

## INDEPENDENT AUDITOR'S REPORT

**To The Board of Directors of Federal-Mogul Bearings India Limited (formerly known as "Federal-Mogul Anand Bearings India Limited")**

**Report on the Audit of the Special Purpose Ind AS Financial Statements**

### Opinion

We have audited the accompanying Special Purpose Ind AS Financial Statements (the "Special Purpose Ind AS Financial Statements") of Federal-Mogul Bearings India Limited (formerly known as "Federal-Mogul Anand Bearings India Limited") (hereinafter referred to as the "Company") which comprise the Balance Sheet as at March 31, 2024, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Cash Flows and the Statement of Changes in Equity for the year ended on that date, and notes to the Special Purpose Ind AS financial statements, including a summary of material accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Special Purpose Ind AS Financial Statements are prepared, in all material respects, in accordance with the basis set out in Note 2.1 of the Special Purpose Ind AS Financial Statements.

### Basis for Opinion

We conducted our audit of the Special Purpose Ind AS Financial Statements in accordance with the Standards on Auditing ("SAs") specified under section 143(10) of the Companies Act, 2013 (the "Act"). Our responsibilities under those Standards are further described in the Auditor's Responsibility for the Audit of the Special Purpose Ind AS Financial Statements section of our report. We are independent of the Company 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 Special Purpose Ind AS Financial Statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion on the Special Purpose Ind AS Financial Statements.

### Emphasis of Matter - Basis of Preparation and Restriction on Distribution and Use

We draw attention to Note 2.1 to the Special Purpose Ind AS Financial Statements, which describes the purpose and basis of preparation. The Special Purpose Ind AS Financial Statements have been prepared by the Company solely for the purpose of preparation of the consolidated financial statements as required under the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 as amended from time to time (the "ICDR Regulations") in relation to the proposed initial public offering of its holding Company and to comply with the general directions dated October 28, 2021 received from Securities and Exchange Board of India (SEBI) by the Company through Lead Managers (the "SEBI Communication"). As a result, the Special Purpose Ind AS Financial Statements may not be suitable for any another purpose and are not financial statements prepared pursuant to any requirements under Section 129 of the Companies Act, 2013, as amended. The Special Purpose Ind AS Financial Statements cannot be referred to or distributed or included in any offering document or used for any other purpose except with our prior consent in writing. Our report is intended solely for the purpose of preparation of the consolidated financial statements of its holding Company and to comply with the SEBI communication and is not to be used, referred to or distributed for any other purpose without our prior written consent.

Our opinion is not modified in respect of this matter.

### **Responsibilities of Management and Board of Directors for the Special Purpose Ind AS Financial Statements**

The Company's Board of Directors is responsible for the preparation and presentation of these Special Purpose Ind AS Financial Statements that give a true and fair view of the financial position, financial performance including other comprehensive loss, cash flows and changes in equity of the Company in accordance with the basis stated in Note 2.1 to the Special Purpose Ind AS Financial Statements for the purpose set out in Emphasis of Matter paragraph 3 above.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments 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 Special Purpose Ind AS Financial Statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the Special Purpose Ind AS Financial Statements, management and Board of Directors is responsible for assessing the Company's ability 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 Company or to cease operations, or has no realistic alternative but to do so.

The Company's Board of Directors is also responsible for overseeing the Company's financial reporting process.

### **Auditor's Responsibility for the Audit of the Special Purpose Ind AS Financial Statements**

Our objectives are to obtain reasonable assurance about whether the Special Purpose Ind AS 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 SAs 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 Special Purpose Ind AS Financial Statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the Special Purpose Ind AS 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 financial control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.
- Conclude on the appropriateness of management's 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 Company's ability 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 Special Purpose Ind AS 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 Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the Special Purpose Ind AS Financial Statements, including the disclosures, and whether the Special Purpose Ind AS Financial Statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the Special Purpose Ind AS Financial Statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the Special Purpose Ind AS Financial Statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the Special Purpose Ind AS Financial Statements.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings that we identify during our audit.

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.

For **Deloitte Haskins & Sells LLP**  
Chartered Accountants  
(Firm's Registration No. 117366W/W-100018)

**Jyoti  
Vaish** Digitally signed  
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**Jyoti Vaish**  
Partner

(Membership No. 096521)  
UDIN: 25096521BMOJKH2307

Place: Gurugram  
Date: June 17, 2025

**Federal-Mogul Bearings India Limited**  
(Formerly known as Federal-Mogul Anand Bearings India Limited)  
CIN No. U29199HR2006PLC043262  
Special Purpose Balance Sheet as at 31 March 2024  
(All amount in INR millions, unless otherwise stated)

Particulars	Notes	As at 31 March 2024
<b>ASSETS</b>		
<b>Non-current assets</b>		
Property, plant and equipment	3(a)	298.39
Capital work in progress	3(b)	43.13
Right-of-use assets	4	1.65
Other Intangible assets	5	1.59
Financial assets		
i. Other financial assets	6(a)	7.72
Income tax assets (net)	8	1.50
Other non-current assets	10	7.79
<b>Total non-current assets</b>		<b>361.77</b>
<b>Current assets</b>		
Inventories	9	308.32
Financial assets		
i. Trade receivables	6(b)	396.21
ii. Cash and cash equivalents	6(c)	116.48
iii. Other financial assets	6(d)	4.00
Other current assets	10	23.73
<b>Total current assets</b>		<b>848.74</b>
<b>Total assets</b>		<b>1,210.51</b>
<b>EQUITY AND LIABILITIES</b>		
<b>Equity</b>		
i. Equity share capital	11(a)	87.76
ii. Other Equity	11(b)	582.14
<b>Total equity</b>		<b>669.90</b>
<b>LIABILITIES</b>		
<b>Non-current liabilities</b>		
Provisions	14	14.87
Deferred tax Liabilities (net)	7	10.09
<b>Total non-current liabilities</b>		<b>24.96</b>
<b>Current liabilities</b>		
Financial liabilities		
i. Trade payables	12(a)	
(a) Total outstanding dues of micro enterprises and small enterprises		22.87
(b) Total outstanding dues of creditors other than micro enterprises and small enterprises		460.65
ii. Other financial liabilities	12(b)	7.03
Other current liabilities	13	10.31
Provisions	14	6.36
Current tax liabilities (net)	15	8.43
<b>Total current liabilities</b>		<b>515.65</b>
<b>Total equity and liabilities</b>		<b>1,210.51</b>

See accompanying notes forming part of special purpose financial statements.

As per our report of even date attached  
**For Deloitte Haskins & Sells LLP**  
Chartered Accountants  
(Firm Registration No. 117366W/W-100018)

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**Jyoti Vaish**  
Partner  
Membership No.: 096521

**For and on behalf of the Board of Directors of Federal-Mogul Bearings India Limited**

**KAPIL ARORA**  
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**Kapil Arora**  
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**Kunal Kirti**  
Director  
DIN: 10222165

**Place: Gurugram**  
**Date: June 17, 2025**

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**Federal-Mogul Bearings India Limited**  
(Formerly known as Federal-Mogul Anand Bearings India Limited)  
CIN No. U29199HR2006PLC043262  
**Special Purpose Statement of Profit and Loss for the year ended 31 March 2024**  
(All amount in INR millions, unless otherwise stated)

Particulars	Notes	Year ended 31 March 2024
<b>Income</b>		
Revenue from operations	16	2,098.21
Other income	17	16.47
<b>Total income</b>		<b>2,114.68</b>
<b>Expenses</b>		
Cost of materials consumed	18	868.52
Purchase of stock-in-trade	19	406.70
Change in inventories of finished goods, stock-in-trade and work in progress	20	16.75
Employee benefits expense	21	168.13
Finance costs	22	0.18
Depreciation and amortisation expense	23	61.41
Other expenses	24	367.44
<b>Total expenses</b>		<b>1,889.13</b>
<b>Profit before tax</b>		<b>225.55</b>
<b>Income Tax expense</b>	25	
Current tax		55.91
Deferred tax		7.37
Tax related to earlier years		2.36
<b>Total tax expense</b>		<b>65.64</b>
<b>Profit for the year</b>		<b>159.91</b>
<b>Other comprehensive (loss) / gain</b>		
<b>Items that will not be reclassified to profit or loss</b>		
- Remeasurement of post-employment benefit obligations		(0.68)
- Income tax impact		0.20
<b>Other comprehensive (loss) for the year</b>		<b>(0.48)</b>
<b>Total comprehensive income for the year</b>		<b>159.43</b>
Earnings per equity share (of INR 10 each) (absolute value)	26	
Basic (INR)		18.22
Diluted (INR)		18.22

See accompanying notes forming part of special purpose financial statements.

As per our report of even date attached  
**For Deloitte Haskins & Sells LLP**  
**Chartered Accountants**  
(Firm Registration No. 117366W/W-100018)

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**Jyoti Vaish**  
Partner  
Membership No.: 096521

**For and on behalf of the Board of Directors of  
Federal-Mogul Bearings India Limited**

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**Kunal Kirti**  
Director  
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**Place: Gurugram**  
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**Federal-Mogul Bearings India Limited**  
(Formerly known as Federal-Mogul Anand Bearings India Limited)  
CIN No. U29199HR2006PLC043262  
**Special Purpose Statement of cash flows for the year ended 31 March 2024**  
*(All amount in INR millions, unless otherwise stated)*

Particulars	Year ended 31 March 2024
<b>Cash flow from operating activities</b>	
Profit before tax	225.56
<b>Adjustments for:</b>	
Depreciation and amortisation expense	61.40
(Gain) on sale of property plant and equipment (net)	(0.80)
Finance Cost	0.18
Excess provision written back	(3.15)
Interest Income from financial assets	(12.37)
Allowance for expected credit loss	0.38
Unrealised forex (gain) (net)	(4.12)
<b>Operating cash flows before working capital changes</b>	<b>267.08</b>
<b>Change in operating assets and liabilities</b>	
(Increase)/Decrease in Inventories	54.12
(Increase)/Decrease in Trade receivables	(46.00)
(Increase)/Decrease in Financial and other assets	14.56
Increase/(Decrease) in Trade payables	157.80
Increase/(Decrease) in provisions and current / non-current liabilities	(12.33)
<b>Cash generated from operations</b>	<b>435.23</b>
Income taxes paid (net of refunds)	(72.30)
<b>Net cash inflow from operating activities (A)</b>	<b>362.93</b>
<b>Cash flows from investing activities:</b>	
Purchase of Property, plant and equipment, including capital work-in-progress and capital advances	(37.33)
Sale of property, plant and equipment	2.20
<b>Net cash outflow from investing activities (B)</b>	<b>(35.13)</b>
<b>Cash flows from Financing activities:</b>	
Dividend paid	(332.00)
Finance cost paid	(0.18)
<b>Net cash outflow from financing activities (C)</b>	<b>(332.18)</b>
<b>Net (decrease) in cash and cash equivalents (A)+(B)+(C)</b>	<b>(4.38)</b>
Cash and cash equivalents at the beginning of the year	120.86
<b>Cash and cash equivalents at end of the year</b>	<b>116.48</b>

**Cash and Cash Equivalents as per above comprise of the following**

Particulars	As at 31 March 2024
Balances with banks:	
In current accounts [Refer Note 6 (c)]	35.91
'Deposits with original maturity less than 3 months [Refer Note 6 (c)]	80.57
	<b>116.48</b>

The above Statement of cash flows has been prepared under the indirect method as set out in Ind AS - 7 on Statement of Cash Flows.

As per our report of even date attached  
**For Deloitte Haskins & Sells LLP**  
**Chartered Accountants**  
(Firm Registration No. 117366W/W-100018)

**Jyoti**  
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**Jyoti Vaish**  
Partner  
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**Kapil Arora**  
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**Place: Gurugram**  
**Date: June 17, 2025**

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Federal-Mogul Bearings India Limited  
(Formerly known as Federal-Mogul Anand Bearings India Limited)  
CIN No. U29199HR2006PLC043262  
Special Purpose Statement of changes in equity for the year ended 31 March 2024  
(All amount in INR millions, unless otherwise stated)

A) Equity share capital

Particulars	No. of shares (in Absolute value)	Amount
Balance as at 1 April 2023	8,776,365	87.76
Changes in equity share capital during the year	-	-
Balance as at 31 March 2024	8,776,365	87.76

B) Other equity

Particulars	Reserves and Surplus		Total Equity
	Securities Premium	Retained Earnings	
Balance as at 1 April 2023	542.34	212.36	754.70
Profit for the year	-	159.91	159.91
Dividend Paid during the year	-	(331.99)	(331.99)
Other comprehensive loss (net of taxes)	-	(0.48)	(0.48)
Balance as at 31 March 2024	542.34	39.80	582.14

As per our report of even date attached  
For Deloitte Haskins & Sells LLP  
Chartered Accountants  
(Firm Registration No. 117366W/W-100018)

For and on behalf of the Board of Directors of  
Federal-Mogul Bearings India Limited

**Jyoti Vaish**  
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**Kunal Kirti**  
Director  
DIN: 10222165

Place: Gurugram  
Date: June 17, 2025

Place: Gurugram  
Date: June 17, 2025

## **1 Corporate Information**

Federal-Mogul Bearings India Limited (Formerly known as Federal-Mogul Anand Bearings India Limited) ("the Company") is a public company domiciled in India and incorporated under the provisions of the Companies Act, 1956 on 17 July 2006. The Company is engaged in the business of manufacture and sale of bi-metal engine bearings, bushes, washers, flanges for automotive, industrial, agricultural, earthmoving, marine and stationary engines. The Company has its registered office at Gurugram, Haryana, India and principal activities of the Company at Parwanoo, Himachal Pradesh, India.

The Company's Special purpose financial statements for the year ended 31 March, 2024 were approved for issue in accordance with a resolution of the directors passed in the Board meeting held on June 14, 2025.

## **2 Basis of preparation, measurement and material accounting policies**

### **2.1 Basis of preparation**

The Special Purpose Ind AS Financial Statements of the Company comprise of the Balance Sheet as at 31 March, 2024, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Cash Flows and the Statement of Changes in Equity for the year ended on that date, and notes to the Special Purpose Ind AS Financial Statements, including a summary of material accounting policies and other explanatory information (the "Special Purpose Ind AS Financial Statements").

These Special Purpose Ind AS Financial Statements have been prepared considering the recognition and measurement principles of Indian Accounting Standard (Ind AS) specified under section 133 of the Companies Act, 2013, as amended ("the Act") read with relevant rules issued thereunder, as amended and other accounting principles generally accepted in India.

The Special Purpose Ind AS Financial Statements have been prepared solely for the purpose of preparation of the consolidated financial statements in relation to the proposed initial public offering of its holding Company. Accordingly, these Special Purpose Ind AS Financial Statements does not include comparative financial information as at and for the year ended 31 March 2023. As such, these Special Purpose Ind AS Financial Statements are not suitable for any other purpose, and are also not financial statements prepared pursuant to any requirements under section 129 of the Act.

The above Special Purpose Ind AS Financial Statements have been prepared by making Ind AS adjustments as mentioned above to the audited Indian GAAP financial statements of the Company as at and for the year ended 31 March, 2024 prepared in accordance with Indian GAAP (the "Statutory Indian GAAP Financial Statements") which was approved by the Board of directors at their meeting held on 30 September 2024.

These Special Purpose Ind AS Financial Statements have been prepared on the accrual and going concern basis and the historical cost convention except where the Ind AS requires a different accounting treatment.

The Company has prepared the Special Purpose Ind AS Financial Statements as at and for the year ended March 31, 2024 as per the basis defined above, which have been approved by the Board of Directors at their meeting held on 17 June, 2025.

#### **Measurement of fair value:**

The Company's accounting policies and disclosures require measurement of fair values, for both financial and non-financial assets and liabilities.

The Company has an established control framework with respect to the measurement of fair values. This includes a valuation team that has overall responsibility for overseeing all significant fair value measurements, including Level 3 fair values, and reports directly to the Board of directors. The valuation team regularly reviews significant unobservable inputs and valuation adjustments. If third party information, such as broker quotes or pricing services, is used to measure fair values, then the valuation team assesses the evidence obtained from the third parties to support the conclusion that these valuations meet the requirements of Ind AS, including the level in the fair value hierarchy in which the valuations should be classified.

Fair values are categorised 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 or indirectly.

Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

When measuring the fair value of an asset or a liability, the Company uses observable market data as far as possible. 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 categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

### **2.2 Summary of Material Accounting Policies**

#### **a) Overall consideration**

The financial statements have been prepared using the material accounting policies and measurement bases summarised below. These were used throughout the period presented in the financial statements.

##### *Basis of preparation*

The financial statements have been prepared on going concern basis in accordance with accounting principles generally accepted in India. Further, the financial statements have been prepared on historical cost basis except for certain financial assets and financial liabilities which are measured at fair values as explained in relevant accounting policies.

#### **b) Current and non-current classification**

All assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle and other criteria set out in the Act. Deferred tax assets and liabilities are classified as non-current assets and non-current liabilities, as the case may be.

#### **c) Use of estimates**

The preparation of these special purpose financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent liabilities at the date of the special purpose IND AS financial statements and the results of operations during the year. Although these estimates are based upon management's best knowledge of current events and actions, actual results could differ from these estimates. Any revision to accounting estimates is recognised in the current and future periods.

**d) Property, plant and equipment**

*Recognition and initial measurement*

Property plant and equipment are stated at their cost of acquisition. The cost comprises purchase price, borrowing cost if capitalisation criteria are met and directly attributable cost of bringing the asset to its working condition for the intended use. Any trade discount and rebates are deducted in arriving at the purchase price. Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company. All other repair and maintenance costs are recognised in Statement of Profit and Loss as incurred.

*Subsequent measurement (depreciation and useful lives)*

Property, plant and equipment are subsequently measured at cost less accumulated depreciation and impairment losses. Depreciation on property, plant and equipment is provided on a straight-line basis, computed on the basis of useful lives (as set out below) prescribed in Schedule II to the Companies Act, 2013:

<b>Asset Class</b>	<b>Estimated useful life (in years)</b>
Plant and machinery	5 to 15 years
Furniture and fixtures	10 years
Office equipment	5 years
Computers	3 years
Vehicles	8 years
Buildings	30 Years

The residual values, useful lives and method of depreciation are reviewed at each financial year end and adjusted prospectively, if appropriate.

**De-recognition**

An item of property, plant and equipment and any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on de-recognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the income statement when the asset is derecognised.

**e) Intangible assets**

*Recognition and initial measurement*

Intangible assets (Computer softwares) are stated at their cost of acquisition. The cost comprises purchase price, borrowing cost if capitalisation criteria are met and directly attributable cost of bringing the asset to its working condition for the intended use.

*Subsequent measurement (amortisation)*

The cost of capitalised software is amortised over a period of 5 years from the date of its acquisition.

**f) Impairment of non-financial assets**

At the end of each reporting period, the Company reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any).

Recoverable amount is the higher of fair value less costs of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

After impairment, depreciation is provided on the revised carrying amount of the asset over its remaining useful life.

**g) Impairment of financial assets**

The Company assesses at each date of balance sheet whether a financial asset or a group of financial assets is impaired.

Ind AS 109 requires expected credit losses to be measured through a loss allowance. Company performs credit assessment for customers on an annual basis. Company recognizes credit risk, on the basis of lifetime expected losses and where receivables are due for more than twelve months.

For all other financial assets, expected credit losses are measured at an amount equal to the 12 month expected credit losses or at an amount equal to the life time expected credit losses if the credit risk on the financial asset has increased significantly since initial recognition.

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, but 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 (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss.

**h) Financial instruments**

*Initial recognition and measurement*

Financial assets and financial liabilities are recognised when the Company becomes a party to the contractual provisions of the financial instrument and are measured initially at fair value adjusted for transaction costs, except for those carried at fair value through profit or loss which are measured initially at fair value. However, trade receivable that do not contain significant financing component are initially recognised at transaction price. Subsequent measurement of financial assets and financial liabilities is described below.

**Non-derivative financial assets**

*Subsequent measurement*

**i. Financial assets carried at amortised cost** – a financial asset is measured at the amortised cost if both the following conditions are met:

- The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and
- Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method.

**ii. Derecognition of financial assets**

The Company derecognizes a financial asset when the contractual rights to the cash flows from the financial asset expire or it transfers the financial asset and the transfer qualifies for derecognition under Ind AS 109.

**Non-derivative financial liabilities**

*Subsequent measurement*

Subsequent to initial recognition, all non-derivative financial liabilities are measured at amortised cost using the effective interest method.

*De-recognition of financial liabilities*

A financial liability is de-recognised when the obligation under the liability is discharged or cancelled or expires. 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 de-recognition 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.

**i) Leases**

*The Company as a lessee*

The Company's leased asset classes primarily consist of leases for land and building. The Company assesses whether a contract contains a lease, at inception of a contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Company assesses whether: (i) the contract involves the use of an identified asset (ii) the Company has substantially all of the economic benefits from use of the asset through the period of the lease and (iii) the Company has the right to direct the use of the asset.

At the date of commencement of the lease, the Company recognizes a right-of-use asset ("ROU") and a corresponding lease liability for all lease arrangements in which it is a lessee, except for leases with a term of twelve months or less (short-term leases) and low value leases. For these short-term and low value leases, the Company recognizes the lease payments as an operating expense on a straight-line basis over the term of the lease.

Certain lease arrangements include options to extend or terminate the lease before the end of the lease term. ROU assets and lease liabilities include these options when it is reasonably certain that they will be exercised.

The right-of-use assets are initially recognised at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or prior to the commencement date of the lease plus any initial direct costs less any lease incentives. They are subsequently measured at cost less accumulated depreciation and impairment losses.

Right-of-use assets are depreciated from the commencement date on a straight-line basis over the shorter of the lease term and useful life of the underlying asset.

The lease liability is initially measured at amortised cost at the present value of the future lease payments. The lease payments are discounted using the interest rate implicit in the lease or, if not readily determinable, using the incremental borrowing rates in the country of domicile of these leases. Lease payments included in the measurement of the lease liability are made up of fixed payments (including in substance fixed payments) and variable payments based on an index or rate. Subsequent to initial measurement, the liability will be reduced for payments made and increased for interest. Lease liabilities are remeasured with a corresponding adjustment to the related right of use asset if the Company changes its assessment of whether it will exercise an extension or a termination option.

**j) Inventories**

**Inventories are valued as follows:**

Raw materials, components, stores and spares and bought out tools.	Lower of cost and net realisable value. Cost represents purchase price and other direct costs and is determined on a moving weighted average cost basis. However, materials and other items held for use in the production of inventories are not written down below cost if the finished products in which they will be incorporated are expected to be sold at or above cost.
Work-in-progress	Lower of cost and net realisable value. Cost for this purpose includes material, labour and appropriate allocation of overheads. Cost is determined on a moving weighted average basis.
Finished Goods: - Manufactured	Lower of cost and net realisable value. Cost for this purpose includes material, labour and appropriate allocation of overheads. Cost is determined on a moving weighted average basis.

Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and estimated costs necessary to make the sale. Provision for obsolescence is determined based on management's assessment and is charged to Statement of Profit and Loss.

**k) Revenue Recognition**

Revenue is measured based on the consideration specified in a contract with a customer and excludes amounts collected on behalf of third parties. A performance obligation is a promise in a contract to transfer a distinct good (or a bundle of goods) to the customer and is the unit of account in Ind AS 115. A contract's transaction price is allocated to each distinct performance obligation and recognised as revenue, as or when, the performance obligation is satisfied. Revenue towards satisfaction of a performance obligation is measured at the amount of transaction price (net of variable consideration) allocated to that performance obligation. The transaction price of goods sold and services rendered is net of variable consideration on account of various discounts and schemes offered by the Company as part of the Contract. The Company recognises revenue from the following major sources:

**(i) Sale of products:**

Revenue from sale of products is measured based on the consideration specified in a contract with a customer and excludes amounts collected on behalf of third parties. It is measured at consideration received or receivable, net of returns and allowances, trade discounts and volume rebates. The Company recognises revenue when it transfers control over a product to a customer i.e. when goods are delivered at the delivery point, as per terms of the agreement, which could be either customer premises or carrier premises who will deliver goods to the customer. When payments received from customers exceed revenue recognised to date on a particular contract, any excess (a contract liability) is reported in the Balance Sheet under other current liabilities.

*Satisfaction of performance obligations*

The Company's revenue is derived from the single performance obligation to transfer primarily products under arrangements in which the transfer of control of the products and the fulfilment of the Company's performance obligation occur at the same time. Revenue from the sale of goods is recognised when the Company has transferred control of the goods to the buyer and the buyer obtains the benefits from the goods, the potential cash flows and the amount of revenue (the transaction price) can be measured reliably, and it is probable that the Company will collect the consideration to which it is entitled to in exchange for the goods.

Whether the customer has obtained control over the asset depends on when the goods are made available to the carrier or the buyer takes possession of the goods, depending on the delivery terms. For the Company, generally the criteria to recognise revenue has been met when its products are delivered to its customers or to a carrier who will transport the goods to its customers, this is the point in time when the Company has completed its performance obligations. Revenue is measured at the transaction price of the consideration received or receivable, the amount the Company expects to be entitled to.

*Payment terms*

The sale of goods is typically made under credit payment terms differing from customer to customer and ranges between 30-60 days.

**(ii) Revenue from development of customer paid tools:**

The Company incurs pre-production tooling costs related to the products developed for its customers under supply arrangements. Tooling income (net) represents amounts recovered from customers, which are in excess of development costs incurred by the Company to manufacture such tools, similarly tooling cost (net) represents costs incurred by the Company in excess of amounts recovered from customers. The Company recognizes such tooling income (net)/ tooling cost (net) when the control of the goods have passed on to the customer. The Company expenses all pre-production tooling costs related to customer owned tools for which reimbursement is not contractually guaranteed by the customer or for which the customer has not provided a non-cancellable right to use the tooling, at the time of their estimation. When it is probable that total development costs will exceed the tooling revenue, the expected loss is recognized as an expense in the Statement of Profit and Loss in the period in which such probability occurs.

The tooling income (net) is deferred and recognized over the initial contract period over which supply of goods using developed tools will be made available to the customer. The contract period is generally five years, so tooling income is recognised accordingly. The deferred portion of such income is recognised as deferred income in the Special Purpose financial statements.

**Determining the timing of satisfaction of development of tools**

The revenue for development of tools is to be recognised over time because the Company's performance does not create asset with an alternative use to the Company since the tools are customised for each customer and the Company has a legally enforceable right to payment of fair value for performance completed to date.

The input method is the best method in measuring progress of the development of tools because there is a direct relationship between the Company's effort (i.e., costs incurred) and the transfer of tooling to the customer. The Company recognises revenue on the basis of the total costs incurred relative to the total expected costs to complete the tool.

**(iii) Contract assets**

A contract asset is the Company's right to consideration in exchange for goods or services that the Company has transferred to the customer. A contract asset becomes a receivable when the Company's right to consideration is unconditional, which is the case when only the passage of time is required before payment of the consideration is due. The impairment of contract assets is measured, presented and disclosed on the same basis as trade receivables. The Contract asset in case of Company comprises of deferred income which relates to expenses incurred but not billed yet as per the terms of contract. The Company's contract assets are disclosed in Note 6 and Note 29.

**(iv) Contract liabilities**

A contract liability is the obligation to transfer goods or services to a customer for which the Company has received consideration (or an amount of consideration is due) from the customer. If a customer pays consideration before the Company transfers goods or services to the customer, a contract liability is recognised when the payment is made or the payment is due (whichever is earlier). Contract liabilities are recognised as revenue when the Company performs under the contract. The Contract liability comprises of unearned income which relates to excess of invoicing over cost incurred for a particular project. The Company's contract liabilities are disclosed in Note 13.

**Other Income**

**(v) Interest**

Interest income is recorded on accrual basis.

**(vi) Export Benefits/Incentives**

Export entitlements under the Duty Entitlement Pass Book (DEPB) Scheme/ Duty Drawback scheme are recognised in the Statement of Profit and Loss when the same is received by the Company.

**l) Statement of cash flows**

Cash flows are reported using the indirect method, whereby profit for the period is adjusted for the effects of transactions of a non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments and item of income or expenses associated with investing or financing cash flows. The cash flows from operating, investing and financing activities of the Company are segregated.

**m) Foreign Currency Transactions**

*Functional and presentation currency*

The financial statements are presented in Indian Rupee ('INR or Rs') which is also the functional and presentation currency of the Company.

*Transactions and balances*

Foreign currency transactions are recorded in the functional currency, by applying to the exchange rate between the functional currency and the foreign currency at the date of the transaction.

Foreign currency monetary items outstanding at the balance sheet date are converted to functional currency using the closing rate. Non-monetary items denominated in a foreign currency which are carried at historical cost are reported using the exchange rate at the date of the transactions.

Exchange differences arising on such conversion and settlement at rates different from those at which they were initially recorded, are recognised in the Statement of Profit and Loss in the year in which they arise.

**n) Retirement and other employee benefits**

**(i) Defined Contribution Plans:**

These are plans in which the Company pays pre-defined amounts to funds administered by government authority/ Company and does not have any legal or constructive obligation to pay additional sums. These comprise contributions in respect of Employees' Provident Fund and Employees' State Insurance. The Company's payments to the defined contribution plans are recognised as employee benefit expenses when they are due.

**(ii) Defined Benefit Plans:**

The Group's gratuity benefit scheme is a defined benefit plan. The liability is recognised in the balance sheet in respect of gratuity is the present value of the defined benefit/obligation at the balance sheet date less the fair value of plan assets, together with adjustments for unrecognized actuarial gain losses and past service costs. The defined benefit/obligation are calculated at balance sheet date by an independent actuary using the projected unit credit method.

Re-measurement of the net defined benefit liability, which comprise actuarial gains and losses, the return on plan assets (excluding interest) and the effect of the asset ceiling (if any, excluding interest), are recognised immediately in other comprehensive income (OCI).

Re-measurement of the net defined benefit liability, which comprise actuarial gains and losses, the return on plan assets (excluding interest) and the effect of the asset ceiling (if any, excluding interest), are recognised immediately in other comprehensive income (OCI).

**(iii) Short term compensated absences are provided for based on estimates. Long term compensation liability for leave encashment is determined in accordance with Company policy and is measured on the basis of valuation by an independent actuary at the end of the financial year. The actuarial valuation is done as per projected unit credit method.**

Actuarial gains and losses arising from past experience and changes in actuarial assumptions are charged to Statement of Profit and Loss in the year in which such gains or losses are determined.

**(iv) Bonus plans**

The Company recognises a liability and an expense for bonuses. The Company recognises a provision where contractually obliged or where there is a past practice that has created a constructive obligation.

**o) Income Taxes**

Income tax expense /income comprises current tax expense /income and deferred tax expense /income. It is recognised in profit or loss except to the extent that it relates to items recognised directly in equity or in other comprehensive income. In which case, the tax is also recognised directly in equity or other comprehensive income, respectively.

**Current tax**

Current tax comprises the expected tax payable or recoverable on the taxable profit or loss for the year and any adjustment to the tax payable or recoverable in respect of previous years. It is measured at the amount expected to be paid to (recovered from) the taxation authorities using the applicable tax rates and tax laws.

Current tax assets and liabilities are offset only if,

- the Group has a legally enforceable right to set off the recognised amounts; and
- intends either to settle on a net basis, or to realize the asset and settle the liability simultaneously.

**Deferred tax**

Deferred tax is recognised in respect of temporary differences between the carrying amount of assets and liabilities for financial reporting purposes and corresponding amount considered for taxation purposes.

Deferred tax assets are recognised for unused tax losses, unused tax credits and deductible temporary differences to the extent that it is probable that future taxable profits will be available against which they can be utilized. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow the benefit of part or all of that deferred tax asset to be utilized. Such reductions are reversed when it becomes probable that sufficient taxable profits will be available.

Unrecognized deferred tax assets are reassessed at each reporting date and recognised to the extent that it has become probable that future taxable profits will be available against which they can be recovered.

Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, using tax rates enacted or substantively enacted by the end of the reporting year.

The measurement of deferred tax assets and liabilities reflects the tax consequences that would follow from the manner in which the Group expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and liabilities are offset only if:

- the entity has a legally enforceable right to set off current tax assets against current tax liabilities; and
- when they relate to income taxes levied by the same taxation authority and the Company intends to settle its current tax assets and liabilities on a net basis.

**p) Earnings per Share**

Basic earnings per share are 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 year.

For the purpose of calculating diluted earnings per share, the net profit or loss for the year attributable to equity shareholders and the weighted average number of shares outstanding during the year are adjusted for the effects of all dilutive potential equity shares.

**q) Provisions, contingent liabilities and contingent assets**

Provisions are recognised when an enterprise has a present obligation as a result of past event; it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made. Provisions are discounted to their present values, where the time value of money is material. These are reviewed at each balance sheet date and adjusted to reflect the current best estimates.

Provisions are measured at the estimated expenditure required to settle the present obligation, based on the most reliable evidence available at the reporting date, including the risks and uncertainties associated with the present obligation. Provisions are discounted to their present values, where the time value of money is material.

Any reimbursement that the Company can be virtually certain to collect from a third party with respect to the obligation is recognised as a separate asset. However, this asset may not exceed the amount of the related provision.

All provisions are reviewed at each reporting date and adjusted to reflect the current best estimate.

In cases where the outflow of economic resources as a result of present obligations is considered improbable or remote, no provision is recognised.

Contingent liability is disclosed for:

- Possible obligations which will be confirmed only by future events not wholly within the control of the Company or
- Present obligations arising from past events where it is not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount of the obligation cannot be made.

Contingent assets are not recognised. However, when inflow of economic benefits is probable, related asset is disclosed.

**r) Cash and Cash Equivalents**

Cash and cash equivalent comprise cash at banks and on hand and short-term deposits with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

**s) Significant management judgement in applying accounting policies and estimation uncertainty**

The preparation of the Company's financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the related disclosures.

*Significant management judgements*

**Recognition of deferred tax assets** – The extent to which deferred tax assets can be recognised is based on an assessment of the probability of the future taxable income against which the deferred tax assets can be utilised.

**Evaluation of indicators for impairment of assets** – The evaluation of applicability of indicators of impairment of assets requires assessment of several external and internal factors which could result in deterioration of recoverable amount of the assets.

**Classification of leases** – The Company enters into leasing arrangements for various assets. The classification of the leasing arrangement as a finance lease or operating lease is based on an assessment of several factors, including, but not limited to, transfer of ownership of leased asset at end of lease term, lessee's option to purchase and estimated certainty of exercise of such option, proportion of lease term to the asset's economic life, proportion of present value of minimum lease payments to fair value of leased asset and extent of specialised nature of the leased asset.

**Impairment of financial assets** – At each balance sheet date, based on historical default rates observed over expected life, the management assesses the expected credit loss on outstanding financial assets.

**Provisions** – At each balance sheet date basis the management judgment, changes in facts and legal aspects, the Company assesses the requirement of provisions against the outstanding warranties and guarantees. However, the actual future outcome may be different from this judgement.

*Significant estimates*

**Recoverability of advances/receivables** - At each balance sheet date, based on historical default rates observed over expected life, the management assesses the expected credit loss on outstanding receivables and advances.

**Useful lives of depreciable/amortisable assets** – Management reviews its estimate of the useful lives of depreciable/amortisable assets at each reporting date, based on the expected utility of the assets. Uncertainties in these estimates relate to technical and economic obsolescence that may change the utility of certain software, customer relationships, IT equipment and other plant and equipment.

**Defined benefit obligation (DBO)** – Management's estimate of the DBO is based on a number of underlying assumptions such as standard rates of inflation, mortality, discount rate and anticipation of future salary increases. Variation in these assumptions may significantly impact the DBO amount and the annual defined benefit expenses.

**t) Trade and other payables**

These amounts represent liabilities for goods and services provided to the Company prior to the end of financial year which are unpaid. The amounts are unsecured and are paid as per the terms of contracts with the supplier. Trade and other payables are presented as current liabilities unless payment is not due within 12 months after the reporting period. They are recognised initially at their fair value and subsequently measured at amortised cost using the effective interest method.

**u) Segment reporting**

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. The board of directors assess the financial performance and position of the Company, and makes strategic decisions and therefore the board would be the chief operating decision maker or 'CODM, within the meaning of Ind AS 108. The CODM evaluates the Company's performance and allocates resources based on the dominant source, nature of product and nature of risks and returns

Federal-Mogul Bearings India Limited  
(Formerly known as Federal-Mogul Anand Bearings India Limited)  
CIN No. U29199HR2006PLC043262  
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(All amount in INR millions, unless otherwise stated)

**3(a) Property, plant and equipment**

Particulars	Buildings	Plant and machinery	Office equipment	Furniture and fixtures	Computer	Vehicles	Total
<b>Gross Carrying Amount</b>							
Balance as at 1 April 2023 (Deemed cost)	28.87	313.96	2.45	1.72	2.07	0.33	349.40
Additions	-	9.27	-	-	1.69	-	10.96
Disposals	-	(1.25)	(0.01)	(0.01)	(0.13)	-	(1.40)
<b>Balance as at 31 March 2024</b>	<b>28.87</b>	<b>321.98</b>	<b>2.44</b>	<b>1.71</b>	<b>3.63</b>	<b>0.33</b>	<b>358.96</b>
<b>Accumulated depreciation</b>							
Balance as at 1 April 2023	-	-	-	-	-	-	-
Depreciation charge for the year	2.00	57.07	0.37	0.40	0.65	0.08	60.57
Disposals	-	-	-	-	-	-	-
<b>Balance as at 31 March 2024</b>	<b>2.00</b>	<b>57.07</b>	<b>0.37</b>	<b>0.40</b>	<b>0.65</b>	<b>0.08</b>	<b>60.57</b>
<b>Net carrying amount as on 31 March 2024</b>	<b>26.87</b>	<b>264.91</b>	<b>2.07</b>	<b>1.31</b>	<b>2.98</b>	<b>0.25</b>	<b>298.39</b>

**3(b). Capital Work in Progress (CWIP)**

Particulars	Amount
Balance as at 1 April 2023	12.57
Additions during the year	41.52
Capitalised during the year	(10.96)
<b>Balance as at 31 March 2024</b>	<b>43.13</b>

**Capital Work in Progress (CWIP) Ageing**

As at 31 March 2024

Particulars	Amount in CWIP for a period of				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Projects in progress	38.42	4.71	-	-	43.13
Projects temporarily suspended	-	-	-	-	-

As at 1 April 2023

Particulars	Amount in CWIP for a period of				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Projects in progress	5.02	1.02	-	6.53	12.57
Projects temporarily suspended	-	-	-	-	-

**Notes:**

- 1.) Refer to Note 31 for disclosure of contractual commitments for the acquisition of property, plant and equipment.
- 2.) The Company has not revalued its property, plant and equipment (including right-of-use assets) or intangible assets or both during
- 3) The movable assets (including plant and machinery) are pledged as security against credit facilities availed by the Company.
- 4) There are no impairment losses recognised during each reporting period.

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#### 4.Right-of-use assets

Following are the changes in the carrying value of right of use:

Particulars	Leasehold land
<b>Gross carrying value</b>	
As at 1 April 2023	1.68
Additions	-
<b>As at 31 March 2024</b>	<b>1.68</b>
<b>Accumulated depreciation</b>	
As at 1 April 2023	-
Depreciation charge for the year	0.03
<b>As at 31 March 2024</b>	<b>0.03</b>
<b>Net carrying amount as on 31 March 2024</b>	<b>1.65</b>

Note 1: Gross carrying value of leasehold land includes amounts which were paid upfront, at the commencement date of the lease . The Company has entered into long term lease of around 99 years for land lease.

Note 2: Other than leasehold land the Company has short term lease agreements in which there are no lock in periods. The disclosure requirement related to total commitment of short term leases is thus not applicable to the Company.

**The aggregate depreciation expense on ROU assets is included under depreciation and amortisation expense in the Special Purpose Statement of Profit and Loss.**

The following are the amounts recognised in the statement of profit or loss:

Particulars	Year ended 31 March 2024
Depreciation expense of right-of-use assets	0.03
Expense relating to short-term leases (included in Note 24 : Other expense )	2.50
<b>Total</b>	<b>2.53</b>

#### 5 Other Intangible assets

Particulars	Computer Software
<b>Gross carrying amount</b>	
Balance as at 01 April 2023 (Deemed cost)	2.40
Additions	-
Disposals/Adjustments	-
<b>Balance as at 31 March 2024</b>	<b>2.40</b>
<b>Accumulated amortisation</b>	
Balance as at 01 April 2023	-
Amortisation charge for the year	0.81
<b>Balance as at 31 March 2024</b>	<b>0.81</b>
<b>Net carrying amount as on 1 April 2023</b>	<b>2.40</b>
<b>Net carrying amount as on 31 March 2024</b>	<b>1.59</b>

1) There are no Intangible assets Under Development as at Balance Sheet Date.

6. Financial Assets

6(a) Other Non- Current Financial assets

Particulars	As at 31 March 2024
<b>Unsecured ,Considered Good At Amortised Cost</b>	
Security deposits	7.72
<b>Total</b>	<b>7.72</b>

6(b) Trade receivables\*

Particulars	As at 31 March 2024
<b>Trade receivables from contract with customers – billed</b>	
Unsecured, considered good	396.21
Unsecured, credit impaired	5.56
<b>Total</b>	<b>401.77</b>
Less: Allowance for expected credit loss (Refer note 29)	(5.56)
<b>Total Trade receivables (Net)</b>	<b>396.21</b>

\*Unsecured and current

The average credit period on sales of goods is 30-60 days.

Trade Receivables Ageing (on the basis of due date of payment):

As at 31 March 2024

Particulars	Outstanding for following periods from due date of Payment						Total
	Not Due	0-6 Months	6 Months - 1 Year	1-2 Years	2-3 Years	More than 3 Years	
(i) Undisputed Trade receivables – considered good	328.46	62.35	4.85	-	0.55	-	396.21
(ii) Undisputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-	-
(iii) Undisputed Trade Receivables – credit impaired	-	-	1.70	1.49	2.19	0.18	5.56
(iv) Disputed Trade Receivables–considered good	-	-	-	-	-	-	-
(v) Disputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-	-
(vi) Disputed Trade Receivables – credit impaired	-	-	-	-	-	-	-
	<b>328.46</b>	<b>62.35</b>	<b>6.55</b>	<b>1.49</b>	<b>2.74</b>	<b>0.18</b>	<b>401.77</b>
Less: Expected credit loss allowance							(5.56)
<b>Total</b>							<b>396.21</b>

Notes:

(1) Refer note no. 29 for allowance for expected credit loss.

(2) Refer note no. 27(c) for balances due from related parties amounting to Rs. 0.23 millions (31 March 2023: - Rs. 0.23 millions)

6(c) Cash and cash equivalents

Particulars	As at 31 March 2024
Balances with scheduled banks - in current accounts	35.91
Deposits with original maturity of less than 3 months	80.57
<b>Total</b>	<b>116.48</b>

There are no repatriation restrictions with regard to cash and cash equivalents as at the end of the reporting period and prior periods.

6(d) Other Current Financial assets

Particulars	As at 31 March 2024
<b>At amortised cost</b>	
<b>Unsecured, considered good</b>	
Interest accrued on bank deposits	0.16
Claims recoverable	0.60
Export incentive recoverable	0.68
Unbilled tooling cost	2.56
<b>Total</b>	<b>4.00</b>

**7 Deferred tax assets (net)**

Particulars	Opening as at 01 April 2023	Recognised in Statement of Profit and Loss	Recognised in OCI	Closing balance as at 31 March 2024
<b>Deferred tax assets</b>				
Provision for employee benefits	2.88	1.27	0.20	4.35
Expected credit loss	1.65	(0.24)	-	1.41
Minimum Alternate Tax (MAT)	15.63	(15.63)	-	-
Others	2.94	0.07	-	3.01
	<b>23.10</b>	<b>(14.53)</b>	<b>0.20</b>	<b>8.77</b>
<b>Deferred tax liabilities</b>				
Property, plant and equipment and Intangible assets on account of difference in Written Down Value (WDV)	26.02	(7.16)	-	18.86
	<b>26.02</b>	<b>(7.16)</b>	<b>-</b>	<b>18.86</b>
<b>Net deferred tax liabilities</b>	<b>(2.92)</b>	<b>(7.37)</b>	<b>0.20</b>	<b>(10.09)</b>

Note:

Deferred tax assets and deferred tax liabilities have been offset as they are governed by the same taxation laws.

**8. Income tax assets (net)**

Particulars	As at 31 March 2024
Advance Income Tax (net of provision for tax)	1.50
<b>Total</b>	<b>1.50</b>

**9. Inventories (Valued at lower of cost or net realisable value)**

Particulars	As at 31 March 2024
Raw materials (includes stock-in-transit of Rs. 113.93 Millions)	162.07
Work-in-progress	43.18
Finished Goods (includes stock-in-transit of Rs. 16.27 Millions)	59.26
Stock-in-trade	40.18
Stores and spares	3.63
<b>Total</b>	<b>308.32</b>

The cost of inventories recognised as an expense during the year was Rs. 1,291.97 million.

The cost of inventories recognised as an expense includes Rs. 3.29 million in respect of the reversal of write-downs to net realisable value.

**10. Other assets**

Particulars	As at 31 March 2024
<b>Non-current</b>	
<b>Unsecured, Considered good</b>	
Capital advances	7.79
	<b>7.79</b>
<b>Current</b>	
<b>Unsecured, Considered good</b>	
Balances with government authorities	17.43
Advance to employees	0.14
Prepaid expenses	2.10
Advance to supplier	1.39
Other receivables	2.67
	<b>23.73</b>

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11. Share Capital and Other Equity

(a) Share Capital

Particulars	As at 31 March 2024
<b>Authorised share capital</b>	
10,000,000 Equity shares of INR 10 each (absolute value) (INR 10 each as at 31 March 2024)	100.00
	<b>100.00</b>
<b>Issued, subscribed and fully paid share capital</b>	
8,776,365 Equity shares of INR 10 each(absolute value) (INR 10 each as at 31 March 2024)	87.76
	<b>87.76</b>

(i) Movements in share capital

Particulars	Number of shares	Equity Share Capital
<b>As at 1 April 2023</b>	<b>8,776,365</b>	<b>87.76</b>
Movement during the year	-	-
<b>As at 31 March 2024</b>	<b>8,776,365</b>	<b>87.76</b>

Terms/rights attached to equity shares

**Equity Shares:** The Company has only one class of equity shares having a par value of ₹ 10 (absolute amount) per share. Each holder of equity shares is entitled to one vote per share. In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company after payment of all liabilities. The distribution will be in proportion to the number of equity shares held by the shareholders.

The Company during the year has paid interim dividend of INR 37.83/- each per equity share (previous year : INR Nil)

(ii) Shares held by Holding /Ultimate Holding Company and /or their subsidiaries/associates

Name of the shareholder	As at 31 March 2024	
	Number of shares	% holding
<b>Equity shares of INR 10 each fully paid (absolute value)</b>		
Federal Mogul Investment B V	4,245,139	48.40%
Tenneco LLC (formerly known as Tenneco Inc. upto 30 April 2025)	4,475,947	51.00%
The remaining number of shares are held by individuals and IEPF.		

(iii) Details of shares held by shareholders holding more than 5% of the shares in the Company

Name of the shareholder	As at 31 March 2024	
	Number of shares	% holding
<b>Equity shares of INR 10 each fully paid (absolute value)</b>		
Federal Mogul Investment B V	4,245,139	48.40%
Tenneco LLC (formerly known as Tenneco Inc. upto 30 April 2025)	4,475,947	51.00%

(iv) Details of shares held by Promoter of the company

Name of the Promoter*	As at 31 March 2024		
	Number of shares	% holding	% Change during the year
<b>Equity shares of INR 10 each fully paid (absolute value)</b>			
Federal Mogul Investment B V	4,245,139	48.40%	-
Tenneco LLC (formerly known as Tenneco Inc. upto 30 April 2025)	4,475,947	51.00%	-

\*Promoters here means promoter as defined under the Companies Act, 2013.

(v) The Company has not issued any equity shares pursuant to any contract without payment being received in cash, allotted as fully paid up by way of bonus issues and bought back any equity shares during the last five years.

(b) Reserves and Surplus

Particulars	As at 31 March 2024
Securities Premium	542.34
Retained Earnings	39.80
<b>Total Reserves and Surplus</b>	<b>582.14</b>

(i) Securities Premium

Particulars	As at 31 March 2024
Balance as at the beginning of the year	542.34
Add: movement during the year	-
<b>Balance as at the end of the year</b>	<b>542.34</b>

(ii) Retained earnings:

Particulars	As at 31 March 2024
Balance as at the beginning of the year	212.36
Add: profit for the year	159.91
Remeasurement (loss) (net of taxes)	(0.48)
Less: dividend paid	(331.99)
<b>Balance as at the end of the year</b>	<b>39.80</b>

Nature and Purpose of reserves

(i) Securities Premium

Securities premium is used to record the premium on issue of shares. The reserve can be utilised only for limited purposes such as issuance of bonus shares in accordance with the provisions of the Companies Act, 2013.

(ii) Retained earnings:

Retained earnings are the profits/(loss) that the Company has earned/incurred till date, less any transfers to general reserve, dividends or other distributions paid to shareholders. Retained earnings include re-measurement loss / (gain) on defined benefit plans, net of taxes that will not be reclassified to Statement of Profit and Loss.

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**12. Financial Liabilities**

**12 (a) Trade Payables**

Particulars	As at 31 March 2024
Dues of micro enterprises and small enterprises	22.87
Dues of creditors other than micro enterprises and small enterprises	214.63
Dues of related parties [Refer Note 27(c)]	246.02
<b>Total</b>	<b>483.52</b>

**Trade Payables Ageing:  
As at 31 March 2024**

Particulars	Outstanding for following periods from due date of payment					Total
	Unbilled	Less than 1 Years	1-2 Years	2-3 Years	More than 3 Years	
<b>Undisputed trade payables</b>						
Micro enterprises and small enterprises	-	22.87			-	22.87
Others	84.18	365.09	5.49	5.89	-	460.65
<b>Disputed trade payables</b>						
Disputed dues – MSME	-	-	-	-	-	-
Disputed dues - Others	-	-	-	-	-	-
<b>Total</b>	<b>84.18</b>	<b>387.96</b>	<b>5.49</b>	<b>5.89</b>	<b>-</b>	<b>483.52</b>

The average credit period on purchases is upto 90 days approx.  
For explanations on the Company's liquidity risk management processes refer note 29  
Trade payables from related parties are disclosed separately under note 27 (c)

**Details of dues to micro and small enterprises as defined under the Micro, Small And Medium Enterprises Development Act, 2006**

On the basis of confirmation obtained from suppliers who have registered themselves under the Micro, Small and Medium Enterprise Development Act, 2006 (MSMED Act, 2006) and based on the information available with the Company, the following are the details:

Particulars	As at 31 March 2024
a) The principal amount remaining unpaid as at the end of year	26.73
b) Interest due on above principal and remaining unpaid as at the end of the year	-
c) The amount of interest paid by the buyer in terms of section 16, of the Micro, Small and Medium Enterprise Development Act, 2006 along with the amounts of the payment made to the supplier beyond the appointed day during each accounting year.	-
d) The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under micro, small and medium enterprise development Act, 2006.	0.04
e) The amount of interest accrued and remaining unpaid at the end of each accounting year; and	0.04
f) The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under section 23 of the Micro Small and Medium Enterprise Development Act, 2006	-

**12 (b) Other Current financial liabilities**

Particulars	As at 31 March 2024
<b>At amortised cost</b>	
Capital creditors*	6.08
Security Deposit	0.95
<b>Total</b>	<b>7.03</b>

\* Includes Rs. 3.86 Millions payable to MSME [Refer Note 12(a)]

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**13. Other current liabilities:**

Particulars	As at 31 March 2024
Advance from customers (Refer Note 16.4)	5.66
Statutory dues	3.48
Unspent corporate social responsibility [Refer Note 24(b)]	1.17
<b>Total</b>	<b>10.31</b>

**14. Provisions**

Particulars	As at 31 March 2024	
	Non Current	Current
Provision for employee benefits (refer note 31)		
Gratuity	-	4.58
Compensated absences	6.98	1.78
Provision for litigation related to labour matters*	7.89	-
<b>Total</b>	<b>14.87</b>	<b>6.36</b>

\* Provision for disputed dues in respect of labour laws matter (also refer note 31 and 34(b))

**Movement of Provision for litigation related to labour matters**

Particulars	Year ended 31 March 2024
Opening balance	8.22
Add: Provision made during the year	-
Less: Provision paid during the year	0.33
<b>Closing balance</b>	<b>7.89</b>

**15. Current Tax Liabilities**

Particulars	As at 31 March 2024
Current tax Liabilities (net of advance tax)	8.43
<b>Total</b>	<b>8.43</b>

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**16. Revenue from operations**

Particulars	Year ended 31 March 2024
<b>Revenue from contract with customers</b>	
<b>Sale of products</b>	
Finished goods	1,601.98
Traded goods	435.83
Tooling income	8.97
	<b>2,046.78</b>
<b>Other operating revenue</b>	
Scrap sales	51.43
	<b>51.43</b>
<b>Total</b>	<b>2,098.21</b>

**16.1. Revenue from Contracts with Customers**

a. Revenue from Contracts with Customers

Indian Accounting Standard 115 Revenue from Contracts with Customers ("Ind AS 115"), establishes a framework for determining whether, how much and when revenue is recognised and requires disclosures about the nature, amount, timing and uncertainty of revenues and cash flows arising from customer contracts. Under Ind AS 115, revenue is recognised through a 5-step approach:

- (i) Identify the contract(s) with customer;
- (ii) Identify separate performance obligations in the contract;
- (iii) Determine the transaction price;
- (iv) Allocate the transaction price to the performance obligations; and
- (v) Recognise revenue when a performance obligation is satisfied.

**16.2 Disaggregation of revenue**

Revenue recognised mainly comprises of sale of products which majorly comprises of bi-metal engine bearings, bushes, washers, flanges for automotive, industrial, agricultural, earthmoving, marine and stationary engines. Set out below is the disaggregation of the Company's revenue from contracts with customers:

Particulars	Year ended 31 March 2024
<b>Revenue from contracts with customers</b>	
<b>Sale of products</b>	
Domestic	1,894.41
Export	152.37
Other operating revenue	51.43
<b>Total revenue covered under Ind AS 115</b>	<b>2,098.21</b>

**16.3 Timing of revenue recognition**

The Company presently recognises its revenue from contract with customers for the transfer of goods at a point in time.

**16.4 Contract balances**

Contract asset is the right to consideration in exchange for goods or services transferred to the customer. Contract liability is the Company's obligation to transfer goods or services to a customer for which the Company has received consideration from the customer in advance. Contract assets (unbilled receivables) are transferred to receivables when the rights become unconditional and contract liabilities are recognised as and when the performance obligation is satisfied.

Refer details of trade receivables in note 6(b) and contract liabilities (advance from customer) in note 13

**16.5 Reconciliation of revenue recognised in the statement of profit and loss with the contracted price**

Particulars	Year ended 31 March 2024
Contracted price with the customers	2,053.00
Reduction towards variables considerations (Discounts, rebates, refunds, credits, price concessions)	(6.22)
<b>Revenue from contract with customers (as per statement of profit and loss)</b>	<b>2,046.78</b>

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**16.6 Satisfaction of performance obligations**

The Company's revenue is derived from the single performance obligation to transfer primarily its products under arrangements in which the transfer of control of the products and the fulfilment of the Company's performance obligation occur at the same time. Revenue from the sale of goods is recognized when the Company has transferred control of the goods to the buyer and the buyer obtains the benefits from the goods, the potential cash flows and the amount of revenue (the transaction price) can be measured reliably, and it is probable that the Company will collect the consideration to which it is entitled to in exchange for the goods.

Whether the customer has obtained control over the goods depends on when the goods are made available to the carrier or the buyer takes possession of the goods, depending on the delivery terms. Revenue is measured at the transaction price of the consideration received or receivable, the amount the Company expects to be entitled to.

**16.7 Payment terms**

The sale of products is typically made under credit payment terms differing from customer to customer and ranges between 30-90 days (excluding transit days).

**17. Other Income**

Particulars	Year ended 31 March 2024
Interest Income from financial assets (fixed deposits) measured at amortised cost	
Fixed deposits	12.37
Interest on income tax refund	0.15
Liability no longer required, written back [refer note (a)]	3.15
Net gain on disposal of property, plant and equipment	0.80
<b>Total</b>	<b>16.47</b>

Note:

a) There is ₹ nil unfulfilled export obligations under Export Promotion Capital Goods (EPCG) Scheme as on March 31, 2024. The Company has got all Export Promotion Capital Goods (EPCG) Licenses cancelled and paid the resultant custom duty alongwith interest aggregating to ₹ 11.08 millions during the year ended March 31, 2024. During the year ended 31, March 2024, the Company has written back and recognised ₹ 2.73 millions under "other income".

**18. Cost of materials consumed**

Particulars	Year ended 31 March 2024
Raw materials at the beginning of the year	193.58
Add : Purchases (net)	837.01
Less: Raw materials at the end of the year	(162.07)
<b>Total Cost of materials consumed</b>	<b>868.52</b>

**19. Purchase of stock-in-trade**

Particulars	Year ended 31 March 2024
Bearings	406.70
<b>Total</b>	<b>406.70</b>

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**20. Change in inventories of finished goods, work-in progress and stock-in-trade**

Particulars	Year ended 31 March 2024
Opening Stock	
Finished goods	55.69
Work in progress	32.41
Stock-in-trade	71.27
<b>Total (A)</b>	<b>159.37</b>
Closing Stock	
Finished goods	59.26
Work in progress	43.18
Stock-in-trade	40.18
<b>Total (B)</b>	<b>142.62</b>
<b>Total changes in inventories of work-in-progress, stock-in-trade and finished goods (A-B)</b>	<b>16.75</b>

**21. Employee benefits expense**

Particulars	Year ended 31 March 2024
Salaries, wages and bonus	140.51
Contribution to provident fund and other funds [Refer Note 33]	13.24
Staff welfare expenses	14.38
<b>Total</b>	<b>168.13</b>

**22. Finance costs**

Particulars	Year ended 31 March 2024
Interest	
- to delayed payment of taxes	0.14
- others	0.04
<b>Total</b>	<b>0.18</b>

**23. Depreciation and amortisation expense**

Particulars	Year ended 31 March 2024
Depreciation on property, plant and equipment (Refer Note 3(a))	60.57
Amortisation on intangible assets (Refer Note 5)	0.81
Depreciation on right of use asset (Refer Note 4)	0.03
<b>Total</b>	<b>61.41</b>

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**24. Other expenses**

Particulars	Year ended 31 March 2024
Consumption of stores and spares	94.75
Sub-contracting expenses	17.17
Labour Charges	32.64
Power and fuel	48.84
Freight and forwarding charges	28.11
Rent (Refer note 4)	2.50
Rates and taxes	0.44
Insurance	4.42
Repairs and maintenance	
Plant and machinery	21.84
Buildings	8.78
Others	0.87
Royalty	18.69
Trademark Royalty	24.01
Legal and professional fees	15.00
Management Support Charges	17.95
Travelling and conveyance	6.42
Communication costs	0.76
Printing and stationery	2.18
Auditors' remuneration (Refer note (a) below)	2.21
Exchange differences (net)	10.39
Environmental maintenance and remediation	0.84
Corporate social responsibility expenditure (Refer note (b) below)	1.17
Provision for doubtful debts	0.38
Bank charges	0.44
Miscellaneous expenses	6.64
<b>Total</b>	<b>367.44</b>

**(a) Details of payment to statutory auditors (excluding applicable taxes)**

Particulars	Year ended 31 March 2024
As auditor:	
-Audit fee	1.08
-Tax audit fee	0.20
-Group reporting fee	0.17
-Reimbursement of expenses	0.11
In other capacity:	
Other services	0.65
<b>Total</b>	<b>2.21</b>

**(b) Corporate Social Responsibility Expenditure**

Particulars	Year ended 31 March 2024
a) Gross amount required to be spent by the Company as per Section 135 of Companies Act, 2013 during the year	1.17
b) Amount spent during the year	-
c) Shortfall as at the year end (Refer note 13)	1.17

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Particulars	Year ended 31 March 2024		
	In cash	Yet to be paid in	Total
(i) Construction/acquisition of any asset	-	-	-
(ii) On purposes other than (i) above		1.17	1.17
	-	1.17	1.17

**Nature of CSR Activity**

Subsequent to year end, the Company transferred the unspent CSR amount of Rs. 1.17 Millions to Prime Minister's Citizen Assistance and Relief in Emergency Situations Fund.

**25. Income tax expense**

**a) Income tax expense recognised in Special Purpose Statement of Profit or Loss**

Particulars	Year ended 31 March 2024
Current Tax	55.91
Adjustments for current tax of prior periods	2.36
<b>Total current tax expense</b>	<b>58.27</b>
Decrease/ (increase) in deferred tax assets	14.53
(Decrease)/ increase in deferred tax liabilities	(7.16)
<b>Total deferred tax expense/(benefit)</b>	<b>7.37</b>
<b>Income tax expense reported in the Special Purpose Statement of Profit and Loss</b>	<b>65.64</b>

**b) Income Tax recognised in Other Comprehensive Income**

Particulars	Year ended 31 March 2024
Remeasurement of defined benefit obligations	0.20
<b>Income tax expense charged to Other Comprehensive Income</b>	<b>0.20</b>

**(c) Reconciliation of tax expense and the accounting profit multiplied by tax rate**

Particulars	Year ended 31 March 2024
<b>Accounting profit before income tax</b>	<b>225.55</b>
India's statutory income tax rate	29.12%
Computed Tax Expense	65.68
Current tax relating to prior years	
CSR expenditure	0.34
Others	(0.38)
<b>Income tax expense reported in the Statement of Profit and Loss</b>	<b>65.64</b>
<b>Tax rate</b>	
Base rate	25.00%
Surcharge	3.00%
Education cess	1.12%
<b>Total</b>	<b>29.12%</b>

The Company does not have any unused tax losses (including unabsorbed depreciation) and uncertain tax positions.

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**26. Earnings per Share**

Particulars	Year ended 31 March 2024
Profit for the year as per Statement of Profit and Loss	159.91
No of equity shares outstanding at the beginning of the year (absolute value)	8,776,365
No of equity shares outstanding at the end of the year (absolute value)	8,776,365
Weighted average number of equity shares for calculating basic and diluted EPS (absolute value)	<b>8,776,365</b>
Face value of per equity share (INR) (absolute value)	10
<b>Basic and Diluted Earnings per share (INR) (absolute amount)</b>	<b>18.22</b>

The Company has not issued any dilutive equity instrument and therefore Diluted EPS is same as Basic EPS.

**27. Related Party Disclosures**

**(a) Details of Related Parties**

Sr No	Description of Relationship	Name of Related Parties
(i)	<b>Parent entities:</b>	
	Ultimate Parent Company	Pegasus Holding One, LLC (w.e.f November 17, 2022)
	Intermediate Parent Company	Tenneco LLC (formerly known as Tenneco Inc. upto 30 April 2025) (ultimate holding company upto 16 November 2022 and intermediate holding company w.e.f. 17 November 2022).
	Parent Company	Tenneco LLC (formerly known as Tenneco Inc upto 30 April 2025) upto 24 March 2025 and Tenneco Clean Air India Limited with effect from 25 March 2025.
(ii)	<b>Parties under common control with whom transactions have taken place during the year</b> Fellow Subsidiaries	Federal Mogul Investment B V (with effect from 25 March 2025). Federal - Mogul Italy S.r.l Federal-Mogul Bimet, S.A Federal-Mogul of South Africa (Propriety) Limited Federal-Mogul Goetze (India) Limited Federal-Mogul Wiesbaden GmbH, Germany Tenneco Sistemas Automotivos Ltda. Federal-Mogul Operations France S.A.S Federal-Mogul Shanghai Compound Material Co. Ltd. Federal-Mogul Sejong Co. Ltd. Federal-Mogul Powertrain Solutions India Private Limited
(iii)	<b>Enterprise with significant influence over the Company</b>	Federal Mogul Investment B V (upto 24 March 2025)
(iv)	<b>Employees' Benefit Plans with Fellow subsidiary:</b>	Trust managing the post employment benefit of employee
(v)	<b>Key Management Personnel</b>	Manish Chadha, Director Kunal Kirti, Additional Director (w.e.f. June 12, 2023)  Saikumar Vallampati, Director (upto June 12, 2023)  Vinod Kumar Hans, Director (upto January 31, 2024)  Thiagarajan Kannan, Additional Director (w.e.f. February 1, 2024)  Kapil Arora, Whole time Director (w.e.f June 24, 2024)

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**27 Related Party Disclosures (contd...)**

**(b) Transactions with the related parties in the ordinary course of business:**

<b>Nature of transaction</b>	<b>Nature of related party relationship</b>	<b>Year ended 31 March 2024</b>
<b>(i) Sale of goods</b>		
Tenneco LLC (formerly known as Tenneco Inc. upto 30 April 2025)	Intermediate Parent Company	8.77
Federal-Mogul Bimet S.A.	Fellow Subsidiary	48.37
Tenneco Sistemas Automotivos Ltda.	Fellow Subsidiary	10.71
Federal-Mogul Wiesbaden GMBH	Fellow Subsidiary	11.36
Federal-Mogul of South Africa (Propriety) Limited	Fellow Subsidiary	35.64
Federal-Mogul Sejong Co. Ltd.	Fellow Subsidiary	24.08
		<b>138.93</b>
<b>(ii) Purchase of property, plant and equipment</b>		
Tenneco LLC (formerly known as Tenneco Inc. upto 30 April 2025)	Intermediate Parent Company	4.40
Federal-Mogul Wiesbaden GMBH	Fellow Subsidiary	1.00
		<b>5.40</b>
<b>(iii) Reimbursement of expenses</b>		
Federal Mogul Powertrain LLC	Fellow Subsidiary	0.91
Tenneco LLC (formerly known as Tenneco Inc. upto 30 April 2025)	Intermediate Parent Company	2.84
Federal-Mogul Goetze (India) Limited	Fellow Subsidiary	0.65
Federal-Mogul Wiesbaden GMBH	Fellow Subsidiary	0.05
Federal-Mogul of South Africa (Propriety) Limited	Fellow Subsidiary	0.17
		<b>4.62</b>
<b>(iv) Royalty</b>		
Federal Mogul Powertrain LLC	Fellow Subsidiary	18.69
		<b>18.69</b>
<b>(v) Trademark Royalty</b>		
Federal Mogul Powertrain LLC	Fellow Subsidiary	24.01
		<b>24.01</b>
<b>(vi) Management support charges</b>		
Tenneco LLC (formerly known as Tenneco Inc. upto 30 April 2025)	Intermediate Parent Company	17.95
		<b>17.95</b>
<b>(vii) Purchase of raw materials and traded goods</b>		
Tenneco LLC (formerly known as Tenneco Inc. upto 30 April 2025)	Intermediate Parent Company	7.32
Federal-Mogul Bimet S.A.	Fellow Subsidiary	58.85
Tenneco Sistemas Automotivos Ltda.	Fellow Subsidiary	0.36
Federal-Mogul Operations France S.A.S	Fellow Subsidiary	7.52
Federal-Mogul Wiesbaden GMBH	Fellow Subsidiary	31.80
Federal-Mogul Sejong Co. Ltd.	Fellow Subsidiary	442.64
Federal-Mogul Shanghai Compound Material Co. Limited	Fellow Subsidiary	330.19
		<b>878.68</b>
<b>(viii) Dividend paid</b>		
Federal Mogul Investment B V	Fellow Subsidiary	160.59
Tenneco LLC (formerly known as Tenneco Inc. upto 30 April 2025)	Intermediate Parent Company	171.40
		<b>331.99</b>
<b>(ix) Contribution to Employee Benefit Plan</b>		
Federal Mogul Goetze (India) Limited Employees Gratuity Group Fund	Employee Benefit Plan	8.93
		<b>8.93</b>
<b>(x) Key Managerial Personnel ('KMP')*:</b>		
<b>Remuneration to KMP</b>		
Saikumar Vallampati Director <sup>^</sup>	Director	2.38
		<b>2.38</b>

\* Key Managerial personnel who are under the employment of the Company are entitled to post-employment benefits and other long term employee benefits recognised as per Ind AS 19 'Employee benefits' in the financial statements. As these employee benefits are lump sums amounts are provided on the basis of actuarial valuation, the same is not included above, however the amount of post employment benefits paid to them as part of their full and final settlement are included in the remuneration.

<sup>^</sup> Includes gratuity paid of ₹ 0.53 millions on resignation.

#All sales and purchases above are inclusive of GST (wherever applicable). Sales are net of sales returns and discounts.

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**27 Related Party Disclosures (contd...)**

**(c) Balances with related parties:**

<b>Nature of outstanding</b>	<b>Nature of related party relationship</b>	<b>As at 31 March 2024</b>
<b>(i) Trade Payables</b>		
Federal Mogul Powertrain LLC	Fellow Subsidiary	27.39
Tenneco LLC (formerly known as Tenneco Inc. upto 30 April 2025)	Intermediate Parent Company	29.01
Federal-Mogul Bimet S.A.	Fellow Subsidiary	(2.52)
Federal-Mogul Goetze (India) Limited	Fellow Subsidiary	0.22
Federal-Mogul Operations France S.A.S	Fellow Subsidiary	2.32
Federal-Mogul Wiesbaden GMBH	Fellow Subsidiary	14.19
Tenneco Sistemas Automotivos Ltda.	Fellow Subsidiary	(3.76)
Federal-Mogul of South Africa (Propriety) Limited	Fellow Subsidiary	(15.13)
Federal-Mogul Sejong Co. Ltd.	Fellow Subsidiary	79.90
Federal-Mogul Shanghai Compound Material Co. Limited	Fellow Subsidiary	114.40
<b>Total</b>		<b>246.02</b>
<b>(ii) Trade Receivables</b>		
Federal - Mogul Powertrain Italy S.r.l	Fellow Subsidiary	-
Federal-Mogul Powertrain Solutions India Private Limited	Fellow Subsidiary	0.23
		<b>0.23</b>

**(d) Additional information:**

- (i) The information above has been determined to the extent such parties have been identified by the Company and relied upon by the auditors.
- (ii) Related party transactions were made on terms equivalent to those that prevail in arm's length transactions.
- (iii) There are no commitments in respect of related party transactions.
- (iv) There are no provisions for doubtful debts related to the amount of outstanding balances.

**28. Fair value disclosures**

**i) Fair values hierarchy**

Financial assets and financial liabilities measured at fair value in the statement of financial position are classified into three Levels of a fair value hierarchy. The three levels are defined based on the observability of significant inputs to the measurement, as follows:

**Level 1:** quoted prices (unadjusted) in active markets for financial instruments.

**Level 2:** The fair value of financial instruments that are not traded in an active market is determined using valuation techniques which maximise the use of observable market data rely as little as possible on entity specific estimates.

**Level 3:** If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3.

**ii) Fair value of instruments measured at amortised cost**

Cash and cash equivalents, trade receivables, other current and non-current financial assets, trade payables and other current financial liabilities approximate their carrying amounts largely due to the short-term maturities of these instruments. The fair value of the financial assets and liabilities is the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

Security deposits given to govt authorities are shown at cost as the same are given till perpetuity

**Financial instruments by category**

Particulars	As at 31 March 2024		
	FVTPL	FVOCI	Amortised cost
<b>Financial assets</b>			
Trade receivables	-	-	396.21
Cash and cash equivalents	-	-	116.48
Other financial assets	-	-	11.72
<b>Total</b>			<b>524.41</b>

Particulars	As at 31 March 2024		
	FVTPL	FVOCI	Amortised cost
<b>Measured at Amortised cost</b>			
Trade payable	-	-	483.52
Other financial liabilities	-	-	7.03
<b>Total</b>			<b>490.55</b>

**29. Financial risk management objectives and policies**

The Company's principal financial liabilities comprises trade and other payables. The main purpose of these financial liabilities is to finance the Company's operations. The Company's principal financial assets include trade and other receivables, and cash and cash equivalents that derive directly from its operations.

The Company is exposed to credit risk, liquidity risk and market risk. The Company board of directors has overall responsibility for the establishment and oversight of the Company's risk management framework.

The Board of Directors oversee the risk management activities for managing each of these risks, which are summarised below:

**i) Risk Management**

The Company's activities expose it to market risk, liquidity risk and credit risk. The Company's board of directors has overall responsibility for the establishment and oversight of the Company's risk management framework. This note explains the sources of risk which the entity is exposed to and how the entity manages the risk and the related impact in the financial statements.

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**A) Credit risk**

Credit risk is the risk that a counterparty fails to discharge an obligation to the Company. The Company is exposed to this risk for various financial instruments, for example by granting loans and receivables to customers, placing deposits, etc. The Company's maximum exposure to credit risk is limited to the carrying amount of following types of financial assets.

- cash and cash equivalents,
- trade receivables,
- receivables measured at amortised cost, and
- deposits with banks

**a) Credit risk management**

The Company assesses and manages credit risk based on internal credit rating system, continuously monitoring defaults of customers and other counterparties, identified either individually or by the Company, and incorporates this information into its credit risk controls. Internal credit rating is performed for each class of financial instruments with different characteristics. The Company assigns the following credit ratings to each class of financial assets based on the assumptions, inputs and factors specific to the class of financial assets.

- A: Low
- B: Medium
- C: High

Assets under credit risk –

Credit rating	Particulars	As at 31 March 2024
A: Low	Cash and cash equivalents	116.48
	Other financial assets	11.72
	Trade receivables (gross of expected credit loss)	401.77
B: High	Trade receivables	5.56

**Cash and cash equivalents and bank deposits**

Credit risk related to cash and cash equivalents and bank deposits is managed by only accepting highly rated banks and diversifying bank deposits and accounts in different banks across the country.

**Trade receivables**

The Company closely monitors the credit-worthiness of the debtors through internal systems that are configured to define credit limits of customers, thereby, limiting the credit risk to pre-calculated amounts. The Company assesses increase in credit risk on an ongoing basis for amounts receivable that become past due and default is considered to have occurred when amounts receivable become six months past due.

**Other financial assets measured at amortised cost**

Other financial assets measured at amortised cost includes loans and advances to employees, security deposits and others. Credit risk related to these other financial asset is managed by monitoring the recoverability of such amounts continuously, while at the same time internal control system in place ensure the amounts are within defined limits.

**b) Expected credit losses**

The Company provides for expected credit losses based on the following:

The Company recognizes lifetime expected credit losses on trade receivables using a simplified approach, wherein Company has defined percentage of provision by analysing historical trend of default based on the criteria defined above. And such provision percentage determined have been considered to recognise life time expected credit losses on trade receivables.

**As at 31 March 2024**

Particulars	Not due	< 6 months	6 months to 1 year	1 to 2 years	2 to 3 years	> 3 years
Gross amount of trade receivables where no default (as defined above) has occurred	328.46	62.35	6.55	1.49	2.74	0.18
ECL as a percentage of Gross Trade Receivables	-	-	26%	100%	80%	100%
Expected credit loss( loss allowance provision)	-	-	1.70	1.49	2.19	0.18

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**Reconciliation of loss allowance**

Particulars	Amount
Loss allowance as on 1 April 2023	5.64
Impairment loss reversed during the year	(0.08)
Amounts written off	-
<b>Loss allowance as on 31 March 2024</b>	<b>5.56</b>

**B) Liquidity risk**

Prudent liquidity risk management implies maintaining sufficient cash and marketable securities and the availability of funding through an adequate amount of committed credit facilities to meet obligations when due. Due to the nature of the business, the Company maintains flexibility in funding by maintaining availability under committed facilities.

Management monitors rolling forecasts of the Company's liquidity position and cash and cash equivalents on the basis of expected cash flows. The Company takes into account the liquidity of the market in which the entity operates. In addition, the Company's liquidity management policy involves projecting cash flows in major currencies and considering the level of liquid assets necessary to meet these, monitoring balance sheet liquidity ratios against internal and external regulatory requirements and maintaining debt financing plans.

**Maturities of financial liabilities (as on undiscounted basis)**

The tables below analyses the Company's financial liabilities into relevant maturity classification based on their contractual maturities for all non-derivative financial liabilities.

The amounts disclosed in the table are the contractual undiscounted cash flows. For balances due within 12 months amounts equal their carrying values as the impact of discounting is not significant.

Particulars	Less than 1 year	1-3 year	3-5 year	More than 5 years	Total
<b>31 March 2024</b>					
Trade payable	472.14	11.38	-	-	483.52
Other financial liabilities	7.03	-	-	-	7.03
<b>Total</b>	<b>479.17</b>	<b>11.38</b>	<b>-</b>	<b>-</b>	<b>490.55</b>

**C) Market Risk**

**a) Foreign currency risk**

The Company is exposed to foreign exchange risk arising from foreign currency transactions, primarily with respect to the US Dollar, Korean Won, Euro and Chinese Yuan. Foreign exchange risk arises from recognised assets and liabilities denominated in a currency that is not the functional currency of any of the Company. Considering the low volume of foreign currency transactions, the Company's exposure to foreign currency risk is limited and the Company hence does not use any derivative instruments to manage its exposure. Also, the Company does not use forward contracts and swaps for speculative purposes.

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**(i) Foreign currency risk exposure:**

The Company's exposure to foreign currency risk at the end of the reporting period expressed in Rs. are as follows

Particulars	Foreign currency	As at 31 March 2024
<b>Financial liabilities</b>		
Trade Payables	USD Equivalent in Rs. Millions	0.14 11.49
	EUR Equivalent in Rs. Millions	0.41 37.12
	KRW Equivalent in Rs. Millions	907.79 56.10
	CNY Equivalent in Rs. Millions	4.54 52.16
<b>Total</b>		<b>156.87</b>
<b>Financial assets</b>		
Trade Receivables	USD Equivalent in Rs. Millions	0.28 23.37
	GBP Equivalent in Rs. Millions	- -
	EUR Equivalent in Rs. Millions	0.34 30.87
<b>Bank (EEFC A/c)</b>	EUR Equivalent in Rs. Millions	0.16 14.00
<b>Total</b>		<b>68.24</b>
<b>Net exposure to foreign currency risk</b>		<b>(88.63)</b>

**Sensitivity**

The sensitivity Statement of profit or loss and equity to changes in the exchange rates arises mainly from foreign currency denominated financial instruments.

Particulars	As at 31 March 2024
<b>(a) Trade payables</b>	
<b>USD sensitivity</b>	
INR/USD- increase by 0.50%	0.06
INR/USD- decrease by 0.50%	(0.06)
<b>EUR sensitivity</b>	
INR/EUR- increase by 0.50%	0.19
INR/EUR- decrease by 0.50%	(0.19)
<b>KRW sensitivity</b>	
INR/KRW- increase by 0.50%	0.28
INR/KRW- decrease by 0.50%	(0.28)
<b>CNY sensitivity</b>	
INR/CNY- increase by 0.50%	0.26
INR/CNY- decrease by 0.50%	(0.26)
<b>(b) Trade receivables</b>	
<b>USD sensitivity</b>	
INR/USD- increase by 0.50%	0.12
INR/USD- decrease by 0.50%	(0.12)
<b>EUR sensitivity</b>	
INR/EUR- increase by 0.50%	0.15
INR/EUR- decrease by 0.50%	(0.15)
<b>(c) EEFC Bank a/c</b>	
<b>EUR sensitivity</b>	
INR/EUR- increase by 0.50%	0.07
INR/EUR- decrease by 0.50%	(0.07)

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**b) Interest rate risk**

**i) Liabilities**

The Company does not have any long term borrowings neither has short term borrowings. Hence, it is not exposed to any interest rate risks.

**ii) Assets**

The Company's fixed deposits are carried at amortised cost and are fixed rate deposits. They are therefore not subject to interest rate risk as defined in Ind AS 107, since neither the carrying amount nor the future cash flows will fluctuate because of a change in market interest rates.

**c) Price risk**

The Company does not have any significant investments in equity instruments which create an exposure to price risk.

**30. Capital management**

The Company's capital management objectives are:

- to ensure the Company's ability to continue as a going concern
- to provide an adequate return to shareholders

The Company monitors capital on the basis of the carrying amount of equity less cash and cash equivalents as presented on the face of balance sheet.

Management assesses the Company's capital requirements in order to maintain an efficient overall financing structure while avoiding excessive leverage. This takes into account the subordination levels of the Company's various classes of debt. The Company manages the capital structure and makes adjustments to it in the light of changes in economic conditions and the risk characteristics of the underlying assets. In order to maintain or adjust the capital structure, the Company may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares, or sell assets to reduce debt.

The Company does not have any debt hence the debt to equity ratio is not applicable.

**31. Commitments and Contingent liabilities**

**a) Capital commitments**

Particulars	As at 31 March 2024
Estimated amount of contracts, remaining to be executed on capital account and not provided for (net of capital advances)	6.99
	<b>6.99</b>

**b) Contingent liabilities\***

Particulars	As at 31 March 2024
Income Tax matters (refer note 34b)#	24.16
Goods & Service tax	7.11
Litigation related to labour law*	17.28
	<b>48.55</b>

\*As of March 31, 2024, Certain labour-related cases are pending adjudication before the Hon'ble High Court and Labour Court. These cases pertain to various employment matters including dismissals employees strikes, refusal by employees to accept alternate job roles, termination of labour contracts, and disputes relating to retirement benefits. The aggregate amount involved in the such outstanding matters is approximately INR 25.17 million out of which 7.89 million provision has been recognised in the books of account and balance amount of Rs 17.28 million has been disclosed as contingent liability. Based on internal assessment and consultation with legal counsel, the Company is confident that of the outcome of these cases is likely to come in the favour of the Company, the provision recognised in note 14 is adequate.

# The above includes transfer pricing cases in respect of assessment years 2012-13, 2013-14, 2014-15 and 2020-21 pending before appellate authorities, wherein certain adjustments have been made on account of arm length margin in certain international transactions. In respect of assessment year 2020-21, the Dispute Resolution Panel (DRP) order has been received subsequent to year-end March 31, 2025, The Company is confident on the favorable orders in these cases .

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### 32. Segment information

As the Company's business activities fall within a single operating segment viz. auto components for automobile industry, the disclosure requirement of Indian Accounting Standard (Ind AS-108), Operating Segments is not applicable.

The following is the transactions by the Company with external customers individually contributing 10 % or more of revenue from operations:

(i) Revenue from three customers amounting to Rs. 2114.68 millions contributing more than 10% of the total revenue of the Company for the year ended March 31 2023

(ii) Geographical information in respect of revenue from contract with customers is given below:

Particulars	Year ended 31 March 2024
India	1,945.84
Other countries	152.37
	<b>2,098.21</b>

Carrying amount of segment Trade receivables by geographical market (net of provision)

Particulars	Year ended 31 March 2024
India	341.98
Other countries	54.23
	<b>396.21</b>

The Company has common assets for producing goods for India and outside countries. Hence, separate figures for non-current assets cannot be furnished.

### 33. Employee benefit obligations

The Company has classified various benefits provided to employees as under:

The Company has certain defined contribution plans. The contribution are made to provident fund in India for employees at the rate of 12% of basic salary as per regulations, which is recognized as expenses in the statement of Profit and Loss.

(i) Defined Contribution Plans

Amount recognised in the statement of profit and loss:

Particulars	Year ended 31 March 2024
(i) Contribution to Provident fund	7.51
(ii) National Pension Systems	0.69
<b>Total</b>	<b>8.20</b>

(ii) Defined Benefit Plan

#### A. Gratuity (Funded)

The Company has a defined benefit gratuity plan. Every employee who has completed five years or more of services, gets a gratuity on departure at 15 days basic salary (last drawn) for each completed year of service on terms not less favorable than the provisions of the payment of Gratuity Act, 1972. The scheme is funded with an insurance company in the form of a qualifying insurance policy. The present value of the Defined Benefit Obligation has been calculated using the projected unit credit method at the end of the reporting period, which is the same as that applied in calculating the Defined Benefit Obligation presented above. There was no change in the methods and assumptions used in the preparation of the Sensitivity Analysis from previous year.

The plan typically expose the Company to actuarial risks such as investment risk, interest rate risk, longevity risk and salary risk.

Investment risk	The probability or likelihood of occurrence of losses relative to the expected return on any particular investment
Interest risk	A decrease in the bond interest rate will increase the plan liability.
Longevity risk	The present value of the defined benefit plan liability is calculated by reference to the best estimate of the mortality of plan participants both during and after their employment. An increase in the life expectancy of the plan participants will increase the plan's liability.
Salary risk	The present value of the defined benefit plan liability is calculated by reference to the future salaries of the plan participants. As such, an increase in the salary of the plan participants will increase the plan's liability.

The following tables summaries the components of net benefit expense recognized in the Statement of Profit and Loss and the funded status and amounts recognized in the balance sheet for the gratuity.

Disclosure of gratuity

(i) Amount recognised in the statement of profit and loss is as under:

Description	Year ended 31 March 2024
Current service cost	3.24
Interest expense on defined benefit obligation	4.43
Interest income on plan assets	(3.77)
<b>Amount recognised in the statement of profit and loss</b>	<b>3.90</b>

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(ii) Remeasurement (gains) / loss recognised in other comprehensive income:

Description	Year ended 31 March 2024
Actuarial (gain) on obligations arising from changes in demographic adjustments	-
Actuarial (gain) on obligations arising from changes in experience adjustments	0.77
Actuarial (gain) on obligations arising from changes in financial assumptions	0.87
<b>Remeasurements of the post employment defined benefit plans (gain)</b>	<b>1.64</b>
Return on plan assets (greater)/ less than discount rate	(0.96)
<b>Remeasurements of the post employment defined benefit plans loss recognised in OCI</b>	<b>0.68</b>

(iii) Movement in the liability recognised in the balance sheet is as under:

Description	Year ended 31 March 2024
Present value of defined benefit obligation as at the beginning of the year	59.69
Current service cost	3.24
Interest cost	4.43
Remeasurements of the post employment defined benefit plans (gain)	1.64
Benefits paid directly by the Company	(11.25)
<b>Present value of defined benefit obligation as at the end of the year</b>	<b>57.75</b>

(iv) Movement in the plan assets recognised in the balance sheet is as under:

Description	Year ended 31 March 2024
Fair Value of plan assets at beginning of year	50.76
Interest income on plan assets	4.73
Contributions by employer	8.93
Benefits paid	(11.25)
<b>Fair Value of plan Assets at the end of the year</b>	<b>53.17</b>

(v) Plan liability

Description	As at 31 March 2024
Defined benefit obligation	57.75
Fair valuation of plan assets	53.17
	4.58

The major categories of plan assets as a percentage of the fair value of total plan assets are as follows

Description	As at 31 March 2024
Insurance company products	100.00%

Expected contribution to defined benefit plan for the year ended March 31 2025 are Rs. 7.72 million (Previous year: Rs. 7.98 million)

(vi) Actuarial assumptions

Description	As at 31 March 2024
Discount rate	7.21% p.a.
Normal retirement age	58 Years - Staff and Operative Engineers, 60 Years - Workmen
Mortality rate	100% of IALM 2012-14
Disability rate	NA
Employee turnover#	For Age 18-30 years - 3%, 31-44 years - 2%, Above 44 years - 1% for all years
Expected rate of return on Plan Assets	7.42% p.a.
Salary increase rate*#	10%p.a.

\*The estimates of seniority, future salary increases, considered in actuarial valuation, take account of price inflation, promotions and other relevant factors, such as supply and demand in the employment market.

# Rate of employee turnover and salary increase depends upon various factors namely nature of employee, location etc.

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(vii) A quantitative sensitivity analysis for significant assumptions:

Description	As at 31 March 2024
<b>Impact of the change in discount rate</b>	
Present value of obligation at the end of the year	57.75
- Impact due to increase of 0.50 %	(3.86)
- Impact due to decrease of 0.50 %	4.21
<b>Impact of the change in salary increase</b>	
Present value of obligation at the end of the year	57.75
- Impact due to increase of 0.50 %	8.15
- Impact due to decrease of 0.50 %	(7.01)
<b>Impact of the change in Withdrawal Rate</b>	
Present value of obligation at the end of the year	57.75
- Impact due to increase of 0.50 %	(5.24)
- Impact due to decrease of 0.50 %	3.77

The sensitivity analysis above have been determined based on a method that extrapolates the impact on defined benefit obligation as a result of reasonable changes in key assumptions occurring at the end of the reporting period.

The above sensitivity analysis are based on a change in an assumption while holding all other assumptions constant. The methods and types of assumptions used in preparing the sensitivity analysis did not change compared to the prior period

The weighted average duration of the defined benefit obligation is 8 years. The expected maturity (on an undiscounted basis) analysis of defined benefit plan (gratuity) is as follows:

Description	As at 31 March 2024
Year ended 31 March 2025	12.04
Year ended 31 March 2026	0.79
Year ended 31 March 2027	9.91
Year ended 31 March 2028	7.41
Year ended 31 March 2029 and above (Next 5 years)	89.31

**B. Compensated Absences**

Accumulated leave, which is expected to be utilised within the next 12 months, is treated as short-term employee benefit. The Company measures the expected cost of such absences as the additional amount that it expects to pay as a result of the unused entitlement that has accumulated at the reporting date. The Company treats accumulated leave expected to be carried forward beyond twelve months, as long-term employee benefit for measurement purposes. Such long-term compensated absences are provided for based on the actuarial valuation using the projected unit credit method at the year-end.

The Company has an unconditional right, at the end of reporting period, to defer settlement for any of these obligation beyond 12 months and therefore, such obligation as at year end has been shown in following manner as per actuarial certificates.

The principal assumptions used in determining compensated absences are shown below:

Description	Year ended 31 March 2024
Discount rate	7.21% p.a.
While in service Availment Rate*	58 Years - Staff and Operative Engineers, 60 Years - Workmen
Mortality rate	100% of IALM 2012-14
Disability rate	NA
Normal retirement age	For Age 18-30 years - 3%, 31-44 years - 2%, Above 44 years - 1% for all years
Employee turnover#	NA
Salary increase rate*#	10%p.a.

The following pay-outs (on an undiscounted basis) are expected in future years:

Description	As at 31 March 2024
Year ended 31 March 2025	1.55
Year ended 31 March 2026	1.40
Year ended 31 March 2027	0.80
Year ended 31 March 2028	1.07
Year ended 31 March 2029 and above (Next 5 years)	14.35

\*The leave availment rate has been considered at 0% as the leaves are encashed on gross salary

\*\*The estimates of seniority, future salary increases, considered in actuarial valuation, take account of price inflation, promotions and other relevant factors, such as supply and demand in the employment market.

# Rate of employee turnover and salary increase depends upon various factors namely nature of employee, location etc.

**34a.** As per transfer pricing legislation under sections 92-92F of the Income Tax Act, 1961, the Company is required to use certain specific methods in computing arm's length prices of international transactions with associated enterprises and maintain adequate documentation in this respect. Since law requires existence of such information and documentation to be contemporaneous in nature, the Company has appointed independent consultants for conducting a Transfer Pricing Study (the 'Study') to determine whether the transactions with associate enterprises undertaken during the financial year are on an "arms length basis". Basis the study completed by an independent consultants, the management is of the opinion that the Company's international transactions are at arm's length and are not expected to result in any transfer pricing adjustments having impact on the tax expenses recognized on the Special Purpose Financial Statements.

**34b.** The Company is involved in certain legal, tax (direct and indirect taxes) and other regulatory matters ('litigations'), the outcome of which may not be favourable to the Company. The Company is actively seeking to resolve these actual and potential statutory, taxation and regulatory matters. Management is in consultation with the legal, tax and other advisers to assess the likelihood that a pending claim will succeed. The Company has applied its judgement and has recognised liabilities based on whether additional amounts will be payable and has included contingent liabilities where economic outflows are considered possible but not probable. Based on management assessment on likelihood, timing of cash outflows (current/non-current), interpretation of local laws, pending disposal of these matters and consultations obtained from the management experts, where considered necessary in respect of these matters, the management has recognised for provision for contingencies towards legal, tax and other regulatory matters amounting to Rs. 7.89 million as at 31 March 2024.

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<b>Ratio</b>	<b>Numerator</b>	<b>Denominator</b>	<b>Year ended 31 March 2024</b>	<b>Unit of measureme</b>
Current ratio	Current Assets	Current Liabilities	1.65	Times
Return on Equity ratio	Net Profits after taxes	Average Shareholder's Equity	21.09%	%
Inventory Turnover ratio	Revenue from operations	Average Inventory	6.26	Times
Trade Receivable Turnover Ratio	Revenue from operations	Average Trade Receivable	5.62	Times
Trade Payable Turnover Ratio	Purchases	Average Trade Payables	3.06	Times
Net Capital Turnover Ratio	Revenue from operations	Working capital = Current assets - Current liabilities	6.30	Times
Net Profit ratio	Net profit after taxes	Revenue from operations	7.60%	%
Return on Capital Employed	Earnings before interest and taxes	Capital Employed = Tangible Net Worth + Total Debt + Deferred Tax Liability	33.27%	%
Return on Investment	Interest (Finance Income)	Investment	31%	%

Note 1- The financial statements for the period ended March 31, 2024 have been prepared by the Company for the purpose of preparation of the Special Purpose financial information. Considering the nature and purpose of the Special Purpose Financial Statements, the information for the comparative reporting periods have not been provided hence, ratios of only for the current year are disclosed.

Note 2- As the Company does not have any debt, therefore debt-equity ratio and debt service coverage ratio have not been reported.

### **36 First Time Adoption of Ind AS**

#### **A. First Time Adoption of Ind AS**

The Special Purpose Financial Statements for the year ended 31 March, 2024 have been prepared on Proforma basis in accordance with requirements of SEBI Circular dated March 31, 2016 and Guidance Note on Reports in Company Prospectuses issued by ICAI. For the purpose of Special Purpose Statements for the year ended 31 March, 2023, the Company has followed the same accounting policy and accounting policy choices (both mandatory exceptions and optional exemptions availed as per Ind AS 101) as initially adopted on the transition date i.e. 01 April, 2023. In preparing these proforma financial statements, the Company has prepared opening Balance Sheet as at 01 April, 2022, being Proforma date of transition to Ind AS.

Ind AS 101 allows first time adopters certain exemptions and certain optional exceptions from the retrospective application of certain requirements under Ind AS as follows:

#### **B. Exemptions applied**

##### **(a) Deemed Cost**

Ind AS 101 permits a first time adopter to elect to continue with the carrying value for all of its property, plant and equipment as recognised in the financial statements as at the date of transition after making necessary adjustments for de-commissioning liabilities. This exemption can also be used for intangible assets covered by Ind AS 38. Accordingly the Company has elected to measure all of its property, plant and equipment and intangible assets at their Previous GAAP carrying value.

##### **(b) Leases**

The Company has elected to measure the right of use assets at the date of transition an amount using modified retrospective approach, adjusted by the amount of any prepaid or accrued lease payments relating to that lease recognised in the Balance Sheet immediately before the date of transition to Ind AS. Further, the following expedients were used on transition to Ind AS:

- the use of a single discount rate to a portfolio of leases with reasonably similar characteristics
- the accounting for operating leases with a remaining lease term of less than 12 months as on the transition date as short-term leases
- the exclusion of initial direct costs for the measurement of the right of use asset at the date of initial application.
- use of hindsight, such as in determining the lease term as the contract contains the options to extend and terminate the lease.

#### **C. Mandatory Exceptions**

The Company has adopted all relevant mandatory exceptions as set out in Ind AS 101, which are as below:

##### **(a) Estimates**

The estimates as at April 01, 2023 and March 31, 2024 and March 31, 2025 are consistent with those made for the same dates in accordance with Indian GAAP. The estimates used by the Company to present these amounts in accordance with Ind AS reflect conditions at April 01, 2023, the date of transition to Ind AS and as of March 31, 2024 and March 31, 2025 .

##### **(b) Classification and measurement of financial assets**

Ind AS 101 requires an entity to assess classification and measurement of financial assets on the basis of the facts and circumstances that exist at the date of transition to Ind AS.

##### **(c) Derecognition of financial assets and financial liabilities**

As set out in Ind AS 101, the Company has applied the derecognition requirements of Ind AS 109 prospectively for transactions appearing on or after the date of transition to Ind AS.

##### **(d) Impairment of financial assets**

The Company has applied exception related to impairment of financial assets given in Ind AS 101. It has used reasonable and supportable information that is available without undue cost or effort to determine the credit risk at the date that financial assets were initially recognised and compared that to the credit risk at April 01, 2023.

Federal-Mogul Bearings India Limited  
(Formerly known as Federal-Mogul Anand Bearings India Limited)  
CIN No. U29199HR2006PLC043262  
Notes forming part of the Special Purpose Financial Statements for the year ended 31 March 2024  
(All amount in INR millions, unless otherwise stated)

36 First Time Adoption of Ind AS

36.1 Reconciliation of total equity as at 31 March 2024 and 01 April 2023

Sr No	Particulars	Note	As at March 31, 2024
I	<b>Total equity (shareholder's funds) under previous GAAP</b> Total equity (shareholder's funds) under previous GAAP		<b>669.90</b>
II	<b>Ind AS Adjustments:</b> Depreciation on property, plant and equipment Depreciation on ROU asset and interest on lease liability <b>Total</b>	e	(0.03) 0.03 -
	<b>Total equity under Ind AS (I+II)</b>		<b>669.90</b>

36.2 Reconciliation of Total Comprehensive Income for the year ended 31 March 2024.

Sr No	Particulars	Note	Year ended 31 March 2024
I	<b>Profit after tax as per previous GAAP</b>		<b>159.43</b>
II	<b>Ind AS Adjustments:</b> Gratuity impact as per valuation Deferred tax impact <b>Total adjustment to profit or loss</b>	a c	0.68 (0.20) 0.48
III	<b>Profit after tax under Ind AS (I+II)</b>		<b>159.91</b>
IV	<b>Other comprehensive income</b> Remeasurement of defined benefit plans Deferred tax impact <b>Total adjustment to other comprehensive income</b>	a c	(0.68) 0.20 (0.48)
	<b>Total comprehensive income under Ind AS (III-IV)</b>		<b>159.43</b>

36.3 Impact of Ind AS adoption on the Special Purpose Statement of Cash flows for the year ended 31 March 2024.

For the year ended March 31, 2024

Particulars	Note	Amount as per Previous GAAP	Effect of Transition to Ind AS	Amount as per Ind AS
Net cash generated from operating activities	36.4	362.93		362.93
Net cash used in investing activities	36.4	(35.13)		(35.13)
Net cash generated from financing activities	36.4	(332.18)		(332.18)
Net increase/ (decrease) in cash and cash equivalents		<b>(4.38)</b>	-	<b>(4.38)</b>
Cash and cash equivalents at the beginning of year		120.86	-	120.86
Cash and cash equivalents at the end of year		<b>116.48</b>	-	<b>116.48</b>

**36.4 Notes to First-time adoption**

**a Actuarial gains and losses**

The impact is on account of measurement of employee benefits obligations as per Ind AS 19. Under previous GAAP, actuarial gains and losses were recognised in profit and loss. Under Ind AS, the actuarial gains and losses forming part of remeasurement of the net defined benefit liability / asset, are recognised in the Other Comprehensive Income (OCI) instead of profit or loss.

**b Expected credit allowance on trade receivables**

Under Previous GAAP, provision for doubtful debts was recognised based on the incurred loss model. Under Ind AS, a loss allowance for expected credit losses is recognised on financial assets carried at amortised cost. The Company recognizes lifetime expected credit losses on trade receivables using a simplified approach.

**c Deferred Tax**

The previous GAAP requires deferred tax accounting using the income statement approach, which focuses on differences between taxable profits and accounting profits for the period. Ind AS 12 requires entities to account for deferred taxes using balance sheet approach which focuses on temporary differences between the carrying amount of an asset or liability in the balance sheet and its tax base. Various transitional adjustments has resulted in recognition of temporary differences. In addition, various transitional adjustments (including recognition of unrecognised MAT credit entitlements ) have also led to recognition of deferred taxes on new temporary differences.

**d Measurement of financial assets at amortised cost**

Under Ind AS, all financial assets are required to be recognised at fair value. Accordingly the Company has fair valued these security deposits under Ind AS.

**e Leases**

Under previous GAAP, the lease payment made for the properties taken on lease is recognised as Rent Expenses in the Statement of Profit and Loss for the period. Ind AS 116 sets out the principles for the recognition, measurement, presentation and disclosure of leases for both lessees and lessors. It introduces a single, on-balance sheet lease accounting model for lessees. Under Ind AS, the Company should recognise right-to-use asset (ROU asset) and lease liability for the properties taken on lease subject to exemption provided in the Ind AS 116. On application of Ind AS 116, Leasehold land has been classified from Property, plant and equipment to ROU asset.

**Federal-Mogul Bearings India Limited (Formerly known as Federal-Mogul Anand Bearings India Limited)**  
**Corporate Identification No. : U29199HR2006PLC043262**  
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**(All amounts in INR million, unless otherwise stated)**

37 As per the MCA notification dated August 05, 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 on daily basis of such books of account and other relevant books and papers maintained in electronic mode that should be accessible in India at all the time. Also, the Companies are required to create back-up of accounts or servers physically located in India on a daily basis. The books of accounts along with other relevant records and papers of the Company are maintained in electronic mode on servers physically located out of India. These books of accounts are readily accessible in India at all times however, the back-up of such books of account is not maintained in India.

**38 Additional Disclosures**

- i) The Company does not have any title deeds of immovable properties (other than immovable properties where the Company is the lessee and the lease agreements are duly executed in favour of the lessee) held in its name.
- ii) There are no proceedings initiated or pending against the Company for holding any benami property under the Prohibition of Benami Property Transactions Act, 1988 and rules made there under.
- iii) The Code on Social Security, 2020 ('Code') relating to employee benefits during employment and post employment benefits received Presidential assent in September 2020. The Code has been published in the Gazette of India. However, the date on which the Code will come into effect has not been notified. The Company will assess the impact of the Code when it comes into effect and will record any related impact in the period the Code becomes effective.
- iv) The Company has been sanctioned working capital amounts from banks on the basis of security of inventories and trade receivables. The quarterly returns being filed by Company with banks are in line with the books of accounts.
- v) The Company has not been declared a wilful defaulter by any bank or financial institution or government or government authority.
- vi) The Company does not have any transactions with companies struck off under section 248 of the Companies Act, 2013 or section 560 of Companies Act, 1956.
- vii) The Company do not have any charges or satisfaction which is yet to be registered with Registrars of Companies (ROC) beyond the statutory period.
- viii) The Company has not traded or invested in Crypto currency or virtual currency during the financial year.
- ix) The Company has not entered into any such transaction which is not recorded in the books of accounts 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.
- x) The Company has not granted loans or advances in the nature of loan to any promoters, Directors, KMPs and the related parties (As per Companies Act, 2013) , which are repayable on demand or without specifying any terms or period of repayments.
- xi) The Company did not have any long term contracts including derivative contracts for which there were any material foreseeable losses.
- xii) The Company has not advanced or loaned or invested funds (either from borrowed funds or share premium or any other sources or kind of funds) to any other person(s) or entity(is), including foreign entities (Intermediaries) with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company ("Ultimate Beneficiaries") or provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.
- xiii) The Company has not received any fund from any person(s) or entity(is), including foreign entities ("Funding Parties") with the understanding, whether recorded in writing or otherwise, that the Company shall, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ('Ultimate Beneficiaries') or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
- xiv) As per the proviso to Rule 3(1) of Companies(Accounts) Rules, 2014, for the financial year commencing on or after the 1st day of April 2023 every Company which uses accounting software for maintaining its books of account, shall 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 ensuring that the audit trail cannot be disabled.  
The Company uses SAP as its primary accounting softwares for recording all the accounting transactions viz., sales, purchases, production/costing, fixed assets, other expenses, payroll, cash and bank transactions, journal entries and all other general ledger accounting transactions for the year ended March 31, 2024. The Company has used accounting softwares for maintaining its books of account which has a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the software except that (a) audit trail feature is not enabled for certain changes made using privileged/administrative access rights, and (b) the feature of recording audit trail (edit log) facility was not enabled at the database level to log any direct data changes.
- xv) There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

**For and on behalf of the Board of Directors of**  
**Federal-Mogul Bearings India Limited**

**KAPIL**  
**ARORA**

Digitally signed  
by KAPIL ARORA  
Date: 2025.06.17  
23:03:52 +05'30'

**Kapil Arora**  
Director  
DIN: 08837647

**MANISH**  
**CHADHA**

Digitally signed by  
MANISH CHADHA  
Date: 2025.06.17  
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**Manish Chadha**  
Director  
DIN: 07195652

**Kunal**  
**Kirti**

Digitally signed  
by Kunal Kirti  
Date: 2025.06.17  
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**Kunal Kirti**  
Director  
DIN: 10222165

**Place:** Gurugram  
**Date:** June 17, 2025