such as deposits are measured at amortised cost using Effective Interest Rate (EIR) method.

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.

Derivative instruments

The Group uses foreign currency forward contracts to hedge its risks associated with foreign currency fluctuations relating to highly probable and forecast transactions. These forward contracts are stated at fair value at each reporting date. Changes in the fair value of these forward contracts that are designated and effective as hedges of future cash flows are recognised directly in cash flow hedge reserve under OCI, net of taxes and the ineffective portion is recognised immediately in the Statement of Profit and Loss. Amounts accumulated in cash flow hedge reserve are reclassified to Surplus (Profit and loss balance) in the same period during which the forecasted transaction occurs.

Hedge accounting is discontinued prospectively when the hedging instrument expires or is sold, terminated, or exercised, or no longer qualifies for hedge accounting. For forecasted transactions, any cumulative gain or loss on the hedging instrument recognised in cash flow hedge reserve is retained until the forecasted transaction occurs. If the forecasted transaction is no longer expected to occur, the net cumulative gain or loss recognised in cash flow hedge reserve is immediately transferred to the Statement of Profit and Loss for the period.

2.13 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. 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.

Deferred tax relating to items recognized outside Statement of Profit and Loss is recognized outside Statement of Profit and Loss. Deferred tax items are recognized in correlation to the underlying transaction either in Other Comprehensive Income or directly in Equity.

At each reporting date, the Group 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.

2.14 Provisions, Contingent Liabilities and Contingent Assets

Provisions are recognized when the Group 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.

Notes to the Consolidated Financial Statements

for the year ended December 31, 2024

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.

2.15 Warranties

Provisions for the expected cost of warranty obligations are recognised at the time of sale of the relevant products, at the best estimate of the expenditure required to settle the Group's obligation.

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 cheques in hand, cash at bank and deposits with banks having original maturity of not more than three months.

2.18 Fair value measurement

The Group'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 Group has an established control framework with respect to the measurement of fair values. The Group's management regularly reviews significant unobservable inputs and valuation adjustments. If third party information is used to measure fair values, then the Group'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 Group 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).

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 Group 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 Group 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 2.13 on financial instruments.

2.19 Segment Reporting - Identification of Segments:

An operating segment is a component of the Group that engages in business activities from which it may earn revenues and incur expenses, whose operating results are regularly reviewed by the Group'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 Groups's performance and allocates resources based on an analysis of various performance indicators by business segments and geographic segments.

Notes to the Consolidated Financial Statements

for the year ended December 31, 2024

2.20 Business combinations

The Group accounts for its business combinations under the acquisition method. The cost of an acquisition is measured as the aggregate of the consideration transferred measured at acquisition date fair value and the amount of any non-controlling interests in the acquiree. For each business combination, the Group elects whether to measure the non-controlling interests in the acquiree at fair value or at the proportionate share of the acquiree's identifiable net assets. Acquisition-related costs are expensed as incurred.

At the acquisition date, the identifiable assets acquired and the liabilities assumed are recognised at their acquisition date fair values. For this purpose, the liabilities assumed include contingent liabilities representing present obligation and they are measured at their acquisition fair values irrespective of the fact that outflow of resources embodying economic benefits is not probable.

When the Group acquires a business, it assesses the financial assets and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic circumstances and pertinent conditions as at the acquisition date.

Goodwill

Goodwill represents the cost of acquired business as established at the date of acquisition of the business in excess of the acquirer's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities less accumulated impairment losses, if any. Goodwill is tested for impairment annually or when events or circumstances indicate that the implied fair value of goodwill is less than the carrying amount.

2.21 Exceptional items

When items of income and expense within statement of profit or loss from ordinary activities are of such size, nature or incidence that their disclosure is relevant to explain the performance of the enterprise for the period, the nature and amount of such material items are disclosed separately as exceptional items.

2.22 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 January 1, 2025.

Notes to the Consolidated Financial Statements

for the year ended December 31, 2024

3.1 Property plant and equipment

(₹ in million)

	Freehold land[1]	Buildings	Plant and equipments	Furniture & fixtures	Office equipments	Vehicles	Total
Gross carrying amount							
As at January 1, 2023	**40.7**	**2,975.9**	**16,378.2**	**678.3**	**318.8**	**4.3**	**20,396.2**
Additions	-	880.0	2,323.4	387.1	158.4	1.0	3,749.9
Effect of Acquisition of "Koovers" (refer Note 49)	-	-	0.1	5.0	3.5	0.5	9.1
Disposals	-	-	21.0	0.6	6.5	-	28.1
As at December 31, 2023	**40.7**	**3,855.9**	**18,680.7**	**1,069.8**	**474.2**	**5.8**	**24,127.1**
Additions	-	233.0	7,280.3	200.2	230.3	9.0	7,952.8
Disposals	-	-	75.7	30.4	93.8	-	199.9
As at December 31, 2024	40.7	4,088.9	25,885.3	1,239.6	610.7	14.8	31,880.0
Accumulated depreciation							
As at January 1, 2023	**-**	**490.0**	**9,185.9**	**340.0**	**189.6**	**-**	**10,205.5**
Depreciation for the year	-	139.8	1,662.7	207.2	76.3	1.6	2,087.6
Effect of Acquisition of "Koovers" (refer Note 49)	-	-	0.1	2.4	2.3	0.1	4.9
Deletions	-	-	19.8	0.4	1.9	-	22.1
As at December 31, 2023	**-**	**629.8**	**10,828.9**	**549.2**	**266.3**	**1.7**	**12,275.9**
Depreciation for the year	-	162.4	2,017.1	275.9	130.0	3.2	2,588.6
Deletions	-	-	71.1	27.7	89.4	-	188.2
As at December 31, 2024	**-**	**792.2**	**12,774.9**	**797.4**	**306.9**	**4.9**	**14,676.3**
Net Block							
As at December 31, 2023	**40.7**	**3,226.1**	**7,851.8**	**520.6**	**207.9**	**4.1**	**11,851.2**
As at December 31, 2024	**40.7**	**3,296.7**	**13,110.4**	**442.2**	**303.8**	**9.9**	**17,203.7**

Note:

Buildings include ₹ 250, being cost of five ordinary shares of ₹ 50 each of Nariman Bhavan Premises Co-operative Society Limited and ₹ 500 being cost of ten ordinary shares of ₹ 50 each of Parekh Market Premises Co-Operative Society Limited, which entitle the ownership.

[1]The title deeds of immovable properties included in property plant and equipment are held in the name of the Group, except title deeds of immovable properties having gross carrying amount aggregating ₹ 21.3 million (2023: ₹ 21.3 million) and net carrying amount aggregating ₹ 21.3 million (2023: ₹ 21.3 million),which have been transferred to the Group, pursuant to the Schemes of Amalgamation (refer Note 45) and their title transfer proceedings are under progress.

Notes to the Consolidated Financial Statements

for the year ended December 31, 2024

3.2 Right-of-use of assets[1]

(₹ in million)

	Leasehold land	Buildings	Vehicles	Total
Cost				
As at January 1, 2023	**540.6**	**742.1**	**5.5**	**1,288.2**
Additions for the year	-	11.6	9.4	21.0
Disposals	-	-	-	-
As at December 31, 2023	**540.6**	**753.7**	**14.9**	**1,309.2**
Additions for the year	15.5	147.5	-	163.0
Disposals	15.5	-	-	15.5
As at December 31, 2024	**540.6**	**901.2**	**14.9**	**1,456.7**
Accumulated amortisation				
As at January 1, 2023	**3.4**	**248.6**	**5.5**	**257.5**
Amortisation for the year	5.8	92.9	1.4	100.1
Deletions	-	-	-	-
As at December 31, 2023	**9.2**	**341.5**	**6.9**	**357.6**
Amortisation for the year	4.4	116.2	1.9	122.5
Deletions	2.2	-	-	2.2
As at December 31, 2023	**11.4**	**457.7**	**8.8**	**477.9**
Net Block				
As at December 31, 2023	**531.4**	**412.2**	**8.0**	**951.6**
As at December 31, 2024	**529.2**	**443.5**	**6.1**	**978.8**

[1]Lease contracts entered by the Company majorly pertains to land and building taken on lease to conduct business activity in ordinary course of business (refer Note 47)

3.3 Capital work-in-progress

(₹ in million)

	Total
As at January 1, 2023	**2,493.4**
Additions	6,165.9
Deductions	-
Assets capitalised during the year	3,751.6
As at December 31, 2023	**4,907.7**
Additions	7,544.2
Deductions	-
Assets capitalised during the year	7,960.8
As at December 31, 2024	**4,491.1**

Capital work-in-progress ageing schedule

Particulars	2024				
	Amount in CWIP for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress	2,506.0	1,741.8	204.4	38.9	4,491.1
Projects temporarily suspended	-	-	-	-	-
Total	**2,506.0**	**1,741.8**	**204.4**	**38.9**	**4,491.1**

There is no capital work-in-progress, whose completion is overdue or has exceeded its cost compared to its original plan

Capital work-in-progress ageing schedule

Particulars	2023				
	Amount in CWIP for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress	4,191.8	516.2	198.8	0.9	4,907.7
Projects temporarily suspended	-	-	-	-	-
Total	**4,191.8**	**516.2**	**198.8**	**0.9**	**4,907.7**

There is no capital work-in-progress, whose completion is overdue or has exceeded its cost compared to its original plan

Notes to the Consolidated Financial Statements

for the year ended December 31, 2024

3.4 Intangible assets

(₹ in million)

	Patents and trademarks	Software	Total
Cost			
As at January 1, 2023	-	14.3	14.3
Additions	-	7.6	7.6
Effect of Acquisition of "Koovers" (refer Note 49)	799.5	35.7	835.2
Disposals	-	-	-
As at December 31, 2023	799.5	57.6	857.1
Additions	-	8.0	8.0
Disposals	-	0.1	0.1
As at December 31, 2024	**799.5**	**65.5**	**865.0**
Accumulated amortisation			
As at January 1, 2023	-	8.6	8.6
Amortisation for the year	31.0	11.4	42.4
Effect of Acquisition of "Koovers" (refer Note 49)	-	19.3	19.3
Deletions	-	-	-
As at December 31, 2023	31.0	39.3	70.3
Amortisation for the year	93.1	11.3	104.4
Deletions	-	0.1	0.1
As at December 31, 2024	**124.1**	**50.5**	**174.6**
Net Block			
As at December 31, 2023	768.5	18.3	786.8
As at December 31,2024	**675.4**	**15.0**	**690.4**

4. Financial assets (non-current)

(₹ in million)

	2024	2023
(iii) Security deposits	187.5	150.3
Total	**187.5**	**150.3**
Breakup of security deposit		
Considered goods secured	-	-
Considered goods unsecured	187.5	150.3
Which have significant increase credit risk	-	-
Credit impaired	-	-
(iv) Other		
Bank deposits with remaining maturity of more than 12 months[1]	5.3	5.0
Total	**5.3**	**5.0**
Total (iii)+(iv)	**192.8**	**155.3**

[1]Includes deposits of ₹ nil million (2023: ₹ nil million) under lein.

5. Deferred tax assets (net)

(₹ in million)

		2024	2023
Deferred tax liabilities			
Amortisation of contract assets		70.4	45.0
Exchange loss on cash flow hedges		5.6	0.2
	(A)	**76.0**	**45.2**
Deferred tax assets			
Excess of depreciation / amortisation on property, plant and equipment provided in accounts over depreciation /amortisation under tax laws		40.6	65.8
Provision for employee benefits		191.8	175.2
Provision for expenses and others		21.9	25.3
Allowance for expected credit loss		5.8	5.0
Leases		27.4	23.1
	(B)	**287.5**	**294.4**
Net deferred tax assets	**(B - A)**	**211.5**	**249.2**

Notes to the Consolidated Financial Statements

for the year ended December 31, 2024

Movement in deferred tax assets / (liabilities) net

(₹ in million)

	Depreciation	Provision for employee benefits	Provision for expenses and others	Allowance for expected credit loss	Leases	Amortisation of contract assets	Exchange gain / (loss) on cash flow hedges	Total
As at January 1, 2023	**234.2**	**145.7**	**25.4**	**8.4**	**19.0**	**(41.2)**	**(7.0)**	**384.5**
(Charged) / credited to:								
Statement of Profit and Loss	33.3	14.6	(0.1)	(3.4)	4.1	(3.8)	6.8	51.5
DTL on business combination at acquisition date (refer Note 49)	201.7	-	-	-	-	-	-	201.7
Other Comprehensive Income	-	14.9	-	-	-	-	-	14.9
As at December 31, 2023	**65.8**	**175.2**	**25.3**	**5.0**	**23.1**	**(45.0)**	**(0.2)**	**249.2**
(Charged) / credited to:								
Statement of Profit and Loss	(25.2)	3.8	(3.4)	0.8	4.3	(25.4)	(5.4)	(50.5)
Other Comprehensive Income	-	12.8	-	-	-	-	-	12.8
As at December 31, 2024	**40.6**	**191.8**	**21.9**	**5.8**	**27.4**	**(70.4)**	**(5.6)**	**211.5**

6. Non-current income-tax assets (net)

(₹ in million)

	2024	2023
Advance tax recoverable (net of provisions for tax ₹ 2,351.2 million, 2023: ₹ 2,289.5 million)	670.0	779.1
Total	**670.0**	**779.1**

7. Other non-current assets

(₹ in million)

	2024	2023
VAT, excise and others receivable (paid under protest)	46.1	77.3
Stamp duty (paid under protest, refer note no. 34 d)	250.0	250.0
Other balance with government authorities	133.3	79.5
Capital advance, considered good	314.9	507.6
Contract assets	287.2	185.9
Total	**1,031.5**	**1,100.3**

8. Inventories

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

(₹ in million)

	2024	2023
Raw materials and components (including goods-in-transit ₹ 1,819.4 million; 2023: ₹ 2,129.2 million)	3,645.0	3,766.8
Work-in-progress	801.3	612.7
Finished goods	3,341.4	3,387.3
Stock-in-trade (including goods-in-transit ₹ 2,662.0 million; 2023: ₹ 1,898.9 million)	6,137.1	4,715.4
Stores and spares (including goods-in-transit ₹ 3.3 million; 2023: ₹ 19.1 million)	771.4	673.9
Total	**14,696.2**	**13,156.1**

The Group follows suitable provisioning norms for writing down the value of Inventories towards slow moving and non-moving inventory. As at December 31, 2024, provision for write-down of inventories to net realisable value is ₹ 731.7 million (2023: ₹ 949.3 million).

Notes to the Consolidated Financial Statements

for the year ended December 31, 2024

9. Trade receivables

(₹ in million)

	2024	2023
Other than related parties[1]	10,792.4	8,668.0
From related parties (refer Note 36)	2,160.0	1,910.5
Less: Allowance for expected credit loss	(23.2)	(22.6)
	12,929.2	**10,555.9**
Of which;		
secured, considered good	18.6	19.9
unsecured, considered good	12,928.0	10,550.4
which have significant increase in credit risk	5.8	8.2
	12,952.4	**10,578.5**
Less: Allowance for expected credit loss	(23.2)	(22.6)
Total	**12,929.2**	**10,555.9**

[1]Includes receivable of ₹ 25.5 million (2023; ₹ 5.3 million), from a private limited companies in which an Independent Director is a Director

The Group's exposure to currency risk and credit risk related to trade receivables are disclosed in Note 38 A(i) and C.

Trade receivables ageing

(₹ in million)

Particulars	2024						
	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	12,716.8	49.1	7.4	166.9	3.8	2.6	12,946.6
Undisputed Trade Receivables – which have significant increase in credit risk[1]	-	-	0.6	0.1	0.0	-	0.7
Undisputed Trade Receivables – credit impaired	-	-	-	-	-	-	-
Disputed Trade Receivables – considered good	-	-	-	-	-	-	-
Disputed Trade Receivables – which have significant increase in credit risk	-		-	5.1	-	-	5.1
Disputed Trade Receivables – credit impaired	-	-	-	-	-	-	-
Gross receivables	**12,716.8**	**49.1**	**8.0**	**172.1**	**3.8**	**2.6**	**12,952.4**
Less: Allowance for credit losses							**(23.2)**
Net receivables							**12,929.2**

[1]Values less than ₹ 1 million.

(₹ in million)

Particulars	2023						
	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	10,302.8	165.7	96.8	2.5	0.1	2.4	10,570.3
Undisputed Trade Receivables – which have significant increase in credit risk	-	1.7	-	-	-	-	1.7
Undisputed Trade Receivables – credit impaired	-	-	-	-	-	-	-
Disputed Trade Receivables – considered good	-	-	-	-	-	-	-
Disputed Trade Receivables – which have significant increase in credit risk	-	6.5	-	-	-	-	6.5
Disputed Trade Receivables – credit impaired	-	-	-	-	-	-	-
Gross receivables	10,302.8	173.9	96.8	2.5	0.1	2.4	10,578.5
Less: Allowance for credit losses							(22.6)
Net receivables							10,555.9

10. Cash and cash equivalents

(₹ in million)

	2024	2023
Cash on hand	0.3	0.1
Balances with banks:		
on current accounts	774.2	636.0
on deposit accounts (with original maturity of 3 months or less)	3,864.9	61.0
Total	**4,639.4**	**697.1**

The Group has been sanctioned an unsecured working capital limit of ₹ 1,550 million by banks. The Group has utilised partial limit of ₹ 74 million for one day during the reporting period.

Notes to the Consolidated Financial Statements

for the year ended December 31, 2024

11. Bank balances other than Cash and cash equivalents

(₹ in million)

	2024	2023
Bank deposits with original maturity of more than 3 months and remaining maturity of less than 12 months[1]	8,846.6	15,148.1
Restricted deposits (unclaimed dividend)	14.3	11.4
Total	**8,860.9**	**15,159.5**

[1]Includes deposits of ₹ 156.9 million (2023: ₹ 229.5 million) under lein.

12. Other current financial assets

(₹ in million)

	2024	2023
(i) Security deposits	29.6	32.4
Total	**29.6**	**32.4**
Breakup of security deposit		
Considered goods secured	-	-
Considered goods unsecured	29.6	32.4
Which have significant increase credit risk	-	-
Credit impaired	-	-
(ii) Other		
Other receivables - related parties (refer Note 36)	184.7	61.1
Interest accrued - fixed deposits	319.4	311.0
Interest accrued - others	4.9	4.8
Derivative forward exchange contracts	22.4	0.8
Total	**531.4**	**377.7**
Total (i)+(ii)	**561.0**	**410.1**

13. Other current assets

(₹ in million)

	2024	2023
Unsecured and considered good		
Balance with Government authorities	483.6	743.7
Advances for supply of goods and services	296.5	277.2
Export incentives receivable	48.0	51.1
Advances to employees	4.3	5.2
Prepaid expenses	18.0	5.7
Total	**850.4**	**1,082.9**

14. Equity share capital

(₹ in million)

	2024	2023
Authorised capital		
627,500,000 equity shares of ₹ 2 each (2023: 627,500,000 equity shares of ₹ 2 each)	1,255.0	1,255.0
Total	**1,255.0**	**1,255.0**
Issued, subscribed and paid-up		
156,303,670 fully paid-up equity shares of ₹ 2 each (2023: 156,303,670 fully paid-up equity shares of ₹ 2 each)	312.6	312.6
Total	**312.6**	**312.6**

Details of Promoters shares holding

		2024		
S. No.	**Promoter name**	**Number of shares held**	**% of total shares**	**% change during the year**
1	Schaeffler Schweinfurt Beteiligungs GmbH	42,645,915	27.28%	-
2	Schaeffler Bühl Verwaltungs GmbH	32,142,865	20.56%	-
3	Schaeffler Verwaltungsholding Sechs GmbH	23,462,255	15.01%	-
4	Industriewerk Schaeffler INA-Ingenieurdienst GmbH	17,612,200	11.27%	-

		2023		
S. No.	**Promoter name**	**Number of shares held**	**% of total shares**	**% change during the year**
1	Schaeffler Schweinfurt Beteiligungs GmbH	42,645,915	27.28%	-
2	Schaeffler Bühl Verwaltungs GmbH	32,142,865	20.56%	-
3	Schaeffler Verwaltungsholding Sechs GmbH	23,462,255	15.01%	-
4	Industriewerk Schaeffler INA-Ingenieurdienst GmbH	17,612,200	11.27%	-

Notes to the Consolidated Financial Statements

for the year ended December 31, 2024

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

(₹ in million)

Equity shares	2024		2023	
	No. of shares	Amount	No. of shares	Amount
Shares outstanding at the beginning of the year	156,303,670	312.6	156,303,670	312.6
Shares outstanding at the end of the year	156,303,670	312.6	156,303,670	312.6

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

The Group has a single class of equity shares having par value of ₹ 2 per share. Accordingly, all equity shares rank equally with regard to one vote per share held. The dividends proposed by the Board of directors is subject to the approval of shareholders at the ensuing Annual General Meeting, except in case of interim dividend. In the event of liquidation of the Group, the equity shareholders are eligible to receive assets of the Group, after distribution of all preferential amounts, in the proportion to their shareholding.

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

(₹ in million)

Name of Shareholders	2024		2023	
	No. of Shares held (of ₹ 2 each)	Amount	No. of Shares held (of ₹ 2 each)	Amount
Schaeffler Schweinfurt Beteiligungs GmbH (affiliates)	42,645,915	85.3	42,645,915	85.3
Schaeffler Bühl Verwaltungs GmbH (affiliates)	32,142,865	64.3	32,142,865	64.3
Schaeffler Verwaltungsholding Sechs GmbH (affiliates)	23,462,255	46.9	23,462,255	46.9
Industriewerk Schaeffler INA-Ingenieurdienst GmbH (affiliates)	17,612,200	35.2	17,612,200	35.2
Total	**115,863,235**	**231.7**	**115,863,235**	**231.7**

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

Name of Shareholders	2024		2023	
	No. of Shares held	% of shareholding	No. of Shares held	% of shareholding
Schaeffler Schweinfurt Beteiligungs GmbH	42,645,915	27.28%	42,645,915	27.28%
Schaeffler Bühl Verwaltungs GmbH	32,142,865	20.56%	32,142,865	20.56%
Schaeffler Verwaltungsholding Sechs GmbH	23,462,255	15.01%	23,462,255	15.01%
Industriewerk Schaeffler INA-Ingenieurdienst GmbH	17,612,200	11.27%	17,612,200	11.27%

e) The Group in aggregate has not issued, any 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.

15. Other equity

(₹ in million)

		2024	2023
Capital reserve		617.8	617.8
	(A)	**617.8**	**617.8**
Securities premium		600.0	600.0
	(B)	**600.0**	**600.0**
General reserve		4,218.4	4,218.4
	(C)	**4,218.4**	**4,218.4**
Retained earnings			
At the commencement of the year		42,304.7	37,110.2
Add: Net profit for the year		9,388.6	8,990.2
Remeasurements of defined benefit liability / asset (net of tax) (FVTOCI)		(40.1)	(44.4)
Add: Valuation tax effects AAM Kits		6.2	-
Less: Appropriations			
Dividends paid		4,063.9	3,751.3
	(D)	**47,595.5**	**42,304.7**
Total (A+B+C+D)		**53,031.7**	**47,740.9**

Notes to the Consolidated Financial Statements

for the year ended December 31, 2024

The following dividends were declared and paid by the Holding Company during the year:

(₹ in million)

	2024	2023
₹ 26 per equity share of face value of ₹ 2/- each (2023: ₹ 24 per equity share of face value of ₹ 2/- each)	4,063.9	3,751.3
	4,063.9	**3,751.3**

After the reporting dates, the following dividends were proposed by the Board of Directors of the Holding Company subject to the approval at the ensuing annual general meeting and hence, dividends have not been disclosed as liabilities.

(₹ in million)

	2024	2023
Dividend of ₹ 28 per equity share of face value of ₹ 2/- each (2023: ₹ 26 per equity share of face value ₹ 2/- each)	4,376.5	4,063.9

16. a) Lease liabilities (non-current)

(₹ in million)

	2024	2023
Lease liabilities (refer Note 47)	434.3	406.5
Total	**434.3**	**406.5**

16. b) Lease liabilities (current)

(₹ in million)

	2024	2023
Lease liabilities (refer Note 47)	121.0	104.5
Total	**121.0**	**104.5**

17. Other financial liabilities (non-current)

(₹ in million)

	2024	2023
Employee liabilities	118.6	86.0
Security deposits from customers / suppliers	25.1	22.8
Total	**143.7**	**108.8**

18. Provisions (non-current)

(₹ in million)

	2024	2023
Provision for other statutory matters (being litigated)[1]	12.0	12.0
Provision for warranties	14.5	32.8
Total	**26.5**	**44.8**

[1]Provisions are made for ongoing litigation on tax and regulatory matters, the liabilities for which will be ascertained on conclusion of the respective assessments.

19. Trade payables

(₹ in million)

	2024	2023
Total outstanding dues of micro and small enterprises	778.6	1,526.3
Total outstanding dues of creditors other than micro and small enterprises		
Other than related parties	4,499.6	3,814.0
Related parties (refer note 36)	6,002.6	5,211.1
Total	**11,280.8**	**10,551.4**

The Group's exposure to currency and liquidity risks related to trade payables is disclosed in Note 38.

Trade Payables Ageing

(₹ in million)

Particulars	2024				
	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	756.8	11.8	2.6	7.4	778.6
Undisputed dues of creditors other than micro enterprises and small enterprises	10,436.5	15.7	14.2	35.8	10,502.2
Disputed dues of micro enterprises and small enterprises	-	-	-	-	-
Disputed dues of creditors other than micro enterprises and small enterprises	-	-	-	-	-
Total	**11,193.3**	**27.5**	**16.8**	**43.2**	**11,280.8**

Notes to the Consolidated Financial Statements

for the year ended December 31, 2024

(₹ in million)

Particulars	2023				
	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	1,514.2	4.5	1.9	5.8	1,526.4
Undisputed dues of creditors other than micro enterprises and small enterprises	8,946.4	13.6	14.6	50.4	9,025.0
Disputed dues of micro enterprises and small enterprises	-	-	-	-	-
Disputed dues of creditors other than micro enterprises and small enterprises	-	-	-	-	-
Total	**10,460.6**	**18.1**	**16.5**	**56.2**	**10,551.4**

20. Other current financial liabilities

(₹ in million)

	2024	2023
Employee liabilities	581.3	578.3
Creditors for capital goods		
Other than related parties	502.7	459.8
Related parties (refer note 36)	764.6	894.0
Accrued expense	121.9	176.5
Unclaimed dividends[1]	14.3	11.4
Other payables	8.6	10.6
Total	**1,993.4**	**2,130.6**

[1]There are no amounts due for payment to the Investor Education and Protection Fund under section 125 of the Companies Act, 2013 as at the year end.

21. Other current liabilities

(₹ in million)

	2024	2023
Advances from customers (refer Note 46)	76.1	50.6
TDS payable	108.4	88.3
GST Payable	181.7	260.7
Other statutory dues	89.0	40.9
Total	**455.2**	**440.5**

22. Provisions (Current)

(₹ in million)

	2024	2023
Provision for employee benefits		
Compensated absences	628.0	549.8
Gratuity (refer Note 40)	130.4	105.3
Other provisions		
Provision for warranties[1]	32.2	30.6
Total	**790.6**	**685.7**

[1]Warranty provision is estimated for expected warranty claims in respect of eligible products sold during the year by the Group, which usually carry a warranty period ranging from 12 to 24 months from the date of sale. The provision is determined based on the historical data. The timing and amount of cashflows will determined on receipt of claims.

Additional disclosures relating to certain provisions (as per Ind AS 37):

(₹ in million)

Warranties	2024	2023
At the commencement of the year	63.4	84.4
Provision made during the year	69.3	36.0
Provision utilised during the year	(86.0)	(57.0)
At the end of the year	**46.7**	**63.4**

23. Revenue from operations

(₹ in million)

	2024	2023
Revenue from Contract with Customer		
Sale of products		
Manufactured goods	60,178.7	53,914.6
Traded goods	20,814.7	17,108.5
	80,993.4	**71,023.1**
Sale of services	152.5	296.2
Other operating revenues		
Export incentives	286.3	238.9
Scrap sales	883.0	950.9
Other	8.6	-
Total	**82,323.8**	**72,509.1**

Notes to the Consolidated Financial Statements

for the year ended December 31, 2024

The management determines the information reported under Note 42 and 46 reporting is sufficient to meet the disclosure objective with respect to disaggregation of revenue and geographical segment under Ind AS 115 Revenue from contract with Customers. Hence, no separate disclosures of disaggregated revenues are reported.

24. Other income

(₹ in million)

	2024	2023
Interest income		
On fixed deposits	857.8	942.5
On loan and others	32.8	43.1
Provisions no longer required written-back	-	13.4
Other income	269.3	221.1
Gain on account of foreign exchange fluctuations (net)	20.7	-
Profit on sale / retirement of assets (net)	2.4	25.4
Total	**1,183.0**	**1,245.5**

25. Cost of materials consumed[1]

(₹ in million)

	2024	2023
Inventory of materials at the beginning of the year	3,766.8	3,930.0
Purchases	32,766.3	30,671.5
Inventory of materials at the end of the year	3,645.0	3,766.8
Total	**32,888.1**	**30,834.7**

[1]The consumption amounts shown above have been ascertained on the basis of materials consumed and after considering excess / shortages ascertained on physical verification.

26. Purchases of stock-in-trade

(₹ in million)

	2024	2023
Purchase of traded goods	20,245.6	14,942.5
Total	**20,245.6**	**14,942.5**

27. Changes in inventories of finished goods, stock-in-trade and work-in-progress[1]

(₹ in million)

		2024	2023
Decrease / (Increase) in inventory of finished goods			
Opening inventory		3,387.3	2,893.2
Less: Closing inventory		3,341.4	3,387.3
	(A)	**45.9**	**(494.1)**
(Increase) in inventory of traded goods			
Opening inventory		4,715.4	4,620.5
Less: Closing inventory		6,137.1	4,715.4
	(B)	**(1,421.7)**	**(94.9)**
(Increase) in inventory of work-in-progress			
Opening inventory		612.7	452.7
Less: Closing inventory		801.3	612.7
	(C)	**(188.6)**	**(160.0)**
Total	**(A + B + C)**	**(1,564.4)**	**(749.0)**

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

28. Employee benefits expense

(₹ in million)

	2024	2023
Salaries, wages and incentives	4,598.9	3,904.5
Contributions to: (refer Note 40)		
- Provident and other funds	245.3	207.6
- Gratuity fund	75.6	66.0
- Superannuation fund	33.3	33.4
Compensated absences	141.6	110.8
Staff welfare expenses	327.1	297.1
Total	**5,421.8**	**4,619.4**

Notes to the Consolidated Financial Statements
for the year ended December 31, 2024

29. Finance costs

(₹ in million)

	2024	2023
Interest and finance charges on lease liability	34.5	29.6
Bank and other financial charges	9.1	13.1
Total	**43.6**	**42.7**

30. Depreciation and amortisation expense

(₹ in million)

	2024	2023
Depreciation on property, plant and equipment	2,588.6	2,087.6
Depreciation of right-to-use of assets (refer Note 47)	122.5	100.1
Amortisation of intangible assets	104.4	42.4
Total	**2,815.5**	**2,230.1**

31. Other expenses

(₹ in million)

	2024	2023
Consumption of stores and spare parts	2,960.3	2,543.8
Power and fuel	1,067.3	980.9
Freight, clearing and forwarding	869.4	740.1
Rent	25.1	18.8
Repairs and maintenance		
Building	20.7	23.4
Machinery	44.6	39.2
Others	197.4	142.2
Insurance	116.4	93.8
Rates and taxes	121.4	57.2
Travelling expenses	279.6	325.0
Legal and professional fees	107.9	100.8
Payments to auditors (refer note below)	9.2	8.7
Fees for use of technology (refer Note 36)	1,560.1	1,410.2
Advertising and sales promotion	141.6	174.3
Bank charges	5.1	5.9
Telephone and other communication expenses	32.0	38.3
Printing and stationery	24.1	21.1
Provision for doubtful debts	0.5	2.6
Bad debts written off	0.1	-
Loss on sale/retirement of assets (net)	-	-
Loss on account of foreign exchange fluctuations (net)	-	29.6
Warranty costs	69.3	36.0
Outside services	3,039.3	2,693.9
Corporate Social Responsibility expenditure	215.6	160.2
Miscellaneous expenses	36.6	71.6
Less: Capitalised for own consumption	(64.5)	(68.1)
Total	**10,879.1**	**9,649.5**

Note: Payments to auditors

(₹ in million)

	2024	2023
As auditors		
- Statutory audit	3.1	5.6
- Limited review	5.2	3.0
- Out of pocket expense[1]	0.0	0.1
- Other services	0.9	-
Total	**9.2**	**8.7**

[1]Values less than ₹ 1 million.

Notes to the Consolidated Financial Statements

for the year ended December 31, 2024

32. Income tax expense

(₹ in million)

	2024	2023
Tax expense		
(a) Current tax		
Current tax on profit during the year	3,312.5	3,172.9
Tax in respect of prior years	27.4	26.1
Total current tax expense	**3,339.9**	**3,199.0**
(b) Deferred tax		
Deferred tax (credit) / expense attributable to origination and reversal of temporary differences	49.0	(51.5)
Total tax expense	**3,388.9**	**3,147.5**
Reconciliation of tax expenses and the accounting profit multiplied by tax rate:		
Profit before tax	12,777.5	12,137.7
Current tax at the Indian tax rate of 25.17%	3,216.1	3,055.1
Tax adjustments of earlier years	27.4	26.1
Effect of non deductible expenses	145.4	66.3
Effect of exempt other income/weighted deduction	-	-
Tax expense recognised in Statement of Profit and Loss	**3,388.9**	**3,147.5**
Tax impact recognised in Other Comprehensive Income (OCI)		
Remeasurement of defined benefits obligation	12.8	14.9
Total	**12.8**	**14.9**

33. Earnings Per Share (EPS)

	2024	2023
a) Amount used as the numerator		
Profit after tax attributable to equity shareholders (₹ in million)	9,388.6	8,990.2
b) Weighted average number of equity shares used as the denominator (Nos.)	156,303,670	156,303,670
c) Nominal value of share (in ₹)	2.0	2.0
d) Earnings per share (Basic and Diluted) (in ₹)	60.1	57.5

34. Contingent liabilities not provided for in respect of:

(₹ in million)

	2024	2023
Claims against the Group not acknowledged as debts:		
a) Employees and ex-employees related matters:		
(i) Matters pending in labour court / civil court / High Court for reinstatement of service / recovery of salary, PF and ESIC matters.	123.2	106.1
(ii) Demand for discontinuing of contract system and for differential wages.	97.9	48.2
	221.1	**154.3**
b) (i) Sales-tax		
For non-receipt of C Forms and non acceptance of Group's claim of certain sales as exempt sales in respect of various assessment years.	25.3	25.7
(ii) Excise duty and Service tax:		
In respect of matters decided against the Group, for which the Group is in appeal with higher authorities.	213.0	138.2
	238.3	**163.9**
c) Income tax:		
i) In respect of matters decided against the Group, for which the Group is in appeal with higher authorities.	206.2	284.6
	206.2	**284.6**
In respect of above matters, it is not practicable for the Group to estimate the closure of these issues and consequential timing of cash flows, if any.		
d) Others:		
Demand notice for stamp duty on Order of Hon'ble National Company Law Tribunal, Mumbai Bench, approving the Scheme of Amalgamation of INA Bearings India Private Limited and LuK India Private Limited with the Group, for which the Group is in appeal with higher authorities.	250.0	250.0
	250.0	**250.0**

Notes to the Consolidated Financial Statements

for the year ended December 31, 2024

35. Commitments

(₹ in million)

	2024	2023
Contracts on capital account:		
Estimated amount of contracts remaining to be executed on capital account and not provided for (net of capital advance ₹ 314.9 million; 2023: ₹ 507.6 million).	2,953.1	4,888.8

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:

The ultimate control lies with INA Holding Schaeffler GmbH & Co. KG, Germany.

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

2024	2023
Ultimate holding Company	**Ultimate holding Company**
INA Holding Schaeffler GmbH & Co. KG, Germany	INA Holding Schaeffler GmbH & Co. KG, Germany
Fellow subsidiaries / Affiliates	**Fellow subsidiaries / Affiliates**
Schaeffler Australia Pty Ltd., Australia	Schaeffler Australia Pty Ltd., Australia
Schaeffler Austria GmbH., Austria	Schaeffler Brasil Ltda., Brasil
Schaeffler Brasil Ltda., Brasil	Schaeffler Canada Inc., Canada
Schaeffler Canada Inc., Canada	Schaeffler (China) Co., Ltd., China
Schaeffler (China) Co., Ltd., China	Schaeffler Trading (Shanghai) Co., Ltd., China
Schaeffler Trading (Shanghai) Co., Ltd., China	Schaeffler (Ningxia) Co., Ltd., China
Schaeffler (Ningxia) Co., Ltd., China	Schaeffler Friction Products (Suzhou) Co., Ltd., China
Schaeffler Friction Products (Suzhou) Co., Ltd., China	Schaeffler (Nanjing) Co., Ltd., China
Schaeffler (Nanjing) Co., Ltd., China	Schaeffler (Xiangtan) Co., Ltd., China
Schaeffler (Xiangtan) Co., Ltd., China	Schaeffler Middle East FZE., Dubai
Schaeffler Smart Machinery (Taicang) Co., Ltd., China	Schaeffler France SAS., France
Schaeffler Middle East FZE., Dubai	WPB Water Pump Bearing GmbH & Co. KG, Germany
Schaeffler Danmark ApS., Denmark	Schaeffler Technologies AG & Co. KG, Germany
Schaeffler France SAS., France	Schaeffler Automotive Buehl GmbH & Co. KG, Germany
WPB Water Pump Bearing GmbH & Co. KG, Germany	Schaeffler Automotive Aftermarket GmbH & Co. KG, Germany
Schaeffler Technologies AG & Co. KG, Germany	Schaeffler AG, Germany
Schaeffler Automotive Buehl GmbH & Co. KG, Germany	Schaeffler Friction Products GmbH, Germany
Schaeffler Vehicle Lifetime Solutions Germany GmbH & Co. KG., Germany *(formerly Schaeffler Automotive Aftermarket GmbH & Co. KG,)*	Compact Dynamics GmbH, Germany
Schaeffler AG, Germany	Schaeffler Digital Solutions GmbH, Germany
Schaeffler Friction Products GmbH, Germany	Schaeffler Consulting GmbH, Germany
Schaeffler Engineering GmbH., Germany	Schaeffler Ultra Precision Drives GmbH, Germany
Schaeffler Digital Solutions GmbH, Germany	Schaeffler Sondermaschinenbau AG & Co. KG, Germany
Schaeffler Ultra Precision Drives GmbH, Germany	Schaeffler Schweinfurt Beteiligungs GmbH, Germany
Schaeffler Sondermaschinenbau AG & Co. KG, Germany	Schaeffler Bühl Verwaltungs GmbH, Germany
Schaeffler Schweinfurt Beteiligungs GmbH, Germany	Schaeffler Verwaltungsholding Sechs GmbH, Germany
Schaeffler Bühl Verwaltungs GmbH, Germany	Industriewerk Schaeffler INA-Ingenieurdienst GmbH, Germany
Schaeffler Verwaltungsholding Sechs GmbH, Germany	Schaeffler Hong Kong Company Limited, Hong Kong
Industriewerk Schaeffler INA-Ingenieurdienst GmbH, Germany	Schaeffler Savaria Kft., Hungary
Schaeffler Hong Kong Company Limited, Hong Kong	Schaeffler Debrecen Kft., Hungary
Schaeffler Savaria Kft., Hungary	Schaeffler Technology Solutions India Pvt. Limited, India
Schaeffler Debrecen Kft., Hungary	Schaeffler Bearings Indonesia, PT., Indonesia
Schaeffler Technology Solutions India Pvt. Limited, India	Schaeffler Water Pump Bearing Italia S.r.l., Italy

Notes to the Consolidated Financial Statements

for the year ended December 31, 2024

2024	2023
PT. Schaeffler Solutions Indonesia., Indonesia *(formerly Schaeffler Bearings Indonesia, PT.,)*	Schaeffler Italia S.r.l., Italy
Schaeffler Water Pump Bearing Italia S.r.l., Italy	Schaeffler Japan Co., Limited, Japan
Schaeffler Italia S.r.l., Italy	Schaeffler Ansan Corporation, Korea
Vitesco Technologies India Private Limited, India	Schaeffler Korea Corporation, Korea
Schaeffler Japan Co., Limited, Japan	Schaeffler Bearings (Malaysia) Sdn. Bhd., Malaysia
Schaeffler Ansan Corporation, Korea	Schaeffler Transmisión, S. de R.L. de C.V., Mexico
Schaeffler Korea Corporation, Korea	Schaeffler Automotive Aftermarket Mexico, S. de R.L. de C.V., Mexico
Schaeffler Special Machinery Corporation., Korea	Schaeffler Mexico, S. de R.L. de C.V., Mexico
Schaeffler (Malaysia) Sdn. Bhd., Malaysia *(formerly Schaeffler Bearings (Malaysia) Sdn. Bhd.,)*	Radine B.V., Netherland
Schaeffler Transmisión, S. de R.L. de C.V., Mexico	Schaeffler Philippines Inc., Philippines
Schaeffler Automotive Aftermarket Mexico, S. de R.L. de C.V., Mexico	Schaeffler Portugal, Unipessoal, Lda., Portugal
Schaeffler Mexico, S. de R.L. de C.V., Mexico	Schaeffler Romania S.R.L., Romania
Schaeffler Smart Maintenance Tools B.V., Netherland *(formerly BEGA International B.V.,)*	Schaeffler (Singapore) Pte. Ltd., Singapore
Schaeffler Special Machinery Netherlands B.V., Netherland *(formerly Radine B.V.,)*	Schaeffler Kysuce, spol. s r.o., Slovakia
Schaeffler Philippines Inc., Philippines	Schaeffler Skalica, spol. s r.o., Slovakia
Schaeffler Portugal, Unipessoal, Lda., Portugal	Schaeffler South Africa (Pty.) Ltd., South Africa
Schaeffler Romania S.R.L., Romania	Schaeffler Manufacturing (Thailand) Co., Ltd., Thailand
Schaeffler (Singapore) Pte. Ltd., Singapore	Schaeffler Turkey Endüstri ve Otomotiv Ticaret Limited Sirketi., Turkey
Schaeffler Kysuce, spol. s r.o., Slovakia	Schaeffler (UK) Limited, UK
Schaeffler Production CZ s.r.o., Slovakia	Schaeffler Automotive Aftermarket (UK), Limited, UK
Schaeffler Skalica, spol. s r.o., Slovakia	Schaeffler Group USA, Inc., USA
Schaeffler Special Machinery, spol. s r.o., Slovakia	Schaeffler Transmission Systems, LLC., USA
Schaeffler Iberia, S.L.U., Spain	Schaeffler Vietnam Co., Ltd., Vietnam
Schaeffler South Africa (Pty.) Ltd., South Africa	
Schaeffler Manufacturing (Thailand) Co., Ltd., Thailand	
Schaeffler (UK) Limited, UK	
Schaeffler Vehicle Life Time Solutions UK Limited., UK *(Formerly Schaeffler Automotive Aftermarket (UK), Limited, UK)*	
Schaeffler Group USA, Inc., USA	
Schaeffler Special Machinery LLC., USA	
Schaeffler Vietnam Co., Ltd., Vietnam	
Key Management Personnel	**Key Management Personnel**
Mr. Harsha Kadam, Managing Director	Mr. Harsha Kadam, Managing Director
Ms. Hardevi Vazirani, Director Finance and CFO (w.e.f. February 13, 2024)	Ms. Hardevi Vazirani, Director Finance and CFO (w.e.f. February 13, 2024)
Mr. Satish Patel, Director Finance and CFO (up to February 12, 2024)	Mr. Satish Patel, Director Finance and CFO (up to February 12, 2024)

3) Transactions with related parties during the year:

(₹ in million)

Nature of transactions	Fellow subsidiaries/ Affiliates	Key Management Personnel	Total
Purchase of finished goods	15,227.3	-	15,227.3
	(11,753.0)	-	(11,753.0)
Purchase of raw materials and components and spares	9,008.6	-	9,008.6
	(8,321.4)	-	(8,321.4)
Purchase of tangible assets	2,220.0	-	2,220.0
	(1,886.4)	-	(1,886.4)
Fees for use of technology / trademark	1,555.6	-	1,555.6
	(1,410.0)	-	(1,410.0)
Travelling, training, testing, support fee and other cost	512.3	-	512.3
	(517.4)	-	(517.4)
Dividend for the year -2023	3,012.1	-	3,012.1
-2022	(2,780.4)	-	(2,780.4)

Notes to the Consolidated Financial Statements

for the year ended December 31, 2024

(₹ in million)

Nature of transactions	Fellow subsidiaries/ Affiliates	Key Management Personnel	Total
SAP, other IT systems and connectivity cost	663.8	-	663.8
	(535.5)	-	(535.5)
Expat cost	15.5	-	15.5
	(0.7)	-	(0.7)
Commission on guarantee - other cost	2.3	-	2.3
	(1.6)	-	(1.6)
Sale of finished goods	9,778.0	-	9,778.0
	(8,816.1)	-	(8,816.1)
Sale of tangible assets	15.1	-	15.1
	(382.1)		(382.1)
Reimbursement of expenses	258.9	-	258.9
	(181.4)	-	(181.4)
Service income	13.6	-	13.6
	(164.6)	-	(164.6)
Managerial remuneration[1]	-	59.6	59.6
	-	(59.6)	(59.6)

[1]In the case of present key management personnel, remuneration does not include gratuity and leave encashment benefits which are determined for the Group as a whole.

4) Balances outstanding as at December 31, 2024:

(₹ in million)

Nature of Transaction	Fellow subsidiaries / Affiliates
Trade receivables	
Schaeffler Technologies AG & Co. KG, Germany	834.1
	(1,009.5)
Schaeffler Trading (Shanghai) Co. Ltd., China	361.0
	(213.5)
Schaeffler Group USA, Inc., USA	287.8
	(117.3)

(₹ in million)

Nature of Transaction	Fellow subsidiaries / Affiliates
Others	677.1
	(570.2)
2024	2160.0
2023	(1,910.5)
Trade payables	
Schaeffler Technologies AG & Co. KG, Germany	4,546.7
	(3,818.9)
Others	1455.9
	(1,392.2)
2024	6002.6
2023	(5,211.1)
Other receivables	
Schaeffler Technologies AG & Co. KG, Germany	50.2
	(15.9)
Schaeffler Brasil Ltda., Brasil	19.5
	(3.3)
Others	115.0
	(41.9)
2024	184.7
2023	(61.1)
Creditors for Capital goods	
Schaeffler Technologies AG & Co. KG, Germany	259.7
	(284.8)
Schaeffler Group USA, Inc., USA	209.7
	-
Schaeffler (China) Co., Ltd., China	130.9
	(249.4)
Others	164.3
	(359.8)
2024	764.6
2023	(894.0)

Notes to the Consolidated Financial Statements

for the year ended December 31, 2024

5) The significant related party transactions are as under:

(₹ in million)

Nature of Transactions	Fellow subsidiaries / Affiliates	Amount
Purchase of finished goods	Schaeffler Technologies AG & Co. KG, Germany	11,482.6
		(8,897.6)
Purchase of raw material and components and spares	Schaeffler Technologies AG & Co. KG, Germany	4,897.5
		(4,207.0)
	Schaeffler (China) Co. Ltd.China	1,551.2
		(1,185.5)
	Schaeffler Friction Products (Suzhou) Co., Ltd.,	1,093.4
		(1,158.9)
Purchase of tangible assets	Schaeffler Technologies AG & Co. KG, Germany	1,008.1
		(469.9)
	Schaeffler (China) Co. Ltd.China	433.7
		(299.6)
	Schaeffler Smart Machinery (Taicang) Co., Ltd., China	223.8
		-
Sale of finished goods	Schaeffler Technologies AG & Co. KG, Germany	3,798.1
		(3,625.1)
	Schaeffler Trading (Shanghai) Co. Ltd; China	1,458.5
		(996.2)
Sale of tangible assets	Schaeffler Technology Solutions India Pvt. Limited, India	15.1
		(382.1)
Fees for use of technology / trademark	Schaeffler Technologies AG & Co. KG, Germany	1,555.6
		(1,410.0)
SAP, other IT systems and connectivity cost	Schaeffler Technologies AG & Co. KG, Germany	663.8
		(535.5)
Travelling, training, testing, support fee and other cost	Schaeffler Technologies AG & Co. KG, Germany	227.5
		(173.7)
	Schaeffler (Singapore) Pte. Ltd., Singapore	15.2
		(68.4)
Commission on guarantee - other cost	Schaeffler AG, Germany	2.3
		(1.6)

(₹ in million)

Nature of Transactions	Fellow subsidiaries / Affiliates	Amount
Reimbursement of expenses	Schaeffler Technologies AG & Co. KG, Germany	42.8
		(58.2)
	Schaeffler Korea Corporation, Korea	38.6
		(15.2)
	Schaeffler (Singapore) Pte. Ltd., Singapore	34.9
		(23.9)
Service income	Schaeffler Japan Co., Limited, Japan	8.4
		(.0)
	Schaeffler Automotive Buehl GmbH & Co. KG, Germany	2.5
		(.0)
Managerial remuneration	Mr. Harsha Kadam	43.1
		(40.1)
	Ms. Hardevi Vazirani	14.3
		-
	Mr. Satish Patel	2.2
		(19.5)
Dividend paid	Schaeffler Schweinfurt Beteiligungs GmbH, Germany	1,108.6
		(1,023.3)
	Schaeffler Bühl Verwaltungs GmbH, Germany	835.5
		(771.2)
	Schaeffler Verwaltungsholding Sechs GmbH, Germany	610.0
		(563.1)
	Industriewerk Schaeffler INA-Ingenieurdienst GmbH, Germany	458.0
		(422.8)

Amounts in brackets represents previous year amounts.

Terms and conditions with related parties;

The sales to and purchases from related parties including fixed Assets and other expenses are made in the normal course of business and on terms equivalent to those that prevail in arm's length transactions. Outstanding balances at the year-end are unsecured and interest free.

Names and details of fellow subsidiaries, affiliates and subsidiary having transaction value in excess of 10% in line transactions during the year.

Notes to the Consolidated Financial Statements

for the year ended December 31, 2024

37. Derivative instruments:

The Group's exposure to foreign currency fluctuations relates to foreign currency assets, liabilities and forecasted cash flows. The Group limits the effects of foreign exchange rate fluctuations by following established risk management policies including the use of derivatives like forward contracts. The Group has entered into foreign currency forward contracts, majority having maturity of less than one year from reporting date, to hedge its risks associated with foreign currency fluctuations relating to such highly probable transactions. The currencies in which these transactions are mainly denominated is in US Dollars, CNY and Euro.

Outstanding derivative instruments

Category	Currency hedged	2024 Notional amount in foreign currency	2024 Equivalent amount (₹ in million)	2023 Notional amount in foreign currency	2023 Equivalent amount (₹ in million)
Forward exchange contracts					
(to hedge highly probable import payables)	USD	17,425,948	1,492.1	7,762,000	645.9
	EUR	5,000,000	445.0	-	-
	CNY	48,950,000	574.2	-	-

The Group holds the following instruments to hedge exposures to changes in foreign currency:

Maturity

	2024		2023	
	1-6 months	6-12 months	1-6 months	6-12 months
Foreign currency risk				
Forward exchange contracts				
Net exposure (₹ in million)	1,426.9	1,084.3	447.5	198.4
Average INR: USD forward contract rate	84.6	85.9	83.4	84.2
Average INR: EUR forward contract rate	92.6	91.6	-	-
Average INR: CNY forward contract rate	11.9	12.1	-	-

Foreign currency exposures as at December 31, 2024:

Particulars	Currency	Amount in foreign currency	Equivalent amount (₹ in million)
Trade Payables	USD	21,548,345.0	1,845.0
		(21,973,306.0)	(1,828.6)
	EUR	2,326,648.9	207.1
		(2,384,462.7)	(219.3)
	CHF[1]	6,195.4	0.6
		(461.7)	(0.0)
	JPY	5,335,516.0	2.9
		(1,236,800.0)	(0.7)
	CNY	13,864,496.3	162.6
		(13,699,651.4)	(160.6)
Trade Receivables	USD	16,530,296.8	1,415.4
		(9,444,008.5)	(785.9)
	EUR	566,609.7	50.4
		(819,891.5)	(75.4)
Bank balance in EEFC accounts	USD	4,098,158.2	350.9
		(761,559.4)	(63.4)
	EUR	325,061.4	28.9
		(203,239.7)	(18.7)

Amounts in brackets represents previous year numbers.

[1]Values less than ₹ 1 million.

The Group's exposure to foreign currency risk at the end of reporting period are as follows:

(₹ in million)

	2024	2023
Financial assets		
Trade receivables		
USD	1,415.4	785.9
EUR	50.4	75.4
Bank Balances in EEFC account		
USD	350.9	63.4
EUR	28.9	18.7
Total Exposure to foreign currency assets	**1,845.6**	**943.4**

Notes to the Consolidated Financial Statements

for the year ended December 31, 2024

(₹ in million)

	2024	2023
Financial liabilities		
Trade payables		
USD	1,845.0	1,828.6
EUR	207.1	219.3
CHF[1]	0.6	0.0
JPY	2.9	0.7
GBP	-	0.1
CNY	162.6	160.6
Total Exposure to foreign currency liabilities	**2,218.2**	**2,209.3**

[1]Values less than ₹ 1 million.

38. Financial risk management

The Group has exposure to the following risks arising from financial instruments:

- market risk [refer 38 (A) below]
- liquidity risk [refer 38 (B) below]
- credit risk [refer 38 (C) below]

In the course of its business, the Group is exposed primarily to aforesaid risks, which may impact the fair value of its financial instruments. The Group has a risk management system which not only covers the foreign exchange risks but also other risks associated with the financial assets and liabilities such as credit risks. The risk management strategy is approved by Board of Directors which is implemented by the Group's management. The risk management framework aims to create a stable business planning environment by reducing the impact of market related risks, credit risks and currency fluctuations on the Group's earnings. The risks identified through the risk management system are analysed and evaluated by the Group's management and reported to the Board of Directors periodically along with report of planned mitigation measures.

A) Market risk

Market risk is the risk of any loss in future earnings, in realisable fair values or in future cash flows that may result from a change in the price of a financial instrument. The value of a financial instrument may change as a result of changes in the foreign currency exchange rates, liquidity and other market changes. Future specific market movements cannot be normally predicted with reasonable accuracy.

(i) Foreign currency risk

The Group is exposed to foreign exchange risk arising from foreign currency transactions, primarily with respect to the US Dollars and Euro. Foreign exchange risk arises from future commercial transactions and recognised assets and liabilities denominated in a currency that is not the Group's functional currency (Indian Rupees).

The Group has import and export transactions in foreign currencies. Imports are higher than exports and hence the Group has foreign currency exposure to the extent of imports being higher than exports. The risk of foreign currency fluctuation is mitigated through hedging. Please refer Note 37 for details of foreign currency exposure.

The Group's exposure to foreign currency risk at the end of reporting period are as follows:

Foreign Currency Sensitivity

The following table demonstrates sensitivity to a reasonable possible change in major foreign currencies like USD and EUR with all other variables held constant:

(₹ in million)

		Effect on Profit Before Tax	
		2024	2023
USD	+ 5%	(3.9)	(49.0)
	- 5%	3.9	49.0
EUR	+ 5%	(6.4)	(6.3)
	- 5%	6.4	6.3
CHF	+ 5%	(0.0)	(0.0)
	- 5%	0.0	0.0
JPY	+ 5%	(0.1)	(0.0)
	- 5%	0.1	0.0
GBP	+ 5%	0.0	(0.0)
	- 5%	-	0.0
CNY	+ 5%	(8.1)	(8.0)
	- 5%	8.1	8.0

Notes to the Consolidated Financial Statements

for the year ended December 31, 2024

(ii) Interest rate risk

Interest rate risk exposure: The Group does not have interest bearing borrowings and interest rate risk is towards opportunity cost on investment in tax free bonds. Surplus funds are being invested in bank deposits at fixed interest rates and the tenure is managed to match with the Group's liquidity profile.

B) Liquidity risk

The Group's principal sources of liquidity are cash and cash equivalents and cash flows generated from operations. The Group regularly monitors actual cash flows and forecasts to ensure that the Group 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 47) at the balance sheet date:

(₹ in million)

	Carrying amount	Less than 12 months	More than 12 months	Total
As at December 31, 2024				
Financial liabilities				
Lease liabilities	555.3	121.0	434.3	555.3
Trade payables	11,280.8	11,280.8	-	11,280.8
Security deposits from customers / suppliers	25.1	-	25.1	25.1
Employee liabilities	699.9	581.3	118.6	699.9
Creditors for capital goods	1,267.3	1,267.3	-	1,267.3
Accrued expense	121.9	121.9	-	121.9
Unclaimed dividends	14.3	14.3	-	14.3
Other payables	8.6	8.6	-	8.6

(₹ in million)

	Carrying amount	Less than 12 months	More than 12 months	Total
As at December 31, 2023				
Financial liabilities				
Lease liabilities	511.0	104.5	406.5	511.0
Trade payables	10,551.4	10,551.4	-	10,551.4
Security deposits from customers / suppliers	22.8	-	22.8	22.8
Employee liabilities	664.3	578.3	86.0	664.3
Creditors for capital goods	1,353.8	1,353.8	-	1,353.8
Accrued expense	176.5	176.5	-	176.5
Unclaimed dividends	11.4	11.4	-	11.4
Other payables	10.6	10.6	-	10.6

C) Credit Risk

Credit risk is the unexpected loss in financial instruments if the counter parties fails to discharge it's contractual obligations in entirety and timely. The Group is exposed to credit risks arising from it's operating and financing activities such as trade receivables, loans and advances and other financial instruments. The carrying amounts of financial assets represent the maximum credit exposure.

Trade receivables

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 ranging from 0.04% to 0.78%, except for few customer where specific provisions is being created. The expected credit loss allowance is considered as a percentage of net receivable position.

Notes to the Consolidated Financial Statements

for the year ended December 31, 2024

(₹ in million)

	2024		2023	
	Less than 6 months	More than 6 months	Less than 6 months	More than 6 months
Gross carrying amount	12,765.9	186.5	10,476.7	101.8
Allowance for expected credit loss	(16.6)	(6.6)	(15.9)	(6.7)
Carrying amount of trade receivables (net)	**12,749.3**	**179.9**	**10,460.8**	**95.1**

Reconciliation of expected credit loss allowance is as follows:

(₹ in million)

As at January 1, 2024	**22.6**
Movement in expected credit loss allowance	0.6
As at December 31, 2024	**23.2**

Financial assets other than trade receivables

Credit risk on cash and cash equivalents, bank balances other than cash and cash equivalents is limited as the Group generally invest in deposits with banks which have high credit rating assigned by external agencies. Based on the Group's historical experience, the credit risk on other financial assets is low.

39. Capital management

For the purpose of Group's capital management, capital includes equity share capital and all other reserves attributable to equity shareholders. The Group has a long-term strategy of pursuing profitable growth. Capital is managed proactively to secure the existence of the Group as a going concern in the long-term and create financial flexibility for profitable growth in order to add value to the Group. 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. The Group funds it's operations through internal accruals and the Management along with the Board of Directors of Holding Company regularly monitor the returns on capital as well as dividend levels to shareholders.

40. Employee benefits: Post employment benefit plans

Defined contribution plans

The Group 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 Group 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 and others for the year aggregated to ₹ 245.3 million (2023: ₹ 207.6 million) and contribution to superannuation fund for the year aggregated to ₹ 33.3 million (2023: ₹ 33.4 million).

Defined benefit plans

The Group has defined benefit plans that provide gratuity benefit. 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 Scheme is funded by the plan assets.

The following table summarises the position of assets and obligations

(₹ in million)

	Gratuity	
	2024	2023
Present value of funded obligations	1,041.5	936.5
Fair value of plan assets	911.1	831.2
Liability recognised in balance sheet	**130.4**	**105.3**

Classification into current / non-current

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

(₹ in million)

	Gratuity	
	2024	2023
Non-current liability	0.4	0.0
Current liability	130.0	105.3
Total	**130.4**	**105.3**

Notes to the Consolidated Financial Statements

for the year ended December 31, 2024

Movement in present values of defined benefit obligations:

(₹ in million)

	Gratuity	
	2024	**2023**
Defined benefit obligation at January[1]	936.5	824.9
Effect of Acquisition of "Koovers"	-	2.2
Service cost	69.9	64.2
Interest cost	60.8	54.7
Actuarial (gains)/ losses recognised in Other Comprehensive Income due to:		
Change in assumptions	64.2	62.7
Demographic assumptions	-	-
Experience changes	-	0.2
Benefits paid / Employees contribution	(89.9)	(72.4)
Liabilities assumed / (settled)	-	-
Defined benefit obligation at December 31	**1,041.5**	**936.5**

Movement in fair value of plan assets:

(₹ in million)

	Gratuity	
	2024	**2023**
Fair value of plan assets at January[1]	831.2	775.6
Return on plan assets recognised in other comprehensive income	11.3	3.6
Interest on plan assets	55.1	52.9
Contributions by employer	103.4	71.5
Benefits paid / Employees contribution	(89.9)	(72.4)
Fair value of plan assets at December 31	**911.1**	**831.2**

Expense recognized in the Statement of Profit and Loss:

(₹ in million)

	Gratuity	
	2024	**2023**
Current service cost	69.9	64.2
Interest on net defined benefit liability / (asset)	5.7	1.8
Total included in Employee benefits expense	**75.6**	**66.0**

Remeasurements recognised in other comprehensive income

(₹ in million)

	Gratuity	
	2024	**2023**
Actuarial (gain)/loss on defined benefit obligation	64.2	62.9
Return on plan assets excluding interest income	(11.3)	(3.6)
Currency effects - OCI from DBO	-	-
	52.9	**59.3**

Principal actuarial assumptions at the balance sheet date

(₹ in million)

	Gratuity			
	2024 (Holding Company)	**2024** (Subsidiary Company)	**2023** (Holding Company)	**2023** (Subsidiary Company)
Discount rate per annum as at December 31	6.8%	6.8%	7.20%	7.20%
Expected return per annum on plan assets as at December 31	8.0%	0.0%	7.30%	0.00%
Future salary increment	6.5%	7.0%	6.50%	7.00%
Retirement age	58 Years	60 Years	58 Years	58 Years
Mortality	Indian Assured Lives Mortality (2012-14) Ult table	Indian Assured Lives Mortality (2012-14) Ultimate	Indian Assured Lives Mortality (2012-14) Ult table	Indian Assured Lives Mortality (2012-14) Ult table
Attrition rate	6%- 13%	10%	6%- 13%	10%
The weighted-average duration of the defined benefit obligation (in years)	6.83	16.77	6.42	15.91

Note: The estimates of future salary increases, considered in actuarial valuation takes into account inflation, seniority, promotion and other relevant factors.

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:

Notes to the Consolidated Financial Statements

for the year ended December 31, 2024

Holding Company	2024		2023	
	Increase	Decrease	Increase	Decrease
Discount rate (100 bps movement on DBO)	(6.41%)	7.29%	(6.04%)	6.85%
Salary escalation rate (100 bps movement pn DBO)	7.24%	(6.49%)	6.84%	(6.14%)

Subsidiary Company	2024		2023	
	Increase	Decrease	Increase	Decrease
Discount rate (100 bps movement on DBO)	(12.50%)	10.44%	(13.30%)	7.44%
Salary escalation rate (100 bps movement pn DBO)	11.62%	(10.18%)	6.93%	(13.26%)

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 years in the methods and assumptions used in preparing the sensitivity analyses.

The major categories of plan assets are as follows:

(₹ in million)

	2024		
	Quoted	Unquoted	Total
Insurer managed funds (Life Insurance Corporation)	-	909.7	909.7
Others	-	1.4	1.4

Maturity profile of defined benefit obligations:

(₹ in million)

Year	2024	2023
Year 1	216.3	181.6
Year 2	125.3	148.9
Year 3	96.0	104.2
Year 4	101.0	81.3
Year 5	80.2	85.7
Year 6	83.8	67.5
Year 7	65.6	71.0
Year 8	65.8	57.1
Year 9	70.1	58.6
Year 10 and above	940.0	834.2

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 Group is exposed to various risks in providing the above benefit plans which are as follows:

(i) Interest Rate risk: The plan exposes the Group 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 Group has used certain mortality and attrition assumptions in valuation of the liability. The Group is exposed to the risk of actual experience turning out to be worse compared to the assumption.

(iv) Investment Risk : The Group has funded with well established Govt. of India undertaking & other IRDA approved agency and therefore, there is no material investment risk.

41. Financial instruments

A) Accounting classifications

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

(₹ in million)

Financial instruments category	Carrying value / Fair value	
	2024	2023
Financial Assets		
a) Measurement at amortised cost:		
Trade receivables	12,929.2	10,555.9
Cash and cash equivalents	4,639.4	697.1
Bank balances other than cash and cash equivalents	8,860.9	15,159.5
Loans	-	-
Security deposits	187.5	150.3
Other financial assets	566.3	415.1
Total Financial Assets	**27,183.3**	**26,977.9**

Notes to the Consolidated Financial Statements

for the year ended December 31, 2024

(₹ in million)

Financial instruments category	Carrying value / Fair value	
	2024	2023
Financial Liabilities		
a) Measurement at amortised cost:		
Trade payables	11,280.8	10,551.4
Other financial liabilities	2,137.1	2,239.4
Lease liabilities	555.3	511.0
Total Financial Liabilities	**13,973.2**	**13,301.8**

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.

B) Fair value hierarchy

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

December 31, 2024

(₹ in million)

	Level 1	Level 2	Level 3	2024
Financial Assets				
Trade receivables	-	-	12,929.2	12,929.2
Cash and cash equivalents	-	-	4,639.4	4,639.4
Bank balances other than cash and cash equivalents	-	-	8,860.9	8,860.9
Loans	-	-	-	-
Security deposits	-	-	187.5	187.5
Other financial assets	-	-	566.3	566.3
Total	**-**	**-**	**27,183.3**	**27,183.3**

(₹ in million)

	Level 1	Level 2	Level 3	2024
Financial Liabilities				
Trade payables	-	-	11,280.8	11,280.8
Other financial liabilities	-	-	2,137.1	2,137.1
Lease liabilities	-	-	555.3	555.3
Total	**-**	**-**	**13,973.2**	**13,973.2**

December 31, 2023

(₹ in million)

	Level 1	Level 2	Level 3	2023
Financial Assets				
Trade receivables	-	-	10,555.9	10,555.9
Cash and cash equivalents	-	-	697.1	697.1
Bank balances other than cash and cash equivalents	-	-	15,159.5	15,159.5
Loans	-	-	-	-
Security deposits	-	-	150.3	150.3
Other financial assets	-	-	415.1	415.1
Total	**-**	**-**	**26,977.9**	**26,977.9**

(₹ in million)

	Level 1	Level 2	Level 3	2023
Financial Liabilities				
Trade payables	-	-	10,551.4	10,551.4
Other financial liabilities	-	-	2,239.4	2,239.4
Lease liabilities	-	-	511.0	511.0
Total	**-**	**-**	**13,301.8**	**13,301.8**

Valuation techniques and significant unobservable inputs

Specific valuation techniques used in measuring Level 2 and Level 3 fair values for financial instruments include:

- 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

Notes to the Consolidated Financial Statements

for the year ended December 31, 2024

42. Segment reporting

(i) Information about business segments:

As per 'Ind AS 108 - Operating Segments', the Group has reported segment information under two segments i.e 1) Mobility components and related solutions and 2) Others.

(₹ in million)

Particulars	2024	2023
(A) Segment Revenue (Net revenue / income)		
Mobility components and related solutions[1]		
Automotive Technologies	27,333.2	24,497.9
Vehicle Lifetime Solutions	8,577.6	7,060.5
Bearings & Industrial Solutions	20,092.7	18,839.3
Intercompany Exports & Others[2]	**6,940.9**	**6,718.4**
Sub total (a)	**62,944.4**	**57,116.1**
Others		
Automotive Technologies	-	-
Vehicle Lifetime Solutions	-	-
Bearings & Industrial Solutions	15,524.4	12,371.1
Intercompany Exports & Others[2]	**3,855.0**	**3,021.9**
Sub total (b)	**19,379.4**	**15,393.0**
(c) Total Revenue		
Automotive Technologies	27,333.2	24,497.9
Vehicle Lifetime Solutions	8,577.6	7,060.5
Bearings & Industrial Solutions	35,617.1	31,210.4
Intercompany Exports & Others[2]	10,795.9	9,740.3
Revenue from operations (a + b)	**82,323.8**	**72,509.1**
(B) Segment Results (Profit before unallocable income, finance costs, exceptional items and tax)		
Mobility components and related solutions	8,019.0	7,902.2
Others	3,619.1	3,079.7
Total profit before unallocable income, finance costs, exceptional items and tax	**11,638.1**	**10,981.9**
Less : Finance cost	43.6	42.7
Add : Unallocable Income	1,183.0	1,245.5
Add : Exceptional items (refer Note 49)	-	(47.0)
Profit before tax	**12,777.5**	**12,137.7**
(C) Segment assets		
Mobility components and related solutions[3]	46,090.9	38,807.4
Others	6,625.2	5,097.5
Unallocated	16,113.1	18,760.2
Total assets	**68,829.2**	**62,665.1**
(D) Segment liabilities		
Mobility components and related solutions	10,727.5	10,450.5
Others	2,724.2	2,290.4
Unallocated	2,033.2	1,870.7
Total liabilities	**15,484.9**	**14,611.6**
(E) Net capital employed	**53,344.3**	**48,053.5**

[1] As a result of the CODM's review mechanism, segment "Mobility components and related solutions" has been reorganized as below and previous year figures are reclassified;

- Sub-segment "Vehicle Lifetime Solutions" is just renaming of erstwhile sub-segment "Automotive Aftermarket"
- Sub-segment "Bearings & Industrial Solutions" is combination of erstwhile sub-segment "Industrial" and reclassification of "Bearings business division from "Automotive Technologies"
- Sub-segment "Intercompany Exports & Others" is just renaming of erstwhile sub-segment "Export & Others"

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

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

(ii) Secondary segment information

The geographical information analyses the Group's revenues and non-current assets by the Group's country of domicile (i.e. India) and outside India. In presenting the geographical information, segment revenue has been based on geographical location of customers and segment assets which have been based on the geographical location of the assets.

(a) Revenues

(₹ in million)

	2024	2023
India	71,756.9	62,931.9
Outside India	10,566.9	9,577.2
Total	**82,323.8**	**72,509.1**

(b) Non-current assets[1]

(₹ in million)

	2024	2023
India	25,887.8	21,199.9
Outside India	-	-
Total	**25,887.8**	**21,199.9**

[1]Non-current assets exclude financial instruments, deferred tax assets, post employment benefit assets and rights arising under insurance contracts, if any.

(c) Customers accounted individually more than 10% of the revenue 2024 none (2023: none).

Notes to the Consolidated Financial Statements

for the year ended December 31, 2024

43. Research and development expenses under the respective heads aggregate to ₹ 1,070.4 million (2023 : ₹ 994.7 million) including of capital nature ₹ 67.6 million (2023 : ₹ 73.7 million).

(₹ in million)

	2024				2023			
	Maneja, Savli (Vadodara)	Talegoan (Pune)	Hosur	Total	Maneja, Savli (Vadodara)	Talegoan (Pune)	Hosur	Total
Revenue expenses on research and development included under various heads of expenditure	445.8	315.2	241.8	1,002.8	367.1	335.3	218.6	921.0
Capital expenses on research and development capitalised along with other Fixed assets	43.8	17.0	6.8	67.6	66.8	1.4	5.5	73.7
Total	**489.6**	**332.2**	**248.6**	**1,070.4**	**433.9**	**336.7**	**224.1**	**994.7**

44. The tax year for the Group being the year ending March 31, 2025, provision for taxation for the year ended December 31, 2024 is aggregate of provision made for three months ended March 31, 2024 and provision based on amounts for remaining nine months ended December 31, 2024, the ultimate tax liability of which will be determined on the basis of figures for the fiscal year April 1, 2024 to March 31, 2025.

The Group's international transactions with associated enterprises are at arm's length, as per the independent accountant's report for the year ended March 31, 2024. The Management believes that the Group's international transactions with associated enterprises post March 31, 2024 continue to be at arm's length and that transfer pricing legislations will not have any impact on the Ind AS financial statements, particularly on the amount of tax expenses for the year and the amount of provision for taxation at the year end.

In the year 2019 the Group elected to exercise the option permitted under section 115BAA of the Income-tax Act 1961 as introduced by the Taxation Laws (Amendment) Ordinance, 2019 with effect from April 1, 2019. Accordingly, the Group has recognised provision for Income Tax and deferred tax expenses for the twelve months ended December 31, 2019 on the basis of estimated annual effective income tax rate.

45. Amalgamation of INA Bearings India Private Limited and LuK India Private Limited with the group

Scheme of Amalgamation of INA Bearings India Private Limited and LuK India Private Limited (jointly referred to as 'transferor companies') with Schaeffler India Limited, has been approved by the National Company Law Tribunal, Chennai and Mumbai Benches vide their orders dated June 13, 2018 and October 8, 2018 respectively.

46. Revenue (Ind AS 115)

The Group is manufacturing and distribution of bearings, engine systems and transmission components, chassis applications, clutch systems and other automotive parts. 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. Revenue recognised from Contract liabilities (Advances from Customers)

(₹ in million)

Particulars	2024	2023
Closing Contract liabilities	76.1	50.6

The Contract liabilities outstanding at the beginning of the year has been recognised as revenue during the year ended December 31, 2024.

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

(₹ in million)

Particulars	2024	2023
Revenue as per Contract price	82,062.8	71,841.8
Less: Incentives and rebates	830.1	637.0
Less: Discounts	239.3	181.7
Revenue as per statement of profit and loss	**80,993.4**	**71,023.1**

Notes to the Consolidated Financial Statements

for the year ended December 31, 2024

47. 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 Group'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:

(₹ in million)

Particulars	2024	2023
At the commencement of the year	511.0	573.8
(Deletions)/Adjustments	19.0	8.6
Additions/(Deletions) during the year	163.0	21.0
Payments made during the year	(137.7)	(92.4)
Closing Balance	**555.3**	**511.0**

Amounts recognised in the Statement of Profit and Loss

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

(₹ in million)

Particulars	2024	2023
Depreciation charge on right-of-use assets	122.5	100.1
Interest expense (included in Finance cost)	34.5	29.6
Expense relating to short-term leases /leases of low-value assets (refer Note 33)	25.1	18.8
Total	**182.1**	**148.5**

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

(₹ in million)

Particulars	Gross Block				Amortisation				Net Block
	As at Jan 1, 2024	Additions	Deductions	As at Dec 31, 2024	As at Jan 1, 2024	For the Year	Deductions	As at Dec 31, 2024	As at Dec 31, 2024
Tangible Assets									
Leasehold land	540.6	15.5	15.5	540.6	9.2	4.4	2.2	11.4	529.2
Buildings	753.7	147.5	-	901.2	341.5	116.2	-	457.7	443.5
Vehicle	14.9	-	-	14.9	6.9	1.9	-	8.8	6.1
Total	**1,309.2**	**163.0**	**15.5**	**1,456.7**	**357.6**	**122.5**	**2.2**	**477.9**	**978.8**

5. Finance costs includes interest expense amounting to ₹ 34.5 million (2023: ₹ 29.6 million) on lease liability accounted in accordance with Ind AS 116 "Leases".

6. Rent expense in Note No. 31 Represents lease charges for short-term leases.

7. Lease liabilities

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

(₹ in million)

Particulars	2024	2023
Undiscounted future cash outflows		
Not later than 1 year	93.1	65.1
Later than 1 year and not later than 5 years	516.6	528.4
Later than 5 years	49.5	-

The Group 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.

48. Additional information pursuant to Para 2 of Part III General instructions for the preparation of consolidated financial statements, for a company required to comply with Ind AS

Notes to the Consolidated Financial Statements

for the year ended December 31, 2024

a) As at and for the year ended December 31, 2024

(₹ in million)

Name of the entity	Country of Incorporation	% of voting power	Net Assets, i.e., total assets minus total liabilities		Share in Profit or Loss for the year		Share in Other Comprehensive Income / (loss) for the year		Share in Total Comprehensive Income / (loss) for the year	
			% of consolidated net assets	Amount	% of consolidated Profit	Amount	% of consolidated Other Comprehensive Income	Amount	% of consolidated total comprehensive income	Amount
Holding Company										
Schaeffler India Limited			101%	53,833.0	103%	9,776.7	99%	(39.6)	104%	9,737.1
Subsidiaries - Indian										
KRSV Innovative Auto Solutions Private Limited	India	100%	-1%	(360.2)	-3%	(295.0)	1%	(0.5)	(3%)	(295.5)
Total				**53,472.8**		**9,481.7**		**(40.1)**		**9,441.6**
Add / (Less): Inter company elimination and consolidation adjustment				(128.5)		(93.1)		-		(93.1)
Total			**100%**	**53,344.3**	**100%**	**9,388.6**	**100%**	**(40.1)**	**100%**	**9,348.5**

b) As at and for the year ended December 31, 2023

(₹ in million)

Name of the entity	Country of Incorporation	% of voting power	Net Assets, i.e., total assets minus total liabilities		Share in Profit or Loss for the year		Share in Other Comprehensive Income / (loss) for the year		Share in Total Comprehensive Income / (loss) for the year	
			% of consolidated net assets	Amount	% of consolidated Profit	Amount	% of consolidated Other Comprehensive Income	Amount	% of consolidated total comprehensive income	Amount
Holding Company										
Schaeffler India Limited			100%	48,153.6	101%	9,090.3	100%	(44.4)	101%	9,045.9
Subsidiaries - Indian										
KRSV Innovative Auto Solutions Private Limited	India	100%	0%	(64.8)	-1%	(69.1)	0%	-	-1%	(69.1)
Total				**48,088.8**		**9,021.2**		**(44.4)**		**8,976.8**
Add / (Less): Inter company elimination and consolidation adjustment				(35.3)		(31.0)		-		(31.0)
Total			**100%**	**48,053.5**	**100%**	**8,990.2**	**100%**	**(44.4)**	**100%**	**8,945.8**

(i) The contribution of Holding and subsidiaries are considered based on the financial statements of respective entities without considering elimination and onsolidation adjustments.

Notes to the Consolidated Financial Statements
for the year ended December 31, 2024

49. Business Combination

A. Summary of acquisition

i) The Board of Directors of the Company on August 28, 2023 had approved acquisition of 100% shares 12,04,758 of ₹ 10/- each of KRSV Innovative Auto Solutions Private Limited (in the following "Koovers") for a total purchase consideration of ₹ 1,424.0 million in 100% cash consideration. Schaeffler india Limited has completed the above acquisition by acquring 100% shareholding of Koovers on September 8, 2023 in cash consideration. Consquently, Koover's has became a subsidiary of the Company. The expenditure towards acquistion of Koovers mainly includes professional/consulting fees, stamp duties and other costs amounting to ₹ 47.0 million has been recognised as an exceptional items.

Koovers offers spare parts solution to Indian Automotive aftermarket workshops via B-to-B e-commerce platform. The acquistion 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, inculding distribution partner and help to play an important role in the fast growing and evolving aftermarket digital landscape.

Summary of assets acquired and liabilities assumed as at the acquisition date (September 8, 2023):

The fair values of the identifiable assets and liabilities of the above-mentioned acquired company at the date of acquisition are as under:

(₹ in million)

Particulars	Amount
Assets	
Property, plant and equipitment	4.1
Intangible Assets	16.4
Inventories	34.3
Trade receivables	36.5
Other financial assets	4.2
Other current assets	35.4
Cash & cash equivalents	2.5
Total Assets (A)	**133.4**
Less: Liabilities	
Trade payable	(31.4)
Borrowings	(86.9)
Other liabilities	(11.2)
Deferred tax liabilities	(0.5)
Total Liabilities (B)	**(130.0)**
Net identifiable assets (A-B)	**3.4**

Measurement of Fair Values

Assets Acquired	Assets Acquired
Trademark / domain names "Koovers"	Relief-from-royalty method : The relief-from-royalty method considers the discounted estimated royalty payments that are expected to be avoided as a result of the patents being owned. The royalty rate has been considered based on evaluation of comparable transactions in B2B eCommerce space.
Deferred tax liabilities	Deferred taxes due to fair value adjustments regarding intangible assets amount to a net liability position and are based on the prevailing tax rate.

ii) Purchase Price Allocation

The purchase price is allocated to assets acquired and liabilities assumed based upon determination of fair values at the dates of acquisition is as follows:

(₹ in million)

Component	Acquiree's carrying	Adjustments on account of Fair value	Purchase price allocated
Net assets	3.4	-	3.4
Trademark / domain names "Koovers"	-	799.5	799.5
Deferred tax liabilities	-	(201.2)	(201.2)
Total	**3.4**	**598.3**	**601.7**
Net assets acquired by Holding company			**601.7**
Goodwill	-	-	822.3
Total purchase price			**1,424.0**

Notes to the Consolidated Financial Statements

for the year ended December 31, 2024

iii) Purchase Consideration

(₹ in million)

Particulars	Amount
Cash paid	1,424.0
Total purchase consideration	**1,424.0**

iv) Computation of goodwill

Goodwill mainly represents the expected synergies that will flow to the Group from combining operations of the acquiree, optimisation of resources and operating on a larger scale in the Indian AAM (Automotive aftermarket) e-Commerce.

(₹ in million)

Particulars	Amount
Consideration transferred	1,424.0
Less: Net assets acquired	(601.7)
Goodwill arising on acquisition	**822.3**

Goodwill

The valuation of goodwill is based on the value of the estimated synergies and the value expected to be generated by speed to market and to attract new customers within the market (going concern value). Furthermore, goodwill also accounts for the potential that Koover₹s platform can be scaled-up in scope for new products and sevices as well as in range. Goodwill particularly comprises assets which are not seperately recognised.

v) Purchase consideration - cash outflow

(₹ in million)

Particulars	Amount
Cash consideration	1,424.0
Less: Acquired on acquisition	
Cash and bank balances	(2.5)
Net outflow of cash - investing activities	**1,421.5**

vi) Significant judgement & accounting estimates

Ind AS 103 requires the identifiable intangible assets and contingent consideration to be fair valued in order to ascertain the net fair value of identifiable assets, liabilities and contingent liabilities of the acquiree. Estimates are required to be made in determining the value of contingent consideration and intangible assets. These valuations are conducted by external valuation experts. These measurements are based on information available at the acquisition date and are based on expectations and assumptions that have been deemed reasonable by the Management.

B. Goodwill movement

(₹ in million)

Particulars	Amount
As at January 1, 2024	822.3
Movement during the year	-
As at December 31, 2024	**822.3**

C. Other information

i) The Group does not have Non-controlling interest.

ii) Revenue from operations of ₹ 247.5 million and loss after tax of ₹ 65.6 million, pertaining to Koovers, have been included in consolidated statement of profit and loss for the year ended December 31, 2023. Management estimates that if the acquisition had taken place at the beginning of the year, revenue from operations for the Group would have been ₹ 72,994.3 million and the profit after tax for the Group would have been ₹ 8,933.6 million for the year ended December 31, 2023.

iii) Acquisition related cost amounting to ₹ 47.0 million have been included in ‘Exceptional Items’ in consolidated statement of profit and loss.

iv) Goodwill recognised on acquisition is not expected to be deductible for income tax purposes.

Notes to the Consolidated Financial Statements

for the year ended December 31, 2024

50. Other Statutory Information

1. The Group does not have any Benami property, where any proceeding has been initiated or pending against the Group for holding any Benami property.
2. The Group does not have any transactions with companies struck off.
3. The Group does not have any charges or satisfaction which is yet to be registered with ROC beyond the statutory period.
4. The Group has not traded or invested in Crypto currency or Virtual Currency during the financial year.
5. The Group has not advanced or loaned or invested funds to any other person(s) or entity(ies), 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 Group (Ultimate Beneficiaries) or
   b) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.
6. The Group has not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Group 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 Group 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).
8. The Company has not been declared a wilful defaulter by any bank or financial institution or other lender (as defined under the Companies Act, 2013) or consortium thereof, in accordance with the guidelines on wilful defaulters issued by the Reserve Bank of India.
9. The Company has not entered into any scheme of arrangement which has an accounting impact on the current or previous financial year.
10. The Company has not revalued its property, plant and equipment or intangible asset during the year.
11. The Company has complied with the number of layers prescribed under the Companies Act, 2013.

51. Audit trail compliance

The Ministry of Corporate Affairs (MCA) has prescribed a new requirement for companies under the proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 inserted by the Companies (Accounts) Amendment Rules 2021, requiring companies which use accounting software for maintaining its books of account to use only such accounting software which has a feature of recording audit trail of each and every transaction, creating an edit log of each change made in the books of account, along with the date when such changes were made and thereby ensuring that the audit trail cannot be disabled. The Holding Company uses SAP as ERP, which has an embedded feature of recording audit trail (edit logs) functionality and was operating throughout the year, except at the database level. However, the Company has adequate mechanisms in form of security audit logging, review of change activities and access rights authorisation review in place for changes made by users with specific privilege access rights and direct changes if any made on database level. The audit trail feature was enabled for its subsidiary company, effective March 2024.

Notes to the Consolidated Financial Statements

for the year ended December 31, 2024

52. Maintenance of books of account on server in India

As per the MCA notification dated August 5, 2022, the Central Government has notified the Companies (Accounts) Fourth Amendment Rules, 2022. As per the amended rules, the Companies are required to maintain back-up of the books of account and other relevant books and papers in electronic mode that should be accessible in India at all times. Also, the Companies are required to maintain such back-up of accounts on servers which are physically located in India, on a daily basis.

In case of the Holding Company, the books of account along with other relevant records and papers of the Company are currently maintained in electronic mode. These are readily accessible in India at all times and a back-up is maintained on a daily basis on servers located outside India. In order to comply with the requirements of the above notification, the Holding Company has created a backup of data for the year ended December 31, 2024 as of such date and Holding Company has since then started to take back up of the books of account on a server located in India from January 1, 2025 onwards, on a daily basis. However for subsidiary the back up of data is on server which is physically located in India.

53. Subsequent events

The Group evaluated all events or transactions that occurred after December 31, 2024 up through February 27, 2025, the date the consolidated financial statements were approved for issue by the Board of Directors. Based on this evaluation, the Group is not aware of any events or transactions that would require recognition or disclosure in the consolidated financial statements.

54. The figures for the previous year have been regrouped/reclassified wherever necessary to correspond with current year classification/disclosure, to make them comparable. The impact of such reclassification/regrouping is not material to the financial statements.

55. The consolidated financial statement are approved for issued by the Board of Directors in their meeting held on February 27, 2025.

As per our report of even date attached

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

Khushroo B. Panthaky
Partner
Membership No.: 042423

Place: Mumbai
Date: February 27, 2025

For and on behalf of the Board of Directors

E.V. Sumithasri	**Harsha Kadam**	**Hardevi Vazirani**	**Ashish Tiwari**
Chairperson	Managing Director	Director-Finance & CFO	VP - Legal & Company Secretary
DIN: 07087197	DIN: 07736005	DIN: 10212814	

Place: Bengaluru
Date: February 27, 2025

Form AOC-1

(Pursuant to first proviso to sub-section (3) of Section 129 read with rule 5 of Companies (Accounts) Rules, 2014)
Statement containing salient features of the financial statement of subsidiary of the Company

Schaeffler India Limited has one Wholly Owned Subsidiary namely KRSV Innovative Auto Solutions Private Limited ('Koovers').

The statement containing salient features of the financial statement of Koovers is as under:

(₹ in million)

Sr. No.	Particulars	Details
1.	Name of the Subsidiary	KRSV Innovative Auto Solutions Private Limited
2.	The date since when subsidiary was acquired	September 8, 2023
3.	Reporting period for the subsidiary concerned, if different from the holding company's reporting period	April 1 to March 31
4.	Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries	NA
5.	Share capital	12.0
6.	Reserves and surplus	(126.0)
7.	Total assets	311.2
8.	Total Liabilities	311.2
9.	Investments	-
10.	Turnover	785.7
11.	Profit/(Loss) before taxation	(171.9)
12.	Provision for taxation	(3.8)
13.	Profit/(Loss) after taxation	(168.1)
14.	Proposed Dividend	-
15.	Extent of shareholding (in percentage)	100%

Names of subsidiaries which are yet to commence operations: Not Applicable

Names of subsidiaries which have been liquidated or sold during the year: Not Applicable

Multi-year comparison - Standalone

Income statement	Unit	2024	2023	2022	2021	2020
Reevenue	₹ Million	80,762.9	72,261.3	68,674.2	55,605.1	37,618.4
EBITDA[a]	₹ Million	14,968.7	13,527.5	13,076.5	9,949.8	5,401.3
EBITDA Margin	%	18.5%	18.7%	19.0%	17.9%	14.4%
EBIT[a]	₹ Million	12,281.1	11,336.6	11,011.9	7,978.7	3,461.6
EBIT Margin	%	15.2%	15.7%	16.0%	14.3%	9.2%
Earnigs before tax[a]	₹ Million	13,174.7	12,283.9	11,620.6	8,431.4	3,972.1
Earnigs after tax	₹ Million	9,776.7	9,090.3	8,792.1	6,291.2	2,909.7
EPS	₹	62.6	58.2	56.3	40.3	18.6
Statement of financial position						
Share Capital	₹ Million	312.6	312.6	312.6	312.6	312.6
Share holder's equity	₹ Million	53,833.0	48,153.6	42,859.0	36,536.7	31,402.9
Total assets	₹ Million	68,981.2	62,689.9	57,267.2	48,962.7	41,514.3
Statement of cash flows						
Cash flow from operating activities	₹ Million	8,843.2	9,000.3	7,505.3	4,646.7	6,491.9
Cash flow from Investing activities (Capex net)	₹ Million	(7,405.4)	(5,189.3)	(4,193.8)	(1,825.9)	(2,376.7)
Cash flow from Financing activities	₹ Million	801.4	809.4	457.4	456.3	456.5
Free cash flow before cash in-and outflows for M&A activities[b]	₹ Million	2,239.2	4,620.4	3,768.9	3,277.1	4,571.7
Current ratio	Times	2.9	2.9	2.8	2.9	3.0
Value based management						
Capital employed	₹ Million	54,325.3	48,713.7	43,364.5	37,090.5	32,395.5
Average capital employed	₹ Million	51,519.5	46,039.1	40,227.5	34,743.0	31,236.0
Return on capital employed	%	23.8%	24.6%	27.4%	23.0%	11.1%
Shareholders						
Number of Shareholders[c]	No.	76,970	70,695	56,872	22,214	15,915
Number of shares[d]	No.	156,303,670	156,303,670	156,303,670	156,303,670	156,303,670
Dividend per share[d]	₹	28.0	26.0	24.0	16.0	7.6
Dividend		4,376.5	4,063.9	3,751.3	2,500.9	1,187.9
Closing share price[e]		3,405.4	3,202.2	2,744.5	1,758.1	907.7
Market Capitalisation	₹ Million	532,284.3	500,515.6	428,975.4	274,795.9	141,878.4
Net Worth		53,833.0	48,153.6	42,859.0	36,536.7	31,402.9
Employess						
Employee no.	No.	3,605	3,383	3,190	2,922	2,794

[a]Before exceptional items.
[b]Free cash flow: Cash flow from operating activities less net capex add interest income (net).
[c]Number of shareholders not clubbed based on unique Permanent Account Number.
[d]Values are restated at face value of ₹2/- per equity share.
[e]Closing share price as on December 31, 2023.