

TVS MOTOR COMPANY LIMITED

**Annual Report of Subsidiary Companies
for the year 2025-2026**

CONTENTS

Indian Subsidiaries

TVS Motor Services Limited	3
TVS Electric Mobility Limited	31
DriveX Mobility Private Limited	48
TVS Credit Services Limited	81
Harita ARC Private Limited	289
Harita Two Wheeler Mall Private Limited	304
TVS Housing Finance Private Limited	318

Overseas Subsidiaries

TVS Motor (Singapore) Pte. Limited, Singapore	333
Engines Engineering S.p.A, Italy	359
The Norton Motorcycle Co Limited, UK	385
TVS Digital Pte Limited, Singapore	399
TVS EBike Company AG, Switzerland	420
TVS EBike Limited, UK	437
TVS Motor GmbH, Germany	449
TVS Motor Company DMCC, Dubai	454
TVS Motor Company (Europe) B.V., Amsterdam	464
PT TVS Motor Company Indonesia, Jakarta	471

TVS MOTOR SERVICES LIMITED

Directors' Report to the Shareholders of the Company

The Directors have pleasure in presenting the Seventeenth Annual Report on the progress of the Company together with the audited statement of accounts for the year ended 31st March 2026.

1. Financial Results

The highlights of the financial performance of the Company are given below:

(Rs. in lakhs)

Particulars	Year ended 31-03-2025	Year ended 31-03-2025
Revenue from Operations	-	-
Other Income	125.10	8.84
Total	125.10	8.84
Purchases of Stock-in trade	-	-
Finance Cost	391.09	361.43
Administrative & other expenses	7.78	8.55
Profit / (Loss) before tax	398.87	(361.14)
Less:		
- Provision for tax	-	-
Add:	-	-
- Deferred Tax Asset		
Profit / (Loss) after tax	(273.77)	(361.14)

2. Dividend

The board of directors does not recommend any dividend for the year under consideration, in view of the loss sustained by the Company for the year ended 31st March 2026.

3. Amount Transferred to Reserves

The Company has not transferred any amount to the reserves during the Financial Year ended 31st March 2026.

4. Share Capital

During the year under review, the Company had not issued any shares.

The paid-up capital of the company is Rs. 199,63,38,140 comprising of 14,96,33,814 Equity shares of at Rs.10/- each and 5,00,00,000 no. of Optionally Convertible Redeemable Preference Shares of at Rs. 10/- each.

The Optionally Convertible Redeemable Preference Shares issued by the Company, which was due for maturity during the year, was extended by a further period of three years.

5. Debentures

During the year under review, the Company has not issued any debentures.

6. Material changes and commitments

There have been no material changes and commitments affecting the financial position of the Company, which have occurred between the end of the financial year of the Company to which the financial statements relate and the date of the report.

7. Website Link

The Company does not have functional website where they can provide Annual return of the Company as required under Section 92 (3) of Companies Act, 2013.

8. Significant and material orders passed by the Regulators or Courts or Tribunals impacting the going concern status of the Company

There are no significant and material orders passed by the regulators or courts or tribunals, which would impact the going concern status of the Company. However, the members' attention is drawn to the statement on contingent liabilities, commitments, given in the notes forming part of the financial statements.

9. Internal control systems

The Company has adequate internal control systems to ensure operational efficiency, accuracy and promptness in financial report and compliance of various laws and regulations.

The internal control system is supported by the internal audit process. An internal auditor has been appointed for this purpose.

The Board is accountable for evaluating and approving the effectiveness of the internal controls, including financial, operational and compliance controls. The Company has a proper and adequate internal control system to ensure that all the assets of the Company are safeguarded and protected against any loss and that all the transactions are properly authorized and recorded.

10. Risk management

Our risk management framework is well embedded and continually reviewed by the Board. It enables to identify, evaluate and monitor principal risks and where possible, actively manage internal or external risks that could threaten the attainment of the Company targets.

As a process, risks associated with the business are identified and prioritized based on the Company's overall risk appetite, strategy, severity likelihood and effectiveness of current detection. Such risks are reviewed by the senior management on a quarterly basis. Process owners are identified for each risk and matrixes are developed for monitoring and reviewing the risk mitigation.

The risk function is looked after by a team reporting to the Director / CEO of the Company.

The Board is satisfied that there are adequate systems and procedures in place to identify, assess, monitor and manage risks.

11. Related Party Transactions

All contracts / arrangements entered by the Company during the period ended 31st March 2026 with related parties were in the ordinary course of business and at arm's length price in terms of section 188 read with the Companies (Meetings of board and its powers) Rules, 2014.

Pursuant to the provisions of section 134(3)(h) of the Companies Act 2013 (the Act 2013) read with rule 8(2) of the Companies (Accounts) Rules 2014, the particulars of contracts or arrangements entered into by the Company with Related Parties have been done at arm's length and are in the ordinary course of business.

Related Party disclosures as per the Indian Accounting Standards have been provided in Note (vi) of Additional Notes forming part of the financial statements.

12. Corporate Social Responsibility

The provisions of Section 135 of the Companies Act, 2013 read with the relevant rules are not applicable to the Company and therefore, the Company is not required to adopt the CSR Policy or constitute CSR Committee during the year under review.

13. Directors' responsibility statement

Pursuant to the requirement of Section 134(5) of the Act, 2013 with respect to Director's Responsibility Statement, it is hereby stated that:

- in the preparation of the annual accounts for the year ended 31st March 2026, the applicable accounting standards had been followed along with proper explanation relating to material departures, if any;
- the directors had selected such accounting policies and applied them consistently and made judgments and estimates that were reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the loss of the Company for that period.
- the directors had taken proper and sufficient care for maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.

- (d) the directors had prepared the accounts for the financial year ended 31st March 2026 on a going concern basis; and
- (e) the directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

14. Directors

Directors' appointment / re-appointment / cessation

During the year under review the following changes took place:

S.No	Name of Director	DIN	Date of Change	Nature
1.	Aravind Balaji	00557711	31-12-2025	Cessation
2.	G Parthasarathy	01769831		Appointment

Independent Directors (IDs)

The Ministry of Corporate Affairs vide its notification dated 5th July 2017, exempted the wholly owned subsidiaries, joint ventures and dormant companies from the requirement of appointing Independent Directors pursuant to section 149 (4) of the Act, 2013.

Subsequently, such companies were further exempted from the requirement of constitution of Audit and Nomination and Remuneration Committees, as per Rule 6 of Companies (Meetings of Board and its Powers) Rules, 2014.

Thus, the provisions of Section 149 of the Act, 2013 pertaining to the appointment of Independent Directors and constitution of the said Committees does not apply to the Company.

Directors liable to retire by rotation

In terms of Article 21 of the Articles of Association of the Company, Ms Sasikala Varadachari, Director retire from the office at the ensuing Annual General Meeting and being eligible, offer herself for re-appointment.

The details of Directors to be reappointed at the AGM are set out in the Annexure to the AGM Notice.

Policy on Directors appointment and remuneration of directors, Key Managerial Personnel (KMPs)

In accordance with Section 178 of the Act, 2013 the Nomination & Remuneration Policy (NRC Policy) formulated to ensure that executive directors and other employees are sufficiently compensated for their performance. The Policy seeks to provide criteria for determining qualifications, positive attributes and independence of a director.

Remuneration Policy

Directors:

NRC Policy will recommend the remuneration for executive and non-executive directors. This will be then approved by the board and shareholders. Prior approval of shareholders will be obtained, whenever required, in case of remuneration to non-executive directors.

Key Managerial Personnel:

The remuneration of employees largely consists of basic salary, perquisites, allowances and performance incentives. Perquisites and retirement benefits are paid according to the Company's policy, subject to prescribed statutory ceiling.

The components of the total remuneration vary for different grades and are governed by the industry pattern, qualification & experience / merits and performance of each employee.

The Company while deciding the remuneration package takes into consideration current employment scenario and remuneration package of the industry.

The annual variable pay of senior executives is linked to the performance of the Company in general and their individual performance for the relevant

year measured against Company's objectives fixed in the beginning of the year.

Criteria for Board Membership

Directors:

The Company will generally consider (i) their relevant experience in Finance/ Law/ Management/ Administration/ Research/ Corporate Governance/ Technical Operations or other disciplines related to company's business, (ii) having the highest personal and professional ethics, integrity and values and (iii) their willingness to devote sufficient time and energy in carrying out their duties and responsibilities.

Number of board meetings held

During the year under review, the board met Five times on 26th April 2025, 30th July 2025, 22nd September 2025, 31st December 2025, 16th February 2026 the gap between the two meetings did not exceed one hundred and twenty days.

Key Managerial Personnel (KMPs)

In terms of Section 203 of the Companies Act, 2013, M/s. V Karuanakara Reddy, Chief Executive Officer, S Sridhar, Chief Financial Officer and K S Srinivasan, Company Secretary are the Key Managerial Personnel of the Company as on 31st March 2026.

Evaluation of the board and directors

In terms of Section 134 of the Companies Act 2013 and the rules made thereunder, the board has carried out evaluation of its own performance.

The board discussed and assessed its own composition, size, mix of skills and experience, its meeting sequence effectiveness of discussion, decision making, follow up action, quality of information and the performance. Besides, the board considered both its characteristics and the effectiveness of its performance in carrying out its role and responsibilities in the context of the nature, scope, complexity and risk profile of the Company.

The evaluation of individual directors was made on the following criteria, namely (i) attendance for the meetings, participation and independence during the meetings, (ii) interaction with management, (iii) role and accountability of the board and knowledge and proficiency etc.

15. Deposits

The Company has not accepted any deposit from the public within the meaning of Chapter V of the Act 2013 read with the Companies (Acceptance of Deposits) Rules, 2014 during the year ended 31st March 2026.

16. Number of general meetings held

During the year under review an Extra-Ordinary general meeting was held on 12th March 2026 to obtain the shareholders' approval for extending the tenure of Optionally Convertible Redeemable Preference Shares.

17. Details of Subsidiaries, Joint Ventures and Associates

The Company does not have any Subsidiary, Joint Venture or an Associate Company.

18. Compliance of secretarial standards issued by The Institute of Companies Secretaries of India:

The Company complies with Secretarial Standards on Meetings of the Board of Directors (SS-1) and General Meetings (SS-2) issued by the Institute of Company Secretaries of India.

19. Auditors

Statutory Auditors

On recommendation of Board of Directors of the Company, members of the Company re-appointed M/s. Raghavan Chaudhuri & Narayanan, Chartered Accountants, Bengaluru having Firm Registration No. 007761S allotted by the Institute of Chartered Accountants of India as Statutory Auditors of the Company at the 15th Annual General Meeting of the Company for a term of 5 consecutive years i.e. till the conclusion of 20th Annual General Meeting

pursuant to Section 139 of the Companies Act, 2013, at such remuneration in addition to applicable taxes, out of pocket expenses, travelling and other expenses as may be mutually agreed between the Board of Directors of the Company and the Auditors.

The Statutory Auditors will continue to hold office for the 3rd year in the second term of five consecutive years, from the conclusion of this AGM.

The Company has obtained necessary certificate under Section 141 of the Act, 2013 conveying their eligibility for being the Statutory Auditors of the Company for the year 2025-26.

Secretarial Auditors

As required under Section 204 of the Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules 2014, the Company is required to appoint a Secretarial Auditor for auditing secretarial and related records of the Company.

As required under Section 204 of the Act, 2013, the Secretarial Audit Report for the year 2025-26, given by M/s Sandeep & Associates, Practicing Company Secretaries, Chennai, is attached to this report. The Secretarial Audit Report does not contain any qualification, reservation or other remarks. M/s S Sandeep & Associates, Practicing Company Secretaries, Chennai, was re-appointed as Secretarial Auditors for carrying out the secretarial audit for the financial year 2026-27.

Both the Statutory Auditors Report and Secretarial Audit Report are free from any qualification, reservation or adverse remark or disclaimer, and hence do not warrant any explanation or comments by the board.

20. Disclosures

Information on conservation of energy, technology absorption, foreign exchange etc:

The Company has no activity relating to conservation of energy or technology absorption. The Company did not have any foreign exchange earnings or outgo, in terms of the requirements of Section 134(3) (m) of the Act 2013 read with the Companies (Accounts) Rules 2014.

Employee's remuneration:

There is no employee receiving remuneration in excess of the limits prescribed under Section 197 of the Companies Act, 2013 read with Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and hence the question of attaching a statement containing the prescribed details of such employees does not arise.

Details of loans / guarantees / investments made:

During the year under review, the Company had not granted any loans or guarantees covered under Section 186 of the Companies Act 2013 read with the Companies (Meetings of Board and its powers) Rules, 2014, for the financial year 2025-26.

Please refer note no. 4 to Notes on accounts for the financial year 2025-26, for details of investments made by the Company.

Reporting of fraud:

The Auditors of the Company have not reported any fraud as specified under Section 143(12) of the Act 2013.

Maintenance of cost records:

Pursuant to Section 148(1) of the Companies Act, 2013 cost records are required to be maintained by specified class of Companies whose turnover exceeds 35 Crores during the immediately preceding financial year. Further, companies covered under Table B of Rule 3 to Companies (Cost Records and Audit) Rules, 2014 whose overall annual turnover exceeds 100 Crores are required to get its cost records audited.

Since the turnover does not exceed the prescribed limit, cost records were not required to be maintained by the Company.

Insolvency and Bankruptcy Code

There are no applications made or any proceedings pending under the Insolvency and Bankruptcy Code, 2016 (31 of 2016) during the year.

Onetime settlement with any Bank or Financial Institution

There are no One Time Settlement with any Bank or Financial Institution.

Disclosure in terms of Sexual Harassment of Women at workplace (Prevention, Prohibition and Redressal) Act, 2013

The Company has duly constituted an Internal Complaints Committee as required under The Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

During the year under review, there were no cases filed pursuant to the provisions of Sexual Harassment of Women at workplace (Prevention, Prohibition and Redressal) Act 2013.

Compliance with Maternity Benefit Act, 1961

During the year under review, there were no employees in the Company and accordingly, compliance with provisions of Maternity Benefit Act, 1961 was not applicable to the Company.

21. Acknowledgement

The directors wish to thank the shareholders of the Company for their co-operation and support and also place on record their appreciation of the services and assistance rendered by the bankers of the Company.

For and on behalf of the Board

Place: Chennai
Date: 12th May, 2026

K N Radhakrishnan
Director
DIN: 02599393

G Parthasarathy
Director
DIN: 07132398

FORM NO.MR-3
SECRETARIAL AUDIT REPORT OF TVS MOTOR SERVICES LIMITED
FOR THE FINANCIAL YEAR ENDED 31st MARCH 2026
[Pursuant to Section 204(1) of the Companies Act, 2013 and Rule No.9 of the
Companies (Appointment and Remuneration Personnel) Rules, 2014]

To
 The Members
 TVS MOTOR SERVICES LIMITED,
 CIN: U50404TN2009PLC071075
 "Chaitanya",
 No. 12, Khader Nawaz Khan Road, Nungambakkam, Chennai 600 006

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by M/s. TVS Motor Services Limited (CIN: U50404TN2009PLC071075) (hereinafter called "the Company"). The Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/ statutory compliances and expressing our opinion thereon.

Based on our verification of books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, the explanations and clarifications given to us and the representations made by the Management, and considering the relaxations granted by the Ministry of Corporate Affairs and Securities and Exchange Board of India, we hereby report that in our opinion, the company has, during the audit period covering the financial year ended March 31, 2026, generally, has complied with the statutory provisions listed hereunder and also that the Company has proper Board processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

1. We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on March 31, 2026 according to the provisions of:
 - a. Companies Act, 2013 (the Act) and the rules made thereunder;
 - b. Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
 - c. Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
 - d. Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment. The Company does not have any Overseas Direct Investments or External Commercial Borrowings;
 - e. The following regulations and guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'), as amended from time to time:
 - Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018; - Not Applicable for the year under review.
 - Securities and Exchange Board of India (Registrars to an Issue and Transfer Agents) Regulations, 1993, regarding Companies Act and dealing with client;
 - Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011; - Not Applicable for the year under review.
 - Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015; - Not Applicable for the year under review.
 - Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015; - Not Applicable for the year under review.
 - Securities and Exchange Board of India (Depositories and Participants) Regulations, 2018; - Not Applicable for the year under review.
 - Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021; - Not Applicable for the year under review.

- Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018; Not Applicable for the year under review.
- Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021; - Not Applicable for the year under review.
- Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021; Not applicable for the year under review; - Not Applicable for the year under review.

2. We have also examined compliance with the applicable clauses of the following:
 - a. Secretarial Standards with respect to Meetings of Board of Directors (SS-1) and General Meetings (SS- 2) issued by The Institute of Company Secretaries of India

We further report that during the period under review the Company has complied with the applicable provisions of the Acts, Rules, Regulations, Guidelines, Standards, etc. as mentioned above.
3. We further report that:
 - a. The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive and Independent Directors. The changes, if any that took place in the Composition of the Board and the same were carried out in compliance with the applicable provisions of the Act.
 - b. Adequate notice is given to all directors to schedule the Board Meetings, Agenda and detailed notes on agenda were sent in advance and a proper system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting;
 - c. As per the minutes of the meetings duly recorded and signed by the Chairman, the decisions of the Board were unanimous, and no dissenting views have been recorded.
 - d. The Directors have complied with the disclosure requirements in respect of their eligibility for appointment, their independence, wherever applicable and compliance with the Code of Business Conduct & Ethics for Directors and Management Personnel;
4. We further report that based on the information received, records maintained, and representation received, there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with all applicable laws, rules, regulations and guidelines.
5. The Company has obtained all necessary approvals under the various provisions of the Companies Act, 2013 to the extent applicable;
6. There was no prosecution initiated, and no fines or penalties were imposed during the year under review under the Securities Exchange Board of India Act, 1992, The Securities Contracts (Regulation) Act, 1956, Depositories Act, 1996, Foreign Exchange Management Act, 1999 and Rules, Regulations and Guidelines framed under these Acts against/ on the Company, its Directors and Officers.
7. We further report that during the period under review, no events/ actions having a major bearing on the Company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards, etc. referred to above have taken place.

For S Sandeep & Associates

Place: Chennai
 Date: 12th May, 2026

S Sandeep
 Managing Partner
 FCS 5853; COP 5987
 UDIN: F005853G000209243

TVS MOTOR SERVICES LIMITED

INDEPENDENT AUDITOR'S REPORT FOR THE YEAR ENDED 31ST MARCH 2026

To the Members of TVS Motor Services Limited

Report on the Audit of the Standalone financial statements

Opinion

We have audited the accompanying standalone financial statements of **TVS Motor Services Limited** ("the Company"), having its registered office at "Chaitanya", No.12, Khader Nawaz Khan Road, Nungambakkam, Chennai-600 006, Tamil Nadu which comprise the Balance Sheet as at 31st March 2026, the Statement of Profit and Loss, the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and a summary of the Material accounting policy and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ('Act') in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India including Indian Accounting Standards ('Ind AS') specified under section 133 of the Act, of the state of affairs of the Company as at 31st March 2026, and its loss, total comprehensive profit, its cash flows and the changes in equity for the year ended on that date.

Basis for Opinion

We conducted our audit of the standalone financial statements in accordance with the Standards on Auditing specified under section 143(10) of the Act. Our responsibilities under those standards are further described in *the Auditor's Responsibilities for the Audit of the 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 Standalone financial statements under the provisions of the Act and the rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Information Other than the Standalone Financial Statements and Auditor's Report Thereon

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in Annual Report to the Shareholders but does not include the standalone financial statements and our auditor's report thereon. The Annual Report to the Shareholders is expected to be made available to us after the date of this Auditor's Report.

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

In connection with our audit of the standalone financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Those charged with governance for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these standalone financial statements that give a true and fair view of the state of affairs (financial position), profit or loss (financial performance) including other comprehensive income, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Ind AS specified under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of 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 standalone financial statements that give a true and fair view

and are free from material misstatement, whether due to fraud or error.

In preparing the standalone financial statements, management 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 management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

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

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

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

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

- Identify and assess the risks of material misstatement of the standalone 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 controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls;
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management;
- Conclude on the appropriateness of 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 standalone 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 standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation;

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

We also provide those charged with governance, 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.

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

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2020 (the "Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by section 143(3) of the Act, we report that:
 - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
 - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
 - (c) The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, Statement of Changes in Equity and the Statement of Cash Flows dealt with by this Report are in agreement with the books of account;
 - (d) In our opinion, the aforesaid standalone financial statements comply with Ind AS specified under section 133 of the Act;
 - (e) On the basis of the written representations received from the directors and taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2026 from being appointed as a director in terms of section 164(2) of the Act;
 - (f) With respect to the adequacy of the internal financial controls with reference to Standalone Financial Statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls with reference to Standalone Financial Statements;
 - (g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended:

In our opinion and to the best of our information and according to the explanations given to us, we report that the Company has not paid or provided for any managerial remuneration during the year. Accordingly, reporting under section 197(16) of the Act is not applicable.
 - (h) With respect to the other matters to be included in the Auditor's Report in accordance with rule 11 of the Companies (Audit and Auditors) Rules, 2014 (as amended), in our opinion and to the best of our information and according to the explanations given to us:

- (i) The Company has disclosed impact of pending litigations on the financial position in its standalone financial statements Refer Note 28;
- (ii) The company did not have any long-term contracts including derivatives contracts for which there were any material foreseeable losses as at 31 March 2025;
- (iii) There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company;

- (iv) (a) The Management has represented that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person or entity, including foreign entity ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;
- (b) The Management has represented, that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been received by the Company from any person or entity, including foreign entity ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, 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;
- (c) Based on the audit procedures that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (a) and (b) above, contain any material misstatement;
- (v) The Company has not declared any dividends during the year.
- (vi) Based on our examination, which included test checks, the Company has used accounting software systems for maintaining its books of account for the financial year ended March 31, 2026 which have the feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the software systems. Further, during the course of our audit we did not come across any instance of the audit trail feature being tampered with and the audit trail has been preserved by the Company as per the statutory requirements for record retention.

For RAGHAVAN, CHAUDHURI & NARAYANAN

Chartered Accountants

UDIN : 26027716CMTEJG7023

FRN: 007761S

V. SATHYANARAYANAN

Place : Bengaluru
Date : 12th May, 2026

Partner

Membership No. 027716

TVS MOTOR SERVICES LIMITED

Annexure "A" to Independent Auditors' Report 31st March 2026 (Referred to in our report of even date)

To the best of our information and according to the explanations provided to us by the Company and the books of account and records examined by us in the normal course of audit, we state that:

i. In respect of the Company's Property, Plant and Equipment and Intangible Assets:

- (a) (A) The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment;
- (B) The Company doesn't have any intangible assets. Accordingly, the provisions of clause 3(i)(b) of the Order are not applicable;
- (b) The Company has a regular program of physical verification of its property, plant and equipment under which the assets are physically verified in a phased manner, which in our opinion, is reasonable having regard to the size of the Company and the nature of its assets management during the year and no material discrepancies were noticed on such verification. In our opinion, the frequency of verification of the Property, Plant and Equipment is reasonable having regard to the size of the Company and the nature of its assets;
- (c) The title deeds of all the immovable properties (other than properties where the company is the lessee, and the lease agreements are duly executed in favour of the lessee), disclosed in the standalone financial statements are held in the name of the company;
- (d) The Company has not revalued any of its Property, Plant and Equipment and intangible assets during the year;
- (e) No proceedings have been initiated during the year or are pending against the Company as at March 31, 2026 for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (as amended in 2016) and rules made thereunder;
- ii. (a) The Company does not hold any inventory. Accordingly, the provisions of clause 3(ii) (a) of the Order are not applicable;
- (b) The Company has not been sanctioned working capital limits in excess of ₹ 5 crore, in aggregate, at any points of time during the year, from banks or financial institutions on the basis of security of current assets and hence reporting under clause 3(ii)(b) of the Order is not applicable;
- iii. The Company has not made investments and has not provided any Guarantee or security or granted any loans or advances in nature of loans secured or unsecured to companies, firms, Limited Liability Partnerships, or any other parties, during the year. Accordingly, the provision of clause 3(iii)(a) to 3 (iii)(f) of the order is not applicable;
- iv. In our opinion, the Company has not entered any transaction covered under Sections 185 and 186 of the Act. Accordingly, the provisions of clause 3(iv) of the Order are not applicable;
- v. The Company has not accepted any deposit or amounts which are deemed to be deposits. Hence, reporting under clause 3(v) of the Order is not applicable;

vi. The Central Government has not specified maintenance of cost records under sub-section (1) of section 148 of the Act, in respect of Company's products/business activity. Accordingly, reporting under clause 3(vi) of the Order is not applicable;

vii. In respect of statutory dues:

- (a) The Company is generally regular in depositing undisputed statutory dues including provident fund, employees' state insurance, Income-Tax, Goods and Services Tax, duty of customs, and other material statutory dues, as applicable, to the appropriate authorities. There have been marginal delays in some instances; however, no undisputed amounts payable in respect thereof were outstanding at the year-end for a period of more than six months from the date they became payable.
- (b) There are no dues in respect of Income-Tax, Sales-Tax, Goods and Service Tax, duty of customs, duty of excise and value added tax that have not been deposited with the appropriate authorities on account of any dispute except the following:

Nature of Duty/ Tax under Dispute	Nature of the Statute	Period to which the amount relates	Forum where dispute is pending	Amount Involved (Rs. In Lakhs)
Income Tax	Income Tax Act, 1961	AY 2018-19	Commissioner (Appeals)	397.27

- viii. There were no transactions relating to previously unrecorded income that have been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (Section 43 of 1961);
- ix. (a) According to the information and explanations given to us, the Company does not have any loans or other borrowings from any lender. Accordingly, reporting under clause 3(ix)(a) of the Order is not applicable to the Company;
- (b) The Company has not been declared wilful defaulter by any bank or financial institution or government or any government authority;
- (c) The Company has not obtained term loan during the year. Accordingly, the provisions of clause 3(ix)(c) of the Order are not applicable;
- (d) The Company has not raised any short-term funds during the year. Accordingly, the provisions of clause 3(ix)(d) of the Order are not applicable;
- (e) The Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries and hence reporting on clause 3(ix)(e) of the order is not applicable;
- (f) The Company has not raised any loans during the year on the pledge of securities held in its subsidiaries, joint ventures or associate companies and hence reporting on clause 3(ix)(f) of the Order is not applicable;
- x. (a) The Company has not raised moneys by way of initial public offer or further public offer (including debt instruments) during the year and hence reporting under clause 3(x)(a) of the Order is not applicable;
- (b) During the year, the Company has not made any preferential allotment or private placement of shares or convertible debentures (fully or partly or optionally) and hence reporting under clause 3(x) (b) of the Order is not applicable;

- xi. (a) No fraud by the Company and no material fraud on the Company has been noticed or reported during the year;
- (b) No report under sub-section (12) of section 143 of the Companies Act has been filed in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government, during the year and up to the date of this report;
- (c) As represented to us by the management, there are no whistle blower complaints received by the company during the year;
- xii. The Company is not a Nidhi Company and hence reporting under clause (xii) of the Order is not applicable;
- xiii. In our opinion, the Company is in compliance with Section 177 and 188 of the Companies Act, 2013 with respect to applicable transactions with the related parties and the details of related party transactions have been disclosed in the standalone financial statements as required by the applicable accounting standards;
- xiv. (a) In our opinion the Company has an adequate internal audit system commensurate with the size and the nature of its business;
- (b) We have considered, the internal audit reports for the year under audit, issued to the Company during the year and till date, in determining the nature, timing and extent of our audit procedures;
- xv. In our opinion during the year the Company has not entered into any non-cash transactions with its Directors or persons connected with its directors and hence provisions of section 192 of the Companies Act, 2013 are not applicable to the Company;
- xvi. (a) In our opinion, the Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934. Hence, reporting under clause 3 (xvi)(a),(b) and (c) of the Order is not applicable;
- (b) Based on the information and explanations given to us and as represented by the management of the Company, the Group (as defined in Core Investment Companies (Reserve Bank) Directions, 2016) has one Core Investment Company;
- xvii. The Company has not incurred cash losses during the financial year and in immediately preceding financial year covered by our audit;
- xviii. There has been no resignation of the statutory auditors of the Company during the year;
- xix. On the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the financial statements and our knowledge of the Board of Directors and Management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report indicating that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due;
- xx. The provision of section 135 of Companies Act, is not applicable to company and hence reporting under clause 3(xx)(a) and 3(xx)(b) of the Order is not applicable.

For RAGHAVAN, CHAUDHURI & NARAYANAN
Chartered Accountants
FRN: 007761S

UDIN : 26027716CMTEJG7023

Place : Bengaluru
Date : 12th May, 2026

V. SATHYANARAYANAN
Partner
Membership No. 027716

(Referred to in paragraph 2(f) under 'Report on Other Legal and Regulatory Requirements' section of our report to the Members of TVS Motor Services Limited of even date)

Report on the Internal Financial Controls Over Financial Reporting under Clause (i) of subsection 3 of Section 143 of the Companies Act, 2013 (the "Act")

We have audited the internal financial controls over financial reporting of **TVS Motor Services Limited** (the "Company") as of March 31, 2026 in conjunction with our audit of the standalone Ind AS financial statements of the Company for the year ended on that date.

Responsibilities of Management and Those charged with governance for Internal Financial Controls

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

Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting of the Company based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by the ICAI and the Standards on Auditing prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

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

We believe that the audit evidence we have obtained, is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that

- (1) Pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;
- (2) Provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and
- (3) Provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls over Financial Reporting

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

Opinion

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2026 based on the criteria for internal financial control over financial reporting established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the ICAI.

For RAGHAVAN, CHAUDHURI & NARAYANAN
Chartered Accountants
FRN: 007761S

UDIN : 26027716CMTEJG7023

Place : Bengaluru
Date : 12th May, 2026

V. SATHYANARAYANAN
Partner
Membership No. 027716

TVS MOTOR SERVICES LIMITED

BALANCE SHEET AS AT 31ST MARCH 2026

(All amounts in Lakhs, unless otherwise stated)

	Notes	As at March 31, 2026	As at March 31, 2025
Assets			
Non-current assets			
Capital work in progress	3	202.01	202.01
Investment property	2	9,823.71	9,803.91
Financial assets			
i. Investments	4	6,758.06	4,805.21
ii Loans	5	169.71	162.99
Income Tax Assets (Net)	6	75.20	75.20
Other non current assets	7	3.59	6.32
Deferred Tax assets	12	93.66	585.20
Total non-current assets		17,125.94	15,640.84
Current assets			
Inventories			
Financial assets			
i. Trade Receivables	8	743.45	743.45
ii. Cash and cash equivalents	9	272.07	358.60
iii. Bank balance other than Cash and Cash equivalents	9a	-	-
iv. Other receivables	10	6,298.05	6,298.05
Other current assets	11	709.13	704.42
Total current assets		8,022.70	8,104.52
Total Assets		25,148.64	23,745.36
Equity and liabilities			
Equity			
Equity share capital	13	14,963.38	14,963.38
Other Equity			
Reserves and surplus	14	5,098.36	2,826.63
Total equity		20,061.74	17,790.01
Liabilities			
Non-current liabilities			
Financial liabilities			
Borrowings			
i. Borrowings	15	3,919.45	4,613.05
Total non-current liabilities		3,919.45	4,613.05
Current liabilities			
Financial liabilities			
Borrowings			
i. Borrowing		-	-
ii Trade payables			
Total Outstanding dues of Micro Enterprises and Small Enterprises	16	-	-
Total Outstanding dues of creditors other than Micro Enterprises and Small Enterprises		8.40	120.22
iii. Other financial liabilities	17	133.83	134.79
Current Tax Liabilities (Net)			
Other current liabilities	18	1,025.21	1,087.29
Total current liabilities		1,167.44	1,342.30
Total liabilities		5,086.89	5,955.34
Total equity and liabilities		25,148.64	23,745.36
Material Accounting Policies	1		

As per our report of event date
For Raghavan, Chaudhuri & Narayanan
Chartered Accountants
ICAI Regn No. FRN 007761S

K N Radhakrishnan
Director
02599393

S Sridhar
Chief Financial Officer

For and on behalf of the Board

VR Karuanakara Reddy
Chief Executive Officer

Place: Chennai
Date: 12-05-2026
UDIN: 26027716CMTEJG7023

V. Sathyanarayanan
Partner
Membership No. 027716

G. Parthasarathy
Director
07169831

KS Srinivasan
Company Secretary

TVS MOTOR SERVICES LIMITED

STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED 31ST MARCH 2026

(All amounts in Lakhs, unless otherwise stated)

	Notes	Year Ended March 31, 2026	Year Ended March 31, 2025
Income			
Revenue from operations		-	-
Other income	19	125.10	8.83
Total income		125.10	8.83
Expenses			
Finance costs	20	391.09	361.43
Other expenses	21	7.78	8.57
Total expenses		398.87	370.00
Profit/(loss) before tax		(273.77)	(361.17)
Tax Expense	22		
Current tax		-	-
Deferred tax		-	-
Profit/(loss) for the year		(273.77)	(361.17)
Other comprehensive income			
<i>Items that will not be reclassified to profit or loss</i>			
Changes in fair value of FVOCI equity instruments		1,952.85	1,308.15
Income taxes on the above	22	(491.53)	(329.26)
Other comprehensive income for the year, net of tax		1,461.32	978.89
Total comprehensive Profit/ (loss) for the year		1,187.55	617.72
Material accounting policies	1		
Earnings per equity share (Basic/ diluted earnings per share) (in Rs)	23	(0.18)	(0.24)

As per our report of event date
For Raghavan, Chaudhuri & Narayanan
Chartered Accountants
ICAI Regn No. FRN 007761S

K N Radhakrishnan
Director
02599393

S Sridhar
Chief Financial Officer

For and on behalf of the Board

VR Karuanakara Reddy
Chief Executive Officer

Place: Chennai
Date: 12-05-2026
UDIN: 26027716CMTEJG7023

V. Sathyanarayanan
Partner
Membership No. 027716

G. Parthasarathy
Director
07169831

KS Srinivasan
Company Secretary

TVS MOTOR SERVICES LIMITED

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31ST MARCH 2026

(All amounts in Lakhs, unless otherwise stated)

	Year ended March 31, 2026	Year ended March 31, 2025
Cash flows from Operating activities		
Profit before tax	(273.77)	(361.17)
Adjustments for		
Interest income accrued reversed	(6.71)	(6.74)
Unwinding of discount on security deposits	-	-
Interest expense	391.09	361.43
Operating Profit Before Working Capital Changes	110.62	(6.48)
Change in operating assets and liabilities		
(Increase)/decrease in Trade receivables	-	-
(Increase)/decrease in other current assets	(1.98)	(0.45)
Increase/(decrease) in other financial assets	(6.71)	338.55
(Increase)/decrease in Trade payables	(111.82)	(56.06)
Increase/(decrease) in other current liabilities	(62.08)	53.69
Increase/(decrease) in other financial liabilities	(0.96)	0.45
Cash generated from operations	(72.94)	329.70
Income taxes paid	-	-
Net Cash used in operating activities	(72.94)	329.70
Cash flows from Investing activities		
Fixed Deposit -- Redeemed/(Invested)	-	350.35
(Increase) /decrease in other Financial assets	(19.80)	(406.56)
Interest Income	6.71	6.74
Net Cash generated from/(used in) Investing activities	(13.09)	(49.47)
Cash flows from Financing activities		
Proceeds from issue of Share capital	-	-
Proceeds from issue of Preference share	-	-
Proceeds/(Repayment) of Borrowings	-	-
Interest Paid on Borrowings	(0.51)	(0.50)
Net cash used in Financing activities	(0.51)	(0.50)
Net increase (decrease) in cash and cash equivalents	(86.53)	279.73
Cash and cash equivalents at the beginning of the financial year	358.60	78.87
Cash and cash equivalents at the end of the Financial year	272.07	358.60

As per our report of event date
For Raghavan, Chaudhuri & Narayanan
Chartered Accountants
ICAI Regn No. FRN 007761S

K N Radhakrishnan
Director
02599393

V. Sathyanarayanan
Partner
Membership No. 027716

S Sridhar
Chief Financial Officer

G. Parthasarathy
Director
07169831

For and on behalf of the Board

VR Karuanakara Reddy
Chief Executive Officer

KS Srinivasan
Company Secretary

Place: Chennai
Date:12-05-2026
UDIN: 26027716CMTEJG7023

TVS MOTOR SERVICES LIMITED

Statement of Changes in Equity for the year ended 31st March, 2026

(All amounts in Lakhs, unless otherwise stated)

I) Equity Share Capital

Particulars	Notes	Amounts
Balance as at 1st Apr, 2024		14,963.38
Changes in equity share capital during the year	13	-
Balance as at 1st Apr, 2025		14,963.38
Changes in equity share capital during the year	13	
Balance as at 31st March, 2026		14,963.38

II) Other equity

Particulars	Notes	Reserves and surplus		Other reserves		Total
		Retained earnings	Capital reserve	FVOCI - Equity instruments	Fair valuation of preference share issued *	
Balance as at March 31, 2023		(282.15)	(24.09)	634.75	1,084.15	1,412.67
Loss for the period	14 (a)	(60.33)				(60.33)
Other Comprehensive income (net of tax)	14 (b)			856.55		856.55
Fair valuation of Preference shares						-
Balance as at March 31, 2024		(342.48)	(24.09)	1,491.30	1,084.15	2,208.88
Loss for the period	14 (a)	(361.17)				(361.17)
Other Comprehensive income (net of tax)	14 (b)			978.89		978.89
Fair valuation of Preference shares	14 (a)					-
Balance as at March 31, 2025		(703.65)	(24.09)	2,470.19	1,084.15	2,826.60
Loss for the period	14 (a)	(273.77)	-	-	-	(273.77)
Other Comprehensive income (net of tax)	14 (b)	-	-	1,461.32	-	1,461.32
Fair valuation of Preference shares (Refer Note b)	14 (d)	-	-	-	1,084.18	1,084.18
Modification of terms of issue of OCRPS (Refer Note a)	14 (d)	1,084.18	-	-	(1,084.18)	-
Unwinding of Liability(Refer note C)	14 (d)	3.64	-	-	(3.64)	-
Balance as at March 31, 2026		110.39	(24.09)	3,931.51	1,080.51	5,098.33

* Reserve created for the equity component arising in fair valuation of Optionally Convertible Redeemable Preference shares.

As per our report of event date
For Raghavan, Chaudhuri & Narayanan
Chartered Accountants
ICAI Regn No. FRN 007761S

K N Radhakrishnan
Director
02599393

S Sridhar
Chief Financial Officer

For and on behalf of the Board

VR Karuanakara Reddy
Chief Executive Officer

Place: Chennai
Date:12-05-2026
UDIN: 26027716CMTEJG7023

V. Sathyanarayanan
Partner
Membership No. 027716

G. Parthasarathy
Director
07169831

KS Srinivasan
Company Secretary

1. Material Accounting Policies forming part of Financial Statements

COMPANY BACKGROUND

TVS Motor Services Limited ('the Company') is a public limited company incorporated and domiciled in India. The registered office is located at 'Chaitanya, No.12, Khader Nawaz Khan Road, Nungambakkam, Chennai – 600 006, Tamil Nadu, India.

MATERIAL ACCOUNTING POLICIES

a. Basis of preparation of accounts:

The financial statements comply in all material aspects with Indian Accounting Standards (Ind AS) notified under Section 133 of the Companies Act, 2013 (the Act) [Companies (Indian Accounting Standards) Rules, 2015] and other relevant provisions of the Act.

b. Historical cost convention

The financial statements have been prepared on a historical cost basis, except for the following:

- certain financial assets and liabilities that is measured at fair value;

c. Use of Estimates and judgments

The preparation of financial statements requires management to make certain estimates and assumptions that affect the amounts reported in the financial statements and notes thereto. The management believes that these estimates and assumptions are reasonable and prudent. However, actual results could differ from these estimates. Any revision to accounting estimates is recognized prospectively in the current and future period.

This note provides an overview of the areas that involved a higher degree of judgment or complexity, and of items which are more likely to be materially adjusted due to estimates and assumptions turning out to be different than those originally assessed. Detailed information about each of these estimates and judgments is included in the relevant notes together with information about the basis of calculation for each affected line item in the financial statements.

d. Investment property

Property that is held for long-term rental yields or for capital appreciation or both, and that is not occupied by the company, is classified as investment property. Investment property is measured initially at its cost, including related transaction costs and where applicable borrowing costs. Subsequent expenditure is capitalised to the asset's carrying amount only when it is probable that future economic benefits associated with the expenditure will flow to the Company and the cost of the item can be measured reliably. All other repairs and maintenance costs are expensed when incurred. When part of an investment property is replaced, the carrying amount of the replaced part is derecognised.

e. Financial liabilities and Equity Instruments

(i) Classification as Debt or Equity :

Debt and equity instruments issued by a company are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

(ii) Equity instruments :

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Company are recognised at the proceeds received, net of directly attributable transaction costs.

(iii) Financial liabilities:

Financial liabilities are classified as measured at amortised cost or 'FVTPL'.

A Financial Liability is classified as at FVTPL if it is classified as

- held-for-trading or
- it is a derivative (that does not meet hedge accounting requirements) or
- it is designated as such on initial recognition.

A financial liability other than a financial liability held for trading may be designated as at FVTPL upon initial recognition if:

- Such designation eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise;
- The financial liability forms part of a group of financial assets or financial liabilities or both, which is managed and its performance is evaluated on a fair value basis, in accordance with the Company's documented risk management or investment strategy, and information about the grouping is provided internally on that basis; or
- It forms part of a contract containing one or more embedded derivatives, and IND AS 109 permits the entire combined contract to be designated as at FVTPL in accordance with IND AS 109.

Financial liabilities at FVTPL are stated at fair value, with any gains or losses arising on remeasurement recognised in Statement of Profit and Loss. The net gain or loss recognised in Statement of Profit and Loss incorporates any interest paid on the financial liability and is included in the 'other gains and losses' line item in the Statement of Profit and Loss.

iv) Other financial liabilities :

Other financial liabilities (including borrowings and trade and other payables) are subsequently measured at amortised cost using the effective interest method.

f. Financial Assets:

(i) Classification

The Company classifies its financial assets in the following categories, those to be measured subsequently at:

- Fair value through other comprehensive income,
- Fair value through profit or loss, and
- Measured at amortized cost.

The classification depends on the entity's business model for managing the financial assets and the contractual terms of the cash flows. For assets measured at fair value, gains and losses will either be recorded in profit or loss or other comprehensive income. For investments in debt instruments, this will depend on the business model in which the investment is held. For investments in equity instruments, this will depend on whether the company has made an irrevocable election at the time of initial recognition to account for the equity investment at fair value through other comprehensive income.

(ii) Measurement:

At initial recognition, the company measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at fair value through profit or loss are expensed in profit or loss. Financial assets with embedded derivatives are considered in their entirety when determining whether their cash flows are solely payment of principal and interest.

Debt Instruments:

Subsequent measurement of debt instruments depends on the company's business model for managing the asset and the cash flow characteristics of the asset. There are two measurement categories into which the Company classifies its debt instruments.

Amortised Cost:

Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. A gain or loss on debt investment that is subsequently measured at amortised cost and is not part of a hedging relationship is recognised in profit or loss when the asset is de-recognised or impaired. Interest income from these financial assets is included in finance income using the effective interest rate method.

Fair Value through profit or loss:

Assets that do not meet the criteria for amortised cost or Fair Value through Other Comprehensive Income (FVOCI) are measured at fair value through profit or loss. A gain or loss on a debt investment that is subsequently measured at fair value through profit or loss and is not part of a hedging relationship is recognised in profit or loss and presented in the statement of profit and loss within other gains / (losses) in the period in which it arises. Interest income from these financial assets is included in other income.

(iii) Impairment of financial assets:

Assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for, the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or groups of assets (cash-generating units). Non-financial assets other than goodwill that suffered an impairment are reviewed for possible reversal of the impairment at the end of each reporting period.

(iv) De-recognition of financial assets:

A financial asset is de-recognised only when:

The Company has transferred the rights to receive cash flows from the financial asset or the Company retains the contractual rights to receive the cash flows of the financial asset, but assumes a contractual obligation to pay the cash flows to one or more recipients.

Where the entity has transferred an asset, the Company evaluates whether it has transferred substantially all risks and rewards of ownership of the financial asset. In such cases, the financial asset is de-recognised. Where the entity has not transferred substantially all risks and rewards of ownership of the financial asset, the financial asset is not de-recognised.

Where the entity has neither transferred a financial asset nor retains substantially all risks and rewards of ownership of the financial asset, the financial asset is derecognized, if the Company has not retained control of the financial asset. Where the company retains control of the financial asset, the asset is continued to be recognised to the extent of continuing involvement in the financial asset.

(V) Offsetting financial instruments

Financial assets and liabilities are offset and the net amount is reported in the balance sheet where there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realize the asset and settle the liability simultaneously.

g. Taxation

- i. Provision for current tax is made on the basis of taxable income for the current accounting year in accordance with the Income Tax Act, 1961.
- ii. Deferred income tax provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. However, deferred tax liabilities are not recognised if they arise from the initial recognition of goodwill. Deferred income tax is also not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting profit nor taxable profit or loss. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the end of the reporting period and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred tax assets are recognised only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Current and deferred tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

A deferred tax asset is not recognised for unclaimed tax credits that are carried forward as deferred tax assets.

h. Functional Currency:

Functional and presentation currencies:

Items included in the financial statements are measured using the currency of the primary economic environment in which the Company operates ('the functional currency'). i.e. in Indian rupees (INR) and all values are rounded off to nearest lakhs except where otherwise indicated.

i. Borrowings

Borrowings that are not eligible to be carried under amortised cost model is designated as fair value through profit or loss on initial recognition.

Borrowings are initially recognised at fair value, net of transaction cost incurred. Processing fee on loan borrowed is amortized over the tenor of the respective loan.

Borrowings are subsequently measured at amortised cost. Any difference between the proceeds (net of transaction cost) and the redemption amount is recognised in profit or loss over the period of the borrowings, using the effective interest method. Fees paid on the established loan facilities are recognised as transaction cost of the loan, to the extent that it is probable that some or all the facility will be drawn down.

Borrowings are removed from the balance sheet when the obligation specified in the contract is discharged, cancelled or expired. The difference between the carrying amount of a financial liability that has been extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss as other gain/(loss).

Borrowings are classified as current liabilities unless the Company has an unconditional right to defer settlement of the liability for at least 12 months after the reporting period.

j. Borrowings cost:

Borrowing costs are expensed in the period in which they are incurred.

k. Recovery cost:

Recovery cost representing the expenditure incurred in recovery of the outstanding dues are accounted in the year in which the expenditure is incurred.

l. Cash Flow Statement

Cash flows are reported using the indirect method, whereby profit/(loss) before extraordinary items and tax is adjusted for the effects of the transactions of non-cash nature. Deposits which are lien marked with maturity period exceeding 3 months are not treated as cash and cash equivalents for cash flow statement.

m. Earnings Per Share

The basic earnings per share is computed by dividing the net profit / loss attributable to the equity shareholders for the period by the weighted average number of equity shares outstanding during the reporting period. The number of shares used in computing diluted earnings per share comprises the weighted average number of shares considered for deriving earnings per share, and also the weighted average number of equity shares, which could have been issued on the conversion of all diluted potential shares. In computing diluted earnings per share, only potential equity shares that are diluted and that reducing profit per share are included.

n. Impairment

The carrying amounts of assets are reviewed at each balance sheet date for indication of any impairment based on internal/external factors. An impairment loss is recognized wherever carrying amount of the assets exceeds its recoverable amount. Any such impairment loss is recognized by charging it to the Statement of Profit and Loss. A previously recognized impairment loss is reversed where it no longer exists and the assets are restated to the effect.

o. Operating Cycle

All assets & liabilities are classified as Current and Non-Current based on the operating cycles which have been estimated to be 12 months and which are expected to be realized and settled within a period of 12 months from the date of the Balance sheet.

p. Current and Non-Current classification

The Company presents assets and liabilities in the balance sheet based on current / non-current classification.

Cash or cash equivalents is treated as current, unless restricted from being exchanged or used to settle a liability for atleast twelve months after the reporting period. In respect of other assets, it is treated as current when it is:

- expected to be realised or intended to be sold or consumed in the normal operating cycle
- held primarily for the purpose of trading
- expected to be realised within twelve months after the reporting period.

All other assets are classified as non-current.

A liability is treated as current when:

- it is expected to be settled in the normal operating cycle
- it is held primarily for the purpose of trading
- it is due to be settled within twelve months after the reporting period, or
- there is no unconditional right to defer the settlement of the liability for atleast twelve months after the reporting period.

All other liabilities are classified as non-current.

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

The operating cycle is the time between the acquisition of assets for processing and their realization in cash and cash equivalents. In Company's considered view, twelve months is its operating cycle.

q. Contingent liabilities

Wherever there is a possible obligation that may, but probably will not require an outflow of resources, the same is disclosed by way of contingent liability. Show cause notices are not considered as Contingent Liabilities unless converted into demand.

r. Equity

Equity shares are classified as equity. Distributions to holders of an equity instrument are recognised by the entity directly in equity. Transaction costs of an equity transaction shall be accounted for as a deduction from equity.

TVS MOTOR SERVICES LIMITED

Notes to Balance Sheet and Statement of Profit and Loss

(All amounts in Lakhs, unless otherwise stated)

2 Investment Property

Particulars	Gross Value				
	As at 1 st April 2025	Additions during the year due to business combination	Additions during the year	Deletions during the year	As at 31 st Mar 2026
Land*	9,803.91	-	19.80	-	9,823.71
Total	9,803.91	-	19.80	-	9,823.71

Fair Value of the land as at 31/03/2020 Rs.44,601.00 Lakhs (31/03/2019 Rs.44,601.00 Lakhs)

Particulars	Gross Value				
	As at 1 st April 2024	Additions during the year due to business combination	Additions during the year	Deletions during the year	As at 31 st Mar 2025
Land*	9,397.35	406.56	-	-	9,803.91
Total	9,397.35	406.56	-	-	9,803.91

Fair Value of the land as at 31/03/2019 Rs.44,601.00 Lakhs

*1. A Part Land is given as security for term loan borrowing of fellow subsidiary company .

* 2. Land includes Rs. 5,542 lakhs, whose possession has been taken by Company and supported by Agreement of Sale, Power of Attorney and in respect of which process of registration is in progress.

3 Capital Work-In-Progress	March 31, 2026	March 31, 2025
Capital work-in-progress (Refer Note 30 C)	202.01	202.01
Total Capital work-in-progress	202.01	202.01

Ageing of Capital Work-In-Progress as on 31st March 2026

Particulars	Amount in CWIP for following periods as on 31 st March 2026				
	<1 Yr.	1-2 years	2-3 years	More than 3 years	Total
Projects in progress					
Projects temporarily suspended				202.01	202.01

Ageing of Capital Work-In-Progress as on 31st March 2025

Particulars	Amount in CWIP for following periods as on 31-Mar-2025				
	<1 Yr.	1-2 years	2-3 years	More than 3 years	Total
Projects in progress					
Projects temporarily suspended				202.01	202.01

4 Investments

	March 31, 2026	March 31, 2025
Unquoted		
Investment in equity shares carried at FVOCI		
TVS Credit Services Limited		
10,90,125 equity shares of Rs.10 each fully paid up	6,422.36	4,469.51
Phi Research Private Ltd	300.70	300.70
Investment Carried at FVTPL		
Investment in CIG Reality Fund	35.00	35.00
(5,00,000 (PY 5,00,000) units of Rs 10 each)		
Total Investments	6,758.06	4,805.21
During the year TVSCS shares are fair valued @ Rs. 635/ share		
Aggregate amount of quoted investments and market value thereof		
Aggregate amount of unquoted investments	6,758.06	4,805.21
Total	6,758.06	4,805.21

5 Loans

	March 31, 2026	March 31, 2025
Loans	169.71	162.99
Total	169.71	162.99
Unsecured Loan of Rs.135 lakhs given @5%p.a		

6 Income Tax Assets (Net)

	March 31, 2026	March 31, 2025
Income Tax Assets (Net)	75.20	75.20
Total Other- Income Tax Assets	75.20	75.20

7 Other Non-Current Assets

	March 31, 2026	March 31, 2025
Security Deposit	1.32	1.32
Advances	2.27	5.00
Total Other non-current assets	3.59	6.32

TVS MOTOR SERVICES LIMITED

Notes to Balance Sheet and Statement of Profit and Loss

(All amounts in Lakhs, unless otherwise stated)

8 Trade Receivables	March 31, 2026	March 31, 2025
Trade Receivables considered good - unsecured (Refer Note 30(A))	743.45	743.45
Total Trade Receivables	743.45	743.45

Ageing for trade receivables as on 31st March 2026

Particulars	Outstanding for following periods from due date of payment as on 31st March 2026					
	Less than 6 months	6 months -1 year	1-2 years	2-3 years	More than 3 years	Total
(i) Undisputed Trade receivables – considered good	-	-	-	-	743.45	743.45
(ii) Undisputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-
(iii) Undisputed Trade Receivables – credit impaired	-	-	-	-	-	-
(iv) Disputed Trade Receivables – considered good	-	-	-	-	-	-
(v) Disputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-
(vi) Disputed Trade Receivables – credit impaired	-	-	-	-	-	-

Note: The receivables pertain to Related Party hence no expected credit loss (ECL) provision has been made

Ageing for trade receivables as on 31st March 2025

Particulars	Outstanding for following periods from due date of payment as on 31-Mar-2025					
	Less than 6 months	6 months -1 year	1-2 years	2-3 years	More than 3 years	Total
(i) Undisputed Trade receivables – considered good	-	-	-	-	743.45	743.45
(ii) Undisputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-
(iii) Undisputed Trade Receivables – credit impaired	-	-	-	-	-	-
(iv) Disputed Trade Receivables – considered good	-	-	-	-	-	-
(v) Disputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-
(vi) Disputed Trade Receivables – credit impaired	-	-	-	-	-	-

Note: The receivables pertain to Related Party hence no expected credit loss (ECL) provision has been made

9 Cash and cash equivalents

	March 31, 2026	March 31, 2025
Balances with banks	217.65	303.10
Cash on Hand	54.42	55.50
Total cash and cash equivalents	272.07	358.60

9a Bank balance other than Cash and Cash equivalents

	March 31, 2026	March 31, 2025
Fixed Deposit	-	-
Total bank balance other than cash and cash equivalents	-	-

10 Other Receivables

	March 31, 2026	March 31, 2025
Secured		
Receivable towards sale of property and other assets	6,298.05	6,298.05
Interest accrued on FD	-	-
Total Other receivables	6,298.05	6,298.05

11 Other Current assets

	March 31, 2026	March 31, 2025
Balance with GST/ Service Tax Department	709.13	704.42
Total Other Current assets	709.13	704.42

TVS MOTOR SERVICES LIMITED

Notes to Balance Sheet and Statement of Profit and Loss

(All amounts in Lakhs, unless otherwise stated)

12 Deferred tax Liabilities/(Assets)

The balance comprises temporary differences attributable to:

Particulars	March 31, 2026	March 31, 2025
Depreciation		
Fair valuation of financial liabilities	-	-
Fair valuation of financial asset	(1,378.80)	(887.27)
Investment Property	1,472.47	1,472.47
Net deferred tax Liabilities/(Asset)	93.66	585.20

Movement in deferred tax assets/(liabilities)	Investment Property	Fair valuation of financial asset	Fair valuation of financial liabilities	Total
At March 31, 2025	1,472.47	(887.27)	-	585.20
- to profit or loss			-	-
- to other comprehensive income		(491.53)		(491.53)
At March 31, 2026	1,472.47	(1,378.80)	-	93.66

Note:-

1) Deferred Tax Assets has been recognized on certain losses.

13 Equity share capital

i) Authorised, issued, subscribed & fully paid equity share capital

a) Equity Share Capital

Particulars	As at 31-03-2026		As at 31-03-2025	
	Number	Rs in Lakhs	Number	Rs in Lakhs
<u>Authorised Capital</u>				
Equity Shares of Rs.10/- each	26,00,00,000	26,000.00	26,00,00,000	26,000.00
<u>Issued, Subscribed & Paid up Capital</u>				
Equity Shares of Rs.10/- each fully paid	14,96,33,814	14,963.38	14,96,33,814	14,963.38
	14,96,33,814	14,963.38	14,96,33,814	14,963.38

b) Preference Share Capital

Particulars	As at 31-03-2026		As at 31-03-2025	
	Number	Rs in Lakhs	Number	Rs in Lakhs
<u>Authorised Preference share Capital</u>				
Non-cumulative Optionally Convertible Redeemable Preference Shares of Rs.10/- each fully paid	61,50,00,000	61,500.00	61,50,00,000	61,500.00
<u>Issued, Subscribed & Paid up Capital</u>				
Non-cumulative Optionally Convertible Redeemable Preference Shares of Rs.10/- each fully paid	5,00,00,000	5,000.00	5,00,00,000	5,000.00
	5,00,00,000	5,000.00	5,00,00,000	5,000.00

Note: The company has issued OCRPS, financial liability portions is accounted as financial liability as per 'Ind AS -32 Financial Instruments: Presentation and disclosure' under Non Current borrowings (refer note: 15) and equity component is accounted as reserves (refer note:14)

TVS MOTOR SERVICES LIMITED

Notes to Balance Sheet and Statement of Profit and Loss

(All amounts in Lakhs, unless otherwise stated)

(ii) Reconciliation of Equity share outstanding at the beginning and end of the year

a) Equity Share Capital

Particulars	As at 31-03-2026		As at 31-03-2025	
	Number	Rs in Lakhs	Number	Rs in Lakhs
Shares outstanding at the beginning of the year	14,96,33,814	14,963.38	14,96,33,814	14,963.38
Shares issued during the year	-	-	-	-
Shares outstanding at the end of the year	14,96,33,814	14,963.38	14,96,33,814	14,963.38

b) Preference Share Capital

Particulars	As at 31-03-2026		As at 31-03-2025	
	Number	Rs in Lakhs	Number	Rs in Lakhs
Shares outstanding at the beginning of the year	5,00,00,000	5,000.00	-	-
Shares Issued during the year	-	-	5,00,00,000	5,000.00
Shares outstanding at the end of the year	5,00,00,000	5,000.00	5,00,00,000	5,000.00

(iii) Rights and preferences attached to equity share:

Every shareholder is entitled to such rights as to attend the meeting of the shareholders, to receive dividends distributed and also has a right in the residual interest of the assets of the company. Every shareholder is also entitled to right of inspection of documents as provided in the Companies Act 2013.

(iv) Rights and preferences attached to Preference share:

The Non-cumulative Optionally Convertible redeemable preference shareholders will carry a preferential right vis-à-vis equity shares of the company with respect to the payment of dividend and repayment of capital during winding up. Shareholder shall be non-participating in the surplus funds/surplus assets and profits which may remain after the entire capital has been repaid upon winding up.

(v) Details of shares held by holding company at the end of 31st March 2026 for both Equity and Preference Share Capital

a) Equity Share Capital

Name of the Shareholder	Relationship	Class of Share	As at 31-03-2026		As at 31-03-2025	
			Share holding %	No. of Shares held	Share holding %	Number of shares
TVS Motor Company Limited	Holding company	Equity	100%	14,96,33,814	100%	14,96,33,814

* 6 equity shares of the Company are held by the nominees of the holding company

b) Preference Share Capital

Name of the Shareholder	Relationship	Class of Share	As at 31-03-2026		As at 31-03-2025	
			Share holding %	No. of Shares held	Share holding %	Number of shares
TVS Motor Company Limited	Holding company	Preference	100%	5,00,00,000	100%	5,00,00,000

(vi) Details of other shareholders holding more than 5% shares in the company

Name of the Shareholder	Class of Share	As at 31-03-2026		As at 31-03-2025	
		No. of Shares held	% of Holding	No. of Shares held	% of Holding
TVS Motor Company Limited	Equity	14,96,33,814	100%	14,96,33,814	100%

Name of the Shareholder	Class of Share	As at 31-03-2026		As at 31-03-2025	
		No. of Shares held	% of Holding	No. of Shares held	% of Holding
TVS Motor Company Limited	Preference	5,00,00,000	100%	5,00,00,000	100%

TVS MOTOR SERVICES LIMITED

Notes to Balance Sheet and Statement of Profit and Loss

(All amounts in Lakhs, unless otherwise stated)

vii) Details of shares held by Promoters as at 31st March 2026

Name of the Shareholder	Class of Share	As at 31-03-2026		As at 31-03-2025		% Change during the year
		No. of Shares held	% of Holding	No. of Shares held	% of Holding	
TVS Motor Company Limited	Equity	14,96,33,814	100%	14,96,33,814	100%	0%

Name of the Shareholder	Class of Share	As at 31-03-2026		As at 31-03-2025		% Change during the year
		No. of Shares held	% of Holding	No. of Shares held	% of Holding	
TVS Motor Company Limited	Preference	5,00,00,000	100%	5,00,00,000	100%	0%

14 Reserves and surplus

	March 31, 2026	March 31, 2025
Retained earnings	110.40	(703.65)
Capital reserves	(24.09)	(24.09)
Total reserves and surplus	86.31	(727.74)
a) Retained earnings		
Opening balance	(703.65)	(342.48)
Modification of terms of issue OCRPS	1,084.18	-
Net Loss for the period	(273.77)	(361.17)
Unwinding of Liability	3.64	-
Closing balance	110.40	(703.65)
b) Capital reserve		
Opening balance	(24.09)	(24.09)
Closing balance	(24.09)	(24.09)
c) FVOCI-Equity Instruments		
Opening balance	2,470.19	1,491.30
Other Comprehensive income (net of tax)	1,461.32	978.89
Closing Balance	3,931.51	2,470.19
d) Fair valuation of preference share issued		
Opening balance	1,084.18	1,084.18
Fair valuation of preference share issued	1,084.18	-
Modification of terms of issue OCRPS	(1,084.18)	-
Unwinding of Liability	(3.64)	-
Closing Balance	1,080.54	1,084.18
Total	5,098.36	2,826.63

Note

Retained earnings: Company's cumulative earnings since its formation minus the dividends/capitalisation.

Capital Reserve: Gain on common control business combination has been credited capital reserve.

Reserve created for the equity component arising in fair valuation of Optionally Convertible Redeemable Preference shares.

15 Borrowings

	March 31, 2026	March 31, 2025
Non-cumulative optionally Convertible Redeemable Preference shares	3,919.45	4,613.05
Total borrowings	3,919.45	4,613.05
0.01% Optionally Convertible Redeemable Preference shares for Rs. 5000 lakhs was issued during the FY 2022-23. As per Ind AS109, the same has been fair valued. (Refer Note 13 i)		

16 Trade payables

	March 31, 2026	March 31, 2025
Current		
Total Outstanding dues of Micro Enterprises and Small Enterprises *	-	-
Total Outstanding dues of creditors other than Micro Enterprises and Small Enterprises (Refer Note 30(B))	8.40	120.22
Total trade payables	8.40	120.22

* Dues to micro and small enterprises have been determined to the extent such parties have been identified on the basis of information collected by management. There is no outstanding dues or interest on the same.

TVS MOTOR SERVICES LIMITED

Notes to Balance Sheet and Statement of Profit and Loss

(All amounts in Lakhs, unless otherwise stated)

Ageing for Trade Payables as on 31st March 2026

Particulars	Outstanding for following periods from due date of payment as on 31-March-2026				
	<1 Yr.	1-2 years	2-3 years	More than 3 years	Total
(i) MSME	-	-	-	-	-
(ii) Others	8.40	-	-	-	8.40
(iii) Disputed dues – MSME	-	-	-	-	-
(iv) Disputed dues – Others	-	-	-	-	-

Ageing for Trade Payables as on 31st March 2025

Particulars	Outstanding for following periods from due date of payment as on 31-March-2025				
	<1 Yr.	1-2 years	2-3 years	More than 3 years	Total
(i) MSME	-	-	-	-	-
(ii) Others	0.73	1.37	-	118.13	120.22
(iii) Disputed dues – MSME	-	-	-	-	-
(iv) Disputed dues – Others	-	-	-	-	-

17 Financial liabilities

	March 31, 2026	March 31, 2025
Current		
Payable to Preference Shareholder	1.35	0.90
Stale Cheques	-	-
Payable Others	132.48	133.89
Total other current financial liabilities	133.83	134.79

Details of payment to auditors

Payment to auditors

As Statutory auditors	6.00	6.00
Total payment to auditors	6.00	6.00

18 Other current liabilities

	March 31, 2026	March 31, 2025
Statutory Dues	893.22	955.30
Advance from customers		
- Advance received	131.99	131.98
Total other current liabilities	1,025.21	1,087.29

22 Income tax expense

	March 31, 2026	March 31, 2025

(a) Income tax expense

Current tax	-	-
Current tax on profits for the year	-	-
Total current tax expense	-	-

19 Other income

	March 31, 2026	March 31, 2025
a) Other income		
Other Non Operating Income	-	2.10
Interest income on loan to SAEL	6.71	6.74
Write-back	118.39	-
Total other income	125.10	8.84

Deferred tax

Decrease (increase) in deferred tax assets	(491.53)	(329.26)
(Decrease) increase in deferred tax liabilities		

Total deferred tax expense/(benefit)	(491.53)	(329.26)

Income tax expense	(491.53)	(329.26)

20 Finance Cost

	March 31, 2026	March 31, 2025
Other Borrowing Cost (Refer Note 29(e))	391.09	361.43
Total finance cost	391.09	361.43

21 Other expenses

	March 31, 2026	March 31, 2025
Rates and Taxes	0.46	-
Payment to Auditor* (Refer below note)	6.00	6.00
Consultancy Fees	0.23	1.09
Provision created against assets	-	-
Write-off	-	-
Other expenses	1.09	1.48
Total other expenses	7.78	8.57

TVS MOTOR SERVICES LIMITED

Notes to Balance Sheet and Statement of Profit and Loss

(All amounts in Lakhs, unless otherwise stated)

23 Earnings per share

Particulars	31st March 2026	31st March 2025
(a) Basic and diluted earnings per share		
Basic and diluted earnings per share attributable to the equity holders of the company (in rupees)	(0.18)	(0.24)
(b) Reconciliations of earnings used in calculating earnings per share		
<i>Basic and diluted earnings per share</i>		
Profit attributable to equity holders of the company used in calculating basic earnings per share (Rs in lakhs)	(273.77)	(361.17)
(c) Weighted average number of equity shares used as the denominator in calculating basic and diluted earnings per share (in numbers)	14,96,33,814	14,96,33,814

Preference shares issued during the year are optionally convertible at the end of the tenure (36 months). They are convertible at a price per Equity Share equivalent to the fair market value determined by a registered valuer (as defined under the Act) within 30 days from the date of issuance of the Conversion Notice

Since the ratio of conversion is not determinable, the same has not been included in computation of Weighted Average Number of Equity Shares for Diluted EPS

24 Fair value measurements

Financial instruments by category

Particulars	March 31, 2026			March 31, 2025		
	FVTPL	FVOCI	Amortised cost	FVTPL	FVOCI	Amortised cost
Financial assets						
Investments						
- Equity instruments	-	300.70	-	-	300.70	-
- Other funds	35.00	-	-	35.00	-	-
- Equity share of TVS Credit Services to be retained	-	6,422.36	-	-	4,469.51	-
Loan	-	-	169.71	-	-	162.99
Trade receivable	-	-	743.45	-	-	743.45
Cash and cash equivalents	-	-	272.07	-	-	358.60
Other Bank Balances	-	-	-	-	-	-
Receivable towards sale of property	-	-	6,298.05	-	-	6,298.05
Total financial assets	35.00	6,723.06	7,483.27	35.00	4,770.21	7,563.09
Financial liabilities						
Borrowings	3,919.45	-	-	4,613.05	-	-
Trade payables	-	-	8.40	-	-	120.22
Payable towards purchase of Investments	-	-	-	-	-	-
Other financial liability	-	-	133.83	-	-	134.79
Total financial liabilities	3,919.45	-	142.22	4,613.05	-	255.01

FVTPL:- Fair Value through Profit and loss

FVOCI:- Fair Value through Other comprehensive Income

(i) Fair value hierarchy

This section explains the judgements and estimates made in determining the fair values of the financial instruments that are (a) recognised and measured at fair value and (b) measured at amortised cost and for which fair values are disclosed in the financial statements. To provide an indication about the reliability of the inputs used in determining fair value, the group has classified its financial instruments into the three levels prescribed under the accounting standard. An explanation of each level follows underneath the table.

TVS MOTOR SERVICES LIMITED

Notes to Balance Sheet and Statement of Profit and Loss

(All amounts in Lakhs, unless otherwise stated)

Financial assets and liabilities measured at fair value - recurring fair value measurements

Particulars	Notes	At 31 March 2026	At 31 March 2025
Level 3 Measurements			
Financial Assets			
Investments	4	6,758.06	4,805.21
Total financial Assets		6,758.06	4,805.21
Financial liabilities			
Borrowings	15	3,919.45	4,613.05
Total financial liabilities		3,919.45	4,613.05

Assets and liabilities which are measured at amortised cost for which fair values are disclosed

Particulars	Notes	At 31 March 2026	At 31 March 2025
Level 3 Measurements			
Financial assets			
Loan	5	169.71	162.99
Trade receivable	8	743.45	743.45
Cash and cash equivalents	9	272.07	358.60
Other Bank Balances	9a	-	-
Other Financial Assets	10	6,298.05	6,298.05
Total financial assets		7,483.28	7,563.09
Financial liabilities			
Payable towards purchase of Investments	17	-	-
Trade payables	16	-	-
Other financial liabilities	17	-	-
Total financial liabilities		-	-

Level 1:

Level 1 hierarchy includes financial instruments measured using quoted prices. This includes listed equity instruments, traded bonds and mutual funds that have quoted price. The fair value of all equity instruments (including bonds) which are traded in the stock exchanges is valued using the closing price as at the reporting period. The mutual funds are valued using the closing NAV.

Level 2:

The fair value of financial instruments that are not traded in an active market (for example, traded bonds, over-the-counter derivatives) is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

Level 3:

If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3. This is the case for unlisted equity securities, included in level 3.

There are no transfers between levels 1 and 2 during the year.

The company's policy is to recognise transfers into and transfers out of fair value hierarchy levels as at the end of the reporting period.

(ii) Valuation technique used to determine fair value

Specific valuation techniques used to value financial instruments include:

- the use of quoted market prices or dealer quotes for similar instruments
- the use of entity specific growth rates and discount rates applicable to the entity
- the fair value of the remaining financial instruments is determined using discounted cash flow analysis.

All of the resulting fair value estimates are included in level 2

(iii) Fair value measurements using significant unobservable inputs (level 3)

	Preference shares
As at 1 April 2024	4,252.12
Issue/ (redemption)	-
Fair value recognised through reserves	-
Fair value recognised in profit or loss	360.93
Fair value recognised in OCI	-
As at 31st March 25	4,613.05

	Preference shares
As at 1 April 2025	4,613.05
Issue/ (redemption)	-
Fair value recognised through reserves	-
Fair value recognised in profit or loss	(693.59)
Fair value recognised in OCI	-
As at 31st Mar 26	3,919.45

(iv) Valuation processes

"Discount rates are determined using a capital asset pricing model to calculate a pre-tax rate that reflects current market assessments of the time value of money and the risk specific to the asset and Earnings growth factor.

Risk adjustments have been derived based on the market risk premium adjusted for companies leveraged financial data"

(v) Fair value of financial assets and liabilities measured at amortised cost

	31-Mar-26		31-Mar-25	
	Carrying amount	Fair value	Carrying amount	Fair value
Financial assets				
Loan	169.71	169.71	162.99	162.99
Trade receivable	743.45	743.45	743.45	743.45
Cash and cash equivalents	272.07	272.07	358.60	358.60
Other Bank balances	-	-	-	-
Receivable towards sale of property	6,298.05	6,298.05	6,298.05	6,298.05
Total financial assets	7,483.28	7,483.28	7,563.09	7,563.09
Financial Liabilities				
Borrowings	-	-	-	-
Trade payables	8.40	8.40	120.22	120.22
Payable towards purchase of Investments	-	-	-	-
Other financial liability	133.83	133.83	134.79	134.79
Total financial liabilities	142.22	142.22	255.01	255.01

The carrying amounts of trade receivables, receivables for sale of property, trade payables, cash and cash equivalents and other current financial liabilities are considered to be the same as their fair values, due to their short-term nature.

For financial assets and liabilities that are measured at fair value, the carrying amounts are equal to the fair values.

TVS MOTOR SERVICES LIMITED

Notes to Balance Sheet and Statement of Profit and Loss

(All amounts in Lakhs, unless otherwise stated)

25 Financial risk management

The company's activities expose it to liquidity risk and credit risk.

(A) Credit risk

Credit risk arises from cash and cash equivalents, and receivables for sale of property

(i) Credit risk management

Credit risk is on cash and cash equivalents are managed by depositing in high rated banks/institutions are accepted and company faces negligible credit risk on receivable from sale of property

(B) Liquidity risk

Company is managing liquidity risk by issue of Preference Shares

(i) Maturities of financial liabilities

The tables below analyse The Company's financial liabilities into relevant maturity groupings based on their contractual maturities for:

a) all non-derivative financial liabilities, and

b) net and gross settled derivative financial instruments for which the contractual maturities are essential for an understanding of the timing of the cash flows.

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

Contractual maturities of financial liabilities:

31 March 2026	Less than 3 months	Between 3 Months and 1 year	Between 1 and 2 years	Greater than 2 years	Total
Non-derivatives					
Convertible Preference Shares	-	-	-	5,000.00	5,000.00
Payable towards purchase of Investments	-	-	-	-	-
Trade payables	-	8.40	-	-	8.40
Other financial liabilities	-	-	133.83	-	133.83
Total non-derivative liabilities	-	8.40	133.83	5,000.00	5,142.22

31 March 2025	Less than 3 months	Between 3 Months and 1 year	Between 1 and 2 years	Greater than 2 years	Total
Non-derivatives					
Convertible Preference Shares	-	5,000.00	-	-	5,000.00
Payable towards purchase of Investments	-	-	-	-	-
Trade payables	-	0.73	1.37	118.13	120.22
Other financial liabilities	-	134.79	-	-	134.79
Total non-derivative liabilities	-	5,135.51	1.37	118.13	5,255.01

This section explains the judgements and estimates made in determining the fair values of the financial instruments that are (a) recognised and measured at fair value and (b) measured at amortised cost and for which fair values are disclosed in the financial statements. To provide an indication about the reliability of the inputs used in determining fair value, the group has classified its financial instruments into the three levels prescribed under the accounting standard. An explanation of each level follows underneath the table.

TVS MOTOR SERVICES LIMITED

Notes to Balance Sheet and Statement of Profit and Loss

(All amounts in Lakhs, unless otherwise stated)

26 Capital management

Risk management

The company's objectives when managing capital are to

- safeguard their ability to continue as a going concern, so that they can continue to provide returns for shareholders and benefits for other stakeholders, and
- maintain an optimal capital structure to reduce the cost of capital.

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.

Consistent with others in the industry, The company monitors capital on the basis of the following gearing ratio:

Net debt (total borrowings net of cash and cash equivalents)

divided by

Total 'equity' (as shown in the balance sheet).

The company's strategy is to maintain a optimal gearing ratio. The gearing ratios were as follows:

	March 31, 2026	March 31, 2025
Net debt	3,647.38	4,254.45
Total equity	20,061.74	17,790.01
Net debt to equity ratio	0.18	0.24

27 Segment information

Description of segments and principal activities

The Company has identified its board of directors as chief operating decision maker (CODM). They review the entire operations of the entity as one. Hence, the Company has only one operating segment which are all as reflected in the financial statements as at and for the year ended March 31, 2026.

28 Contingent Liabilities not provided for

This section explains the judgements and estimates made in determining the fair values of the financial instruments that are (a) recognised and measured at fair value and (b) measured at amortised cost and for which fair values are disclosed in the financial statements. To provide an indication about the reliability of the inputs used in determining fair value, the group has classified its financial instruments into the three levels prescribed under the accounting standard. An explanation of each level follows underneath the table.	March 31, 2026	March 31, 2025
Disputed Income Tax Demand (of this 70.11 lakhs has been paid for stay of demand) for the FY 17-18	397.27	397.27
Disputed Income Tax Demand (of this 0.01 lakhs has been paid for stay of demand) for the FY 16-17	0.09	0.09

29 Related party transactions

(a) Holding Entity

Name of Entity

TVS Motor Company Limited (Effective 7th Sep'17), Chennai

(b) Ultimate Holding Entity

TVS Holdings Limited

(c) Fellow Subsidiaries involving transactions

Name of Entity

TVS Credit Services Limited, Chennai

(d) Key management personnel compensation

(e) Transactions with related parties

The following transactions occurred with related parties:

	March 31, 2026	March 31, 2025
TVS Motor company		
Interest payable towards purchase of Investment	-	-
Preference shares Investment	-	-
TVS Credit Services Ltd		
Payment toward purchase of investments	-	-

(f) Outstanding balances arising from sales/purchases of goods and services

This section explains the judgements and estimates made in determining the fair values of the financial instruments that are (a) recognised and measured at fair value and (b) measured at amortised cost and for which fair values are disclosed in the financial statements. To provide an indication about the reliability of the inputs used in determining fair value, the group has classified its financial instruments into the three levels prescribed under the accounting standard. An explanation of each level follows underneath the table.

	March 31, 2026	March 31, 2025
Receivables:		
TVS Motor Company Limited	-	-

TVS MOTOR SERVICES LIMITED

Notes to financial statements

(All amounts in Lakhs, unless otherwise stated)

30 Additional Note

(A) Trade Receivables

Outstanding for following periods from due date of payment as on 31-Mar-2026						
Particulars	Less than 6 months	6 months -1 year	1-2 years	2-3 years	More than 3 years	Total
(i) Undisputed Trade receivables – considered good	-	-	-	-	743.45	743.45
(ii) Undisputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-
(iii) Undisputed Trade Receivables – credit impaired	-	-	-	-	-	-
(iv) Disputed Trade Receivables–considered good	-	-	-	-	-	-
(v) Disputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-
(vi) Disputed Trade Receivables – credit impaired	-	-	-	-	-	-

Outstanding for following periods from due date of payment as on 31-Mar-2025						
Particulars	Less than 6 months	6 months -1 year	1-2 years	2-3 years	More than 3 years	Total
(i) Undisputed Trade receivables – considered good	-	-	-	-	743.45	743.45
(ii) Undisputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-
(iii) Undisputed Trade Receivables – credit impaired	-	-	-	-	-	-
(iv) Disputed Trade Receivables–considered good	-	-	-	-	-	-
(v) Disputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-
(vi) Disputed Trade Receivables – credit impaired	-	-	-	-	-	-

(B) Tax Payable

Outstanding for following periods from due date of payment as on 31-Mar-2026					
Particulars	6 months -1 year	1-2 years	2-3 years	More than 3 years	Total
(i) MSME	-	-	-	-	-
(ii) Others	8.40	-	-	-	8.40
(iii) Disputed dues – MSME	-	-	-	-	-
(iv) Disputed dues – Others	-	-	-	-	-

Outstanding for following periods from due date of payment as on 31-Mar-2025					
Particulars	6 months -1 year	1-2 years	2-3 years	More than 3 years	Total
(i) MSME	-	-	-	-	-
(ii) Others	0.73	1.37	-	118.13	120.22
(iii) Disputed dues – MSME	-	-	-	-	-
(iv) Disputed dues – Others	-	-	-	-	-

(C) CAPITAL WIP & INTANGIBLE ASSETS UNDER DEVELOPMENT

A. Particulars to be given in respect of Projects in progress and Projects temporarily suspended

Amount in CWIP for following periods as on 31-Mar-2026					
Particulars	<1 Yr.	1-2 years	2-3 years	More than 3 years	Total
Projects in progress					-
Projects temporarily suspended				202.01	202.01

TVS MOTOR SERVICES LIMITED

Notes to financial statements

(All amounts in Lakhs, unless otherwise stated)

Amount in CWIP for following periods as on 31-Mar-2025					
Particulars	<1 Yr.	1-2 years	2-3 years	More than 3 years	Total
Projects in progress					
Projects temporarily suspended				202.01	202.01

B. Particulars to be given in respect of Projects whose completion is overdue or has exceeded its cost compared to its original plan,

Amount in CWIP for following periods as on 31-Mar-2026					
Particulars	<1 Yr.	1-2 years	2-3 years	More than 3 years	Total
Projects 1					
Projects 2	Level 1: Level 1 hierarchy includes financial instruments measured using quoted prices. This includes listed equity instruments, traded bonds and mutual funds that have quoted price. The fair value of all equity instruments (including bonds) which are traded in the stock exchanges is valued using the closing price as at the reporting period. The mutual funds are valued using the closing NAV.				

Amount in CWIP for following periods as on 31-Mar-2026					
Particulars	<1 Yr.	1-2 years	2-3 years	More than 3 years	Total
Projects 1					
Projects 2	Level 2: The fair value of financial instruments that are not traded in an active market (for example, traded bonds, over-the-counter derivatives) is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.				

- The ageing for an item of CWIP shall be determined from the date of its initial recognition to the date of balance sheet. Accordingly, it may so happen that for a single asset/project recognized as a CWIP, the ageing for the total amount of CWIP shall fall into different ageing buckets as at a particular balance sheet date.
- When temporary suspension is a necessary part of the process of getting an asset ready for its intended use, the project should not be considered to have been temporarily suspended and the CWIP related to such projects should continue to be presented under 'Projects in progress'
- The classification of assets/projects into 'projects in progress' and 'projects temporarily suspended' needs to be evaluated at each reporting date. Any change in status during the reporting period or any time after end of the reporting period will not change the classification of assets/projects for above disclosure purposes. For e.g., if a project was temporarily suspended for most of the time during the reporting period but development of the asset resumes before the end of the reporting period, then the ageing of its related CWIP amounts will be presented under 'Projects in progress.'
- In respect of assets/projects forming part of CWIP and which have become overdue compared to their original plans or where cost is exceeded compared to original plans, disclosure is required to be given for expected completion timelines in defined ageing brackets. Any variation between an asset's/project's actual completion timeline or it's actual cost and the respective estimate is required to be evaluated from the original plan (i.e. original completion timelines and original estimated costs).
- Disclosure is required only in those cases where the actual cost of an asset/project has already exceeded the estimated cost as per original plan or actual timelines for completion of an asset/project have exceeded the estimated timelines as per original plan. Such assessment needs to be done at each reporting date

D. DISCLOSURE OF SHAREHOLDING OF PROMOTERS

Date: 12.05.2026			
PROMOTER NAME	No. of Shares	%of total shares	% Change during the year
TVS Motor Company Limited	14,96,33,814	100%	0%

Shares held by promoters at the end of the year 31st Mar 2025			
PROMOTER NAME	No. of Shares	%of total shares	% Change during the year
TVS Motor Company Limited	14,96,33,814	100%	0%

Therefore there is no change of promoter's holding in current year

TVS MOTOR SERVICES LIMITED

Notes to financial statements

(All amounts in Lakhs, unless otherwise stated)

30 Additional Note

E. Disclosure of Ratios

Ratio	Description of numerator	Description of denominator	Ratio 31.03.2026	Ratio 31.03.2025	Variance	Reasons for variance
(a) Current ratio	Current Assets	Current Liabilities	6.87	6.04	13.82%	
(b) Debt-equity ratio	Borrowings net of cash and cash equivalents	Shareholders' fund	0.18	0.24	-23.98%	
(c) Debt service coverage ratio	Profit after Tax + Non Cash Expense + Interest on borrowings + Loss on sale of fixed assets	Interest on term loans + Principal of term loans	0.00%	0.00%	0.00%	
(d) Return on equity ratio	Profit after tax	Equity share capital	-0.01	-0.02	-32.78%	On account of Non operating Income in the P/L
(e) Inventory turnover ratio	Cost of goods sold	Average Inventory	NA	NA	NA	
(f) Trade receivables turnover ratio	Net Credit Sales	Average accounts receivable	NA	NA	NA	
(g) Trade payables turnover ratio	Net Credit Purchase	Average accounts payable	NA	NA	NA	
(h) Net capital turnover ratio	Revenue from Operations	Working Capital	NA	NA	NA	
(i) Net profit ratio	Profit after tax	Revenue from operations	NA	NA	NA	
(j) Return on capital employed	EBIT	Shareholders' fund+ Long term borrowings	0.49%	0.00%	-41839.21%	On account of Non operating Income in the P/L
(k) Return on investment	Profit after tax	Average Investment	-2.18%	-0.52%	-321.81%	On account of Non operating Income in the P/L

31 Additional regulatory information not disclosed elsewhere in the standalone financial statements

- There are no properties / assets which are not held or registered in the name of the Company (benami property). No proceedings have been initiated on or are pending against the Company for holding benami property under the Benami Transactions (Prohibition) Act, 1988 (as amended in 2016) and rules made thereunder.
- Transactions and balances with companies which have been removed from register of Companies [struck off companies under section 248 of the Companies Act, 2013 or section 560 of the Companies Act, 1956.] as at the above reporting periods is Nil.
- The Company has not traded / invested in Crypto currency or Virtual Currency during the year.
- The Company does not have any charges or satisfaction which is yet to be registered with Registrar of Companies beyond the statutory period.
- The Company has not advanced or loaned or invested funds to any other person(s) or entity(is), including foreign entities (Intermediaries) with the understanding that the Intermediary shall:
 - Directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company (Ultimate Beneficiaries) or
 - provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries
- The Company has not received any fund from any person(s) or entity(is), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Company shall
 - directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or
 - provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries,
- The Company has no 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).
- The Company has not granted any loans or advances in the nature of loans to promoters, directors, KMPs and the related parties (as defined under Companies Act, 2013), either severally or jointly with any other person.
- The Company has not been declared wilful defaulter by any bank or financial institution or other lender or government or any government authority.

As per our report of event date
For Raghavan, Chaudhuri & Narayanan
Chartered Accountants
ICAI Regn No. FRN 007761S

For and on behalf of the Board

K N Radhakrishnan
Director
02599393

S Sridhar
Chief Financial Officer

VR Karuanakara Reddy
Chief Executive Officer

Place: Chennai
Date: 12-05-2026
UDIN: 26027716CMTEJG7023

V. Sathyanarayanan
Partner
Membership No. 027716

G. Parthasarathy
Director
07169831

KS Srinivasan
Company Secretary

Directors' Report to the Shareholders

The directors are pleased to present the Fifth annual report and the audited financial statements for the year ended 31st March 2026.

Financial Highlights

The Company is yet to commence its operations.

Share Capital

During the year under review, there has been no change in the authorized share capital of the Company.

The authorized and paid-up share capital as on 31st March 2026 is Rs. 1,00,00,000 /-

Preparation of financial statements under Indian Accounting Standards

Pursuant to the notification issued by the Ministry of Corporate Affairs dated 16th February, 2015 relating to the Companies (Indian Accounting Standard) Rules, 2015, TVS Motor Company Limited (TVSM), the holding company, is required to adopt Indian Accounting Standards ("IND AS") from financial year 2016-17.

In terms of Rule 4(1)(ii) of the aforesaid rules, the holding, subsidiary, joint venture and associate companies are required to comply with Ind AS from financial year 2016-17 onwards. Accordingly, the financial statements of the Company for the period ended 31st March 2026 have been prepared in compliance with the said rules.

Dividend

The Directors of the Company do not recommend any dividend for the period ended 31st March 2026.

Transfer to Reserves in terms of Section 134 (3) (j) of the Companies Act, 2013

The Company has not transferred any amount to the reserves during the Financial Year ended 31st March, 2026.

Transfer of Unclaimed Dividend to Investor Education and Protection Fund

There was no unclaimed/unpaid dividend, application money, debenture interest and interest on deposits as well as the principal amount of debentures and deposits, remaining unclaimed/ unpaid in relation to the Company hence the Company is not required to transfer any amount to Investor Education and Protection Fund (IEPF).

Change in nature of business

During the period under review, the Company has not changed its line of business in such a way that amounts to commencement of any new business or discontinuance, sale or disposal of any of its existing businesses or hiving off any segment or division.

Details of Subsidiaries, Joint Ventures and Associates

During the year under review, the Company does not have any Subsidiary, Joint Venture or an Associate Company.

Annual Return

The provisions of section 134 (3) (a) of the Companies Act 2013 prescribes the Company to mention the web address, if any, where the Annual Return referred to in sub section (3) of Section 92 of the Act has been placed. Since the Company does not have a website the provisions of section 134 (3) (a) are not applicable to the Company.

Internal control systems

The Company has adequate internal control systems to ensure operational efficiency, accuracy and promptness in financial report and compliance of various laws and regulations. The internal control system is supported by the internal audit (IA) process. The IA department evaluates the efficacy and adequacy of Internal control system, its compliance with operating systems and policies of the Company and accounting procedures at all locations of the Company.

The Company has well-documented Standard Operating Procedures (SOPs), policies and procedures for various processes which are periodically reviewed.

Internal Auditor

The Company is not required to appoint Internal Auditor as it does not fall within purview of section 138(1) of Companies Act, 2013 and Rule 13 of Companies (Accounts) Rules, 2014 and it is not applicable to your Company.

Risk Management

The Company has in place a mechanism to identify, assess, monitor and mitigate various risks to key business objectives. Major risks identified would be systematically addressed through mitigating actions on a continuous basis.

As a process, the risks associated with the business are identified and prioritized based on Severity, Likelihood and Effectiveness of current detection. Such risks are reviewed by the senior management on a quarterly basis. Process owners are identified for each risk and matrix are developed for monitoring and reviewing the risk mitigation.

Directors' responsibility statement

Pursuant to the requirement of of Section 134(3)(c) read with 134(5) of the Companies Act, 2013 with respect to Director's Responsibility Statement, it is hereby stated that:

- i. in the preparation of the annual accounts for the year ended 31st March 2026, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- ii. the directors had selected such accounting policies and applied them consistently and made judgments and estimates that were reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the loss of the Company for that period;
- iii. the directors had taken proper and sufficient care for maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- iv. the directors had prepared the accounts for the financial year ended 31st March 2026 on a going concern basis;
- v. that the Directors, had laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and are operating effectively; and
- vi. the directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

Board of Directors

During the year under review, there were no change in the Board.

As on 31st March 2026, Mr Venu Srinivasan, Mr Sudarshan Venu and Prof. Sir Ralf Dieter Speth are Directors of the Company.

Directors liable to retire by rotation

In terms of the Articles of Association of the Company and the applicable provisions of the Act 2013, Prof. Sir Ralf Dieter Speth, Director has been the longest in office, is liable to retire by rotation at the ensuing Annual General Meeting and being eligible offers himself for re-appointment.

Board Evaluation

The provision of section 134(3)(p) relating to board evaluation is not applicable to the Company.

Board Meetings

During the period under review, the Board met 4 times on 28th April 2025, 31st July 2025, 28th October 2025 and 28th January 2026. The gap between two meetings did not exceed one hundred and twenty days.

Number of general meetings held

There were no Extra – Ordinary General Meeting of the Company held during the year under the review.

The Annual General Meeting of the Company was held on 26th September 2025 during the FY 2025-26.

Policy on director's appointment and remuneration under section 178 (3):

The Company being a private Company is not required to constitute Nomination and Remuneration Committee under the provisions of the Companies Act, 2013.

The requirement to formulate a policy under Section 178(3) of the Companies Act, 2013 is not applicable to the Company.

Statutory Auditors

In terms of Section 139 of the Act, 2013, read with Rule 6 of the Companies (Audit and Auditors) Rules, 2014, M/s V. Sankar Aiyar & Co., Chartered Accountants, having Firm Registration No. 109208W allotted by The Institute of Chartered Accountants of India, have been appointed as statutory auditors of the Company for five years till the conclusion of the Sixth Annual General Meeting of the Company at such remuneration in addition to reimbursement of all applicable taxes, out-of-pocket, travelling and other expenses, etc., as may be decided between the Board of Directors of the Company.

The Statutory Auditors will continue to hold office for the fifth year in the first term of five consecutive years, from the conclusion of this Annual General Meeting.

The Auditors' Report for the financial year 2025-26 does not contain any qualification, reservation or adverse remark and the same is attached as part of the annual financial statements.

Reporting of fraud

The Auditors of the Company have not reported any fraud as specified under Section 143(12) of the Act 2013.

Credit Rating of Securities

The Company has not obtained any credit rating of its securities.

Disclosures

During the year, there were no transaction requiring disclosure or reporting in respect of matters relating to:

- (a) details relating to holding, subsidiary and associate Company;
- (b) details relating to deposits covered under Chapter V of the Act;
- (c) issue of equity shares with differential rights as to dividend, voting or otherwise;
- (d) issue of shares (including sweat equity shares) to employees of the Company under any scheme;
- (e) raising of funds through preferential allotment or qualified institutions placement;
- (f) significant or material order passed by the Regulators or Courts or Tribunals which impact the going concern status and Company's operations in future;
- (g) pendency of any proceeding under the Insolvency and Bankruptcy Code, 2016 and instance of one-time settlement with any bank or financial institution.

Corporate Social Responsibility (CSR)

During the year under review, the provisions of Section 135 of the Act, 2013, and the rules made thereunder concerning Corporate Social Responsibility (CSR) are not applicable to the Company as the Company does not meet the criteria laid out in the said section, i.e., net worth, turnover, or net profit thresholds specified under Section 135(1) of the Companies Act, 2013. Hence, the Company is not required to constitute a CSR Committee or undertake any CSR activities as per the said provisions.

Vigil Mechanism

Company is not required to establish vigil mechanism in terms section 177 of the Act, 2013 read with Rule 7 of Companies (Meetings of Board and its Powers) Rules, 2014.

Secretarial Audit Report

During the year under review, the provisions of Section 204 of the Act, 2013, and the rules made thereunder concerning Secretarial Audit is not applicable to the Company. The Company does not meet the criteria laid out in the said section, i.e., paid up capital or turnover or borrowings thresholds specified under Rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

Material changes and commitments

There have been no material changes and commitments affecting the financial position of the Company, which have occurred between the end of the financial year of the Company to which the financial statements relate and the date of the report.

Employee's remuneration:

There are no employees on the rolls of the Company, hence there is no disclosure under Section 197(12) of the Act 2013 read with Rule 5(1) and 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

Details of loans / guarantees / investments made:

As regards the furnishing the details of loans, guarantees and investments made by the Company as per Section 186 of the Act 2013 for the financial year 2025-26, the Company has not extended any guarantee or has given loans to other companies or made any investment during the year under review.

Secretarial Standards

The Company has complied with the applicable Secretarial Standards as amended from time to time.

Information on conservation of energy, technology absorption, foreign exchange earnings and outgo etc.,

The information do not apply to the Company, as the Company has not yet commenced its operations.

During the period under review, there were no foreign exchange earnings or expenditure in the Company.

Related Party Transactions

During the year under review, there were no related party transactions.

Maintenance of cost records

As the Company is yet to commence its operations, it does not require to maintain any cost records pursuant to Section 148(1) of the Companies Act, 2013.

Constitution of Committee:

The Company was not required to constitute an Internal Complaints Committee as required under The Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 since there are no employees in the Company.

The details of complaints for the year under review, are given below:

number of complaints of sexual harassment received in the year – NIL

number of complaints disposed off during the year – NIL

number of cases pending for more than ninety days - NIL

Disclosure in terms of the Maternity Benefit Act, 1961:

There are currently no employees in the Company. Accordingly, compliance to the provisions relating to the Maternity Benefit Act, 1961 is not applicable

Acknowledgement

The directors gratefully acknowledge the continued support and co-operation received from the holding Company, namely, TVS Motor Company Limited, auditors and bankers for their continued support and assistance.

For and on behalf of the Board

	K N RADHAKRISHNAN	G PARTHASARATHY
Place : Bengaluru	Director	Director
Date : 10 th June 2026	DIN: 02599393	DIN: 01769831

INDEPENDENT AUDITOR'S REPORT FOR THE YEAR ENDED 31ST MARCH 2026

To the Members of TVS Electric Mobility Limited

Report on the Audit of the financial statements

Opinion

We have audited the financial statements of TVS Electric Mobility Limited ("the Company"), which comprise the Balance sheet as at 31st March 2026, the Statement of Profit and Loss (including Other Comprehensive Income), Statement of changes in Equity and Statement of Cash Flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013("Act") in the manner so required and give a true and fair view in conformity with Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2026, and Loss, Other total Comprehensive Income, Changes in Equity and Cash Flows for the year ended on that date.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act. Our responsibilities under those SAs are further described in the Auditor's Responsibilities for the Audit of the 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 together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Information Other than the financial statements and Auditor's Report thereon

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Management and Discussion Analysis, Board's Report including Annexures to Board's Report, Business Responsibility Report, Corporate Governance and Shareholder's Information but does not include the financial statements and our auditor's report thereon.

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

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

Responsibilities of Management and Those Charged with Governance for the financial statements.

The Company's Board of Directors are responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance, total comprehensive income, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of 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 financial statements that give a true and

fair view and are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the 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 intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

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

Auditor's Responsibilities for the Audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the 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 financial statements.

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

- Identify and assess the risks of material misstatement of the 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 override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of 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 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 financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the Annexure A statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

2. As required by Section 143(3) of the Act, we report that:

- (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
- (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books and proper returns adequate for the purposes of our audit of the branches have been received from the branches not visited by us.
- (c) The Balance Sheet, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flows dealt with by this Report are in agreement with the books of accounts and with the returns received from the branches not visited by us.
- (d) In our opinion, the aforesaid financial statements comply with the Ind AS specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- (e) On the basis of the written representations received from the directors as on 31st March 2026 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March 2026 from being appointed as a director in terms of Section 164(2) of the Act.
- (f) With respect to the adequacy of the internal financial controls with reference to financial statement of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".
- (g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors), 2014 as amended, in our opinion and to the best of our information and according to the explanations given to us:
 - a. The Company does not have any pending litigations which would impact its financial position.
 - b. The Company did not have any long-term contracts including derivative contracts.
 - c. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
 - d. i Management has represented that, to the best of its knowledge and belief, other than as disclosed in the notes to the accounts (refer note no.15 (viii)), no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in

any manner whatsoever by or on behalf of the company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

- ii Management has represented that, to the best of its knowledge and belief, other than as disclosed in the notes to the accounts (refer note no.15(ix)), no funds have been received by the company from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the company shall, whether, 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, and
- iii Based on the audit procedures adopted by us, nothing has come to our notice that has caused us to believe that the representations made by the management under sub clause (i) and (ii) above, contain any material misstatement.
- e. No dividend has been declared or paid during the year by the Company.
- f. Based on our examination which included test checks, the company has used an accounting software 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. Further, during the course of our audit we did not come across any instance of audit trail feature being tampered with. The audit trail has been preserved by the company as per the statutory requirements for record retention.

With respect to the matter to be included in the Auditors' Report under Section 197(16) of the Act.

In our opinion and according to the information and explanations given to us, the Company has not paid remuneration to its directors during the current year and hence, applicability of the provisions of Sec 197 of the Act does not arise. The Ministry of Corporate Affairs has not prescribed other details under Sec 197(6) which are required to be commented upon by us.

For V. SANKAR AIYAR & CO.,
Chartered Accountants
ICAI Regd. No.109208W

UDIN 26224922NKTUTC5881

Place : Chennai
Date : 07th May 2026

S.VENKATARAMAN
Partner
Membership No. 224922

Annexure A to Independent Auditor's Report - 31 March 2026

(Referred to in our report of even date)

The Company was incorporated on 13th December 2021 and has not commenced its operation as on 31 March 2026. Further, During the year, the Company

- has not acquired Property, Plant and Equipment, intangible assets and inventory.
- has not made any investments, given any loans, advances in the nature of loan, guarantee and security.
- has not received any loans and deposits.
- has not raised any money during the year by way of initial public offer or further public offer (including debt instruments).
- has not made any preferential allotment or private placement of shares or fully or partially or optionally convertible debentures.

Therefore, the clauses 3 - (i), (ii), (iii), (iv), (v), (vi), (viii), (ix), (x), (xi), (xiv), (xvi), (xix), (xx) and (xxi) of the Order, are not applicable. Hence, reporting requirements under these clauses do not arise. Other clauses are reported hereunder.

- (vii) According to the information and explanations given to us and based on the records of the Company examined by us, in our opinion, the Company is yet to commence its operations and hence statutory dues namely Employees' Provident Fund, Employees' State Insurance, Income Tax, Goods and Services Tax, Customs duty and Cess and other material statutory dues have not been recovered or liability created as at year end, in the books of accounts. Hence, requirement to report under clauses 3 (vii) (a) and (b) of the order is not applicable to the Company.
- (xii) The Company is not a Nidhi Company and hence reporting under clause 3 (xii) of the order is not applicable.
- (xiii) In our opinion and according to the information and explanations given to us, based on verification of the records and approvals of the Audit Committee, the Company is in compliance with Section 177 and Section 188 of the Act, where applicable, for all transactions with the related parties and the details of related party transactions have been disclosed in the financial statements as required by the applicable accounting standards.

(xv) In our opinion and according to the information and explanations given to us, during the year the Company has not entered into any non-cash transactions with its directors or persons connected with him and hence provisions of section 192 of the Act are not applicable.

(xvii) According to the information and explanations given to us and on an overall examination of the financial statements of the Company, we report that the Company has incurred cash losses in the current year and in the immediately preceding financial year respectively as below.

Financial year	Cash Loss (in Rs)
2025 – 2026	10,000.00
2024 – 2025	10,000.00

(xviii) There has been no resignation of the statutory auditor during the year and accordingly requirement to report on Clause 3(xviii) of the Order is not applicable to the Company.

For V. SANKAR AIYAR & CO.,
Chartered Accountants
ICAI Regd. No.109208W

UDIN 26224922NKTUTC5881

Place : Chennai
Date : 07th May 2026

S.VENKATARAMAN
Partner
Membership No. 224922

Annexure “B” to Independent Auditors' Report 31st March 2026

(Referred to in our report of even date)

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 (“the Act”)

1. We have audited the internal financial controls with reference to financial statements of TVS Electric Mobility Limited (“the Company”) as of March 31, 2026, in conjunction with our audit of the Ind AS financial statements of the Company for the year ended on that date.

Managements Responsibility for Internal Financial Controls

2. The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India (ICAI). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditor's Responsibility

3. Our responsibility is to express an opinion on the Company's internal financial controls with reference to financial statements based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the “Guidance Note”) and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls with reference to financial statements, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls reference to financial statements was established and maintained and if such controls operated effectively in all material respects.
4. Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements included obtaining an understanding of internal financial controls with reference to financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.
5. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls with reference to financial statement.

Meaning of Internal Financial Controls with reference to Financial Statements

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

Inherent Limitations of Internal Financial Controls with reference to Financial Statements

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

Opinion

8. In our opinion, the Company has, in all material respects, an adequate internal financial Control with reference to financial Statements and such internal financial controls over financial reporting were operating effectively as at March 31, 2026, based on the internal control with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Control over Financial Reporting issued by the Institute of Chartered Accountants of India.

For V. SANKAR AIYAR & CO.,
Chartered Accountants
ICAI Regd. No.109208W

UDIN 26224922NKTUTC5881

Place : Chennai
Date : 07th May 2026

S.VENKATARAMAN
Partner
Membership No. 224922

TVS ELECTRIC MOBILITY LIMITED

Balance Sheet as at 31st March 2026

(in Rs.)

Particulars	Note No	As at 31 st March 2026	As at 31 st March 2025
ASSETS			
Current Assets			
Financial Assets			
Cash and Cash Equivalents	2	1,00,00,000	100,00,000
TOTAL ASSETS		1,00,00,000	1,00,00,000
EQUITY AND LIABILITIES			
Equity			
Equity Share Capital	3	1,00,00,000	1,00,00,000
Other Equity	4	(50,000)	(40,000)
TOTAL EQUITY		99,50,000	99,60,000
LIABILITIES			
Current Liabilities			
Financial Liabilities			
Trade Payables			
a. Total outstanding dues of micro and small enterprises		-	-
b. Total outstanding dues of other than (a) above	5	50,000	40,000
TOTAL LIABILITIES		50,000	40,000
TOTAL EQUITY AND LIABILITIES		1,00,00,000	1,00,00,000
Significant Accounting Policies forming part of financial statements	1		
See the accompanying notes to the financial statements			

As per our report even date
For V.Sankar Aiyar & Co
Chartered Accountants
Firm Regn No.: 109208W

S.VENKATARAMAN
Partner
Membership No.: 023116

Chennai
Dated: 07th May, 2026

For and on behalf of the Board of Directors

venu srinivasan
Director
DIN:00051523

SUDARSHAN VENU
Director
DIN: 03601690

TVS ELECTRIC MOBILITY LIMITED

Statement of Profit and Loss for the period ended 31st March 2026

(In Rs.)

Particulars	Note No	For the period 1 st April 2026	For the period 1 st April 2025
REVENUE			
Revenue from operations		-	-
TOTAL INCOME		-	-
EXPENSES			
Other expenses	6	10,000	10,000
TOTAL EXPENSE		10,000	10,000
Loss before tax		(10,000)	(10,000)
Tax expense		-	-
Loss after tax for the year		(10,000)	(10,000)
Other Comprehensive Income		-	-
Total Comprehensive Income		(10,000)	(10,000)
Earning per equity share:			
Basic & Diluted earnings per share	7	(0.00)	(0.00)
Significant Accounting Policies forming part of financial statements	1		
See the accompanying notes to the financial statements			

As per our report even date
For V.Sankar Aiyar & Co
Chartered Accountants
Firm Regn No.: 109208W

S.VENKATARAMAN
Partner
Membership No.: 023116

Chennai
Dated: 07th May, 2026

For and on behalf of the Board of Directors

venu srinivasan
Director
DIN:00051523

SUDARSHAN VENU
Director
DIN: 03601690

TVS ELECTRIC MOBILITY LIMITED

Cash Flow Statement for the year ended 31st March 2026

(In Rs.)

Particulars	As at 31 st March 2026	As at 31 st March 2025
A. Cash Flow from Operating Activities		
Loss Before Tax	(10,000)	(10,000)
B. Operating loss before Working Capital Changes	(10,000)	(10,000)
C. Adjustments for changes in Working Capital		
Trade payables	10,000	10,000
D. Net Cash from Operating Activities	-	-
E. Net Cash from Investing Activities	-	-
F. Net Cash Flow from Financing Activities		
Proceeds from Issue of Equity Shares	-	-
Net Cash from Financing Activities	-	-
G. Net change in Cash and Cash Equivalents (D+E+F)	-	-
H. Cash and Cash Equivalents as at End	1,00,00,000	1,00,00,000
I. Less: Cash and Cash Equivalents as at Beginning	1,00,00,000	1,00,00,000
NET CHANGE IN CASH & CASH EQUIVALENTS (H-I)	-	-
Note: The above statement of cash flow is prepared using indirect method		

As per our report even date
For V.Sankar Aiyar & Co
Chartered Accountants
Firm Regn No.: 109208W

S.VENKATARAMAN
Partner
Membership No.: 023116

Chennai
Dated: 07th May, 2026

For and on behalf of the Board of Directors

venu srinivasan
Director
DIN:00051523

SUDARSHAN VENU
Director
DIN: 03601690

TVS ELECTRIC MOBILITY LIMITED

Statement of Changes in Equity

(in Rs.)

A Equity Share Capital

Particulars	Rs.
As at 31-03-2024	1,00,00,000
Changes in equity share capital due to prior period errors	-
	1,00,00,000
Change in equity share capital during the year	-
As at 31-03-2025	1,00,00,000
Changes in equity share capital due to prior period errors	-
	1,00,00,000
Change in equity share capital during the year	-
As at 31-03-2026	1,00,00,000

B Other equity

Particulars	Retained earnings	Other reserves	Total
Balance as at 01-04-2024	(30,000)	-	(30,000)
Add : Profit for the year 2024-25	(10,000)	-	(10,000)
Add : Other comprehensive income for the year 2024-25	-	-	-
Balance as at 31-03-2024	(40,000)	-	(40,000)
Add : Profit for the year 2025-26	(10,000)	-	(10,000)
Add : Other comprehensive income for the year 2024-25	-	-	-
Balance as at 31-03-2025	(50,000)	-	(50,000)

As per our report even date
For V.Sankar Aiyar & Co
Chartered Accountants
Firm Regn No.: 109208W

S.VENKATARAMAN
Partner
Membership No.: 023116

Chennai
Dated: 07th May, 2026

For and on behalf of the Board of Directors

VENU SRINIVASAN
Director
DIN:00051523

SUDARSHAN VENU
Director
DIN: 03601690

1. MATERIAL ACCOUNTING POLICIES

a) Brief description of the Company

TVS Electric Mobility Limited ('the Company') is a public limited company incorporated on 13th December 2021 and domiciled in India. The registered office is located at "Chaitanya", No.12, Khader Nawaz Khan Road, Nungambakkam, Chennai – 600006, Tamil Nadu, India.

These financial statements have been approved for issue by the Board of Directors at its meeting held on 7th May 2026.

b) Basis of preparation

i) Compliance with Ind AS

The financial statements comply in all material aspects with Indian Accounting Standards (Ind AS) notified under Section 133 of the Companies Act, 2013 (the Act) [Companies (Indian Accounting Standards) Rules, 2015] and other relevant provisions of the Act.

ii) Historical Cost Convention

The financial statements have been prepared on a historical cost convention under accrual basis of accounting except for the following:

- certain financial assets and liabilities is measured at fair value;
- defined benefit plans – plan assets measured at fair value;

c) Use of estimates

The preparation of financial statements requires management to make certain estimates and assumptions that affect the amounts reported in the financial statements and notes thereto. The management believes that these estimates and assumptions are reasonable and prudent. However, actual results could differ from these estimates. Any revision to accounting estimates is recognized prospectively in the current and future period.

This note provides an overview of the areas that involved a higher degree of judgment or complexity, and of items which are more likely to be materially adjusted due to estimates and assumptions turning out to be different than those originally assessed. Detailed information about each of these estimates and judgments is included in the relevant notes together with information about the basis of calculation for each affected line item in the financial statements.

d) Revenue recognition

Performance obligation:

The revenue is recognized on fulfillment of performance obligation. Revenue excludes taxes or duties collected on behalf of the government.

The Company recognizes revenue on completion of performance obligations as per the customer specifications as specified in the agreement and when the amount of revenue can be reliably measured, it is probable that future economic benefits will flow to the entity and specific criteria for recognition have been met. The Company bases its estimates on historical results, taking into consideration the type of customer, the type of transaction and the specifics of each arrangement.

Significant judgements:

There are no significant judgements made by the Company in determining the timing of satisfaction of performance obligation. It is determined as per the terms of the contract.

e) Property, Plant and Equipment (PPE)

Property, plant and equipment (including land, building, furniture and fixtures, office equipment, vehicles, etc.) held for use in the production or supply of goods or services, or for administrative purposes.

Property plant and equipment are stated at historic cost less depreciation and impairment, if any. Cost includes purchase price, taxes and duties, labor cost and directly attributable overhead expenditure incurred up to the date the asset is ready for its intended use. However, cost excludes all duties and taxes wherever credit of the same is availed.

Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognized when replaced. All other repairs and maintenance are charged to Profit or Loss during the reporting period in which they are incurred.

Gains or Losses on disposals are determined by comparing proceeds with carrying amount. These are included in the statement of profit and loss within other income/expense.

f) Depreciation and amortization

The company depreciates the carrying amount of the assets over the remaining useful life of the assets as per schedule II of the Companies Act, 2013 under straight line method, except in the case of Computers, Mobile phones, Vehicles, and Plant and Machinery which are charged over 3.33 years, 2 years, 5.56 years and 6.67 years respectively which are different from the useful life given under the said schedule, based on internal technical valuation of useful life being shorter than specified in schedule. Improvement on leased property is depreciated over the primary lease period. Depreciation on PPE added or disposed off during the year is calculated on pro-rata basis with reference to the date of addition/disposal.

g) Intangible assets

Intangible assets are stated at original cost net of tax / duty credits availed, if any, less accumulated amortization and cumulative impairment. Intangible assets are recognized when it is probable that future economic benefits that are attributable to the asset will flow to the enterprise and the cost of the asset can be measured reliably. Intangible assets being Software cost is amortized at 50% per annum on straight line method.

h) Inventories

i) Stock-In-Trade

Land is valued at the lower of cost and net realizable value. Cost includes cost of acquisition and all related costs.

ii) Work-In-Progress

Work in Progress is valued at cost. Cost includes cost of construction and services, employee cost, other overheads related to project under construction and borrowing cost.

i) Employee benefits

(i) Short term obligations:

Liabilities for wages and salaries, including non-monetary benefits that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are recognized in respect of employees' services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled. The liabilities are presented as current employee benefit obligations in the balance sheet.

(ii) Other long-term employee benefit:

The liabilities for earned leave are not expected to be settled wholly within 12 months after the end of the period in which the employees render the related service. They are therefore measured as the present value of the expected future payments to be made in respect of services provided by employee

up to the end of reporting period using the projected unit credit method. The benefits are discounted using the market yields at the end of the reporting period that have terms approximating to the terms of the related obligation. Remeasurements as a result of experience adjustments and changes in actuarial assumptions are recognized in profit or loss.

The obligations are presented as current liabilities in the balance sheet if the entity does not have an unconditional right to defer settlement for at least twelve months after the reporting period, regardless of when the actual settlement is expected to occur.

(iii) Post-employment obligation:

The Company operates the following post-employment schemes:

- a) Defined benefit plans such as gratuity and pension for its eligible employees, and
- b) Defined contribution plans such as provident fund.
- iv) Pension and Gratuity obligation:

The liability or asset recognized in the balance sheet in respect of defined benefit pension and gratuity plan is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets. The defined benefit obligation is calculated annually by Actuaries using the projected unit credit method.

The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows by reference to market yields at the end of the reporting period on the government bonds that have terms approximating to the terms of the related obligation.

The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets. This cost is included in employee benefit expense in the statement of profit and loss.

Remeasurement gains and losses arising from experience adjustments and changes in actuarial assumptions are recognized in the period in which they occur, directly in other comprehensive income. They are included in retained earnings in the statement of changes in equity and in the balance sheet.

Changes in the present value of the defined benefit obligation resulting from plan amendments or curtailments are recognized immediately in profit or loss as past service cost.

v) Provident fund:

The eligible employees of the Company are entitled to receive benefits in respect of provident fund, a defined contribution plan, in which both employees and the Company make monthly contributions at a specified percentage of the covered employees' salary. The provident fund contributions are made to Provident Fund authority. The Company is generally liable for annual contributions and any shortfall in the fund assets based on the Government specified minimum rates of return and recognises such contributions and shortfall, if any, as an expense in the year in which it is incurred.

vi) Bonus plans:

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

j) **Income Tax**

Tax expense comprises of current and deferred taxes.

The income tax expense or credit for the period is the tax payable on the current period's taxable income based on the applicable income tax rate for each jurisdiction adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses.

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period.

Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. However, deferred tax liabilities are not recognized if they arise from the initial recognition of goodwill. Deferred tax is also not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting profit nor taxable profit or loss. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the end of the reporting period and are expected to apply when the related deferred income tax asset is realized or the deferred income tax liability is settled.

Deferred tax assets are recognized only if it is probable that future taxable amounts will be available to utilize those temporary differences and losses.

Deferred tax liabilities and assets are not recognised for temporary differences between the carrying amount and tax bases of investments in foreign operations where the Company is able to control the timing of the reversal of the temporary differences and it is probable that the differences will not reverse in the foreseeable future.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realize the asset and settle the liability simultaneously.

Current and deferred tax is recognized in profit or loss, except to the extent that it relates to items recognized in other comprehensive income or directly in equity.

Where the Company is entitled to claim special tax deductions for investments in qualifying assets or in relation to qualifying expenditure (the Research and Development or other investment allowances), the Company accounts for such allowances as tax credits, which means that the allowance reduce income tax payable and current tax expense. A deferred tax asset is recognised for unclaimed tax credits that are carried forward as deferred tax assets.

k) **Government Grants**

Grants from the government are recognized at their fair value where there is a reasonable assurance that the grant will be received, and the Company will comply with all attached conditions.

Government grants receivable as compensation for expenses or financial support are recognized in profit and loss of the period in which it becomes available.

Government grants relating to the purchase of property, plant and equipment are included in current / non-current liabilities as deferred income and are credited to profit and loss on a straight-line basis over the expected lives of the related assets.

The benefit of a government loan at a below market-rate of interest is treated as government grant and is measured as the difference between proceeds received and fair value of the loan.

l) **Provisions and contingent liabilities**

i) Provision:

A provision is recorded when the Company has a present or constructive obligation as a result of present obligation, it is probable that an outflow of resources will be required to settle the obligation and the amount can be reasonably estimated

Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the end of the reporting period. The discount rate used to determine the present value is a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The increase in the provision due to the passage of time is recognized as interest expenses.

ii) **Contingent liabilities:**

Wherever there is a possible obligation that may, but probably will not require an outflow of resources, the same is disclosed by way of contingent liability. Show cause notices are not considered as Contingent Liabilities unless converted into demand.

m) Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker.

n) Impairment of assets

Assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognized for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or groups of assets (cash-generating units). Non-financial assets other than goodwill that suffered impairment are reviewed for possible reversal of the impairment at the end of each reporting period.

o) Cash and Cash equivalents

For the purpose of presentation in the statement of cash flows, cash and cash equivalents include cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments 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.

p) Trade receivables

Trade receivables are amounts due from customers for goods sold or services performed in the ordinary course of business. Trade receivables are recognized initially at the amount of consideration that is unconditional unless they contain significant financing components, when they are recognized at fair value. The Company holds the trade receivables with the intention to collect the contractual cash flows and therefore measures them subsequently at amortized cost using effective interest method, less loss allowance.

q) Investments and Other financial assets

i) **Classification**

The Company classifies its financial assets in the following categories:

- Those to be measured subsequently at fair value (either through other comprehensive income, or through profit or loss), and
- Those measured at amortized cost.

The classification depends on the entity's business model for managing the financial assets and the contractual terms of the cash flow.

ii) **Measurement**

At Initial recognition, the Company measures a financial asset at its fair value plus (in the case of a financial asset not a fair value through profit or loss) transaction cost that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at fair value through profit or loss are expensed in profit or loss.

Debt Instruments:

Subsequent measurement of debt instruments depends on the Company's business model for managing the asset and the cash flow characteristics of the asset. There are two measurement categories into which the Company classifies its debt instruments.

Amortized Cost:

Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortized cost. A gain or loss on debt investment that is subsequently measured at amortized cost and is not part of a hedging relationship is recognized in profit or loss when the asset is de-recognized or impaired. Interest income from these financial assets is included in finance income using the effective interest rate method.

Fair Value through profit or loss:

Assets that do not meet the criteria for amortized cost or Fair Value through Other Comprehensive Income (FVOCI) are measured at fair value through profit or loss. A gain or loss on a debt investment that is subsequently measured at fair value through profit or loss and is not part of a hedging relationship is recognized in profit or loss and presented in the statement of profit and loss within other gains / (losses) in the period in which it arises. Interest income from these financial assets is included in other income.

iii) **Impairment of financial assets**

The Company assesses on a forward looking basis the expected credit losses associated with its assets carried at amortized cost and FVOCI debt instruments. The impairment methodology applied depends on whether there has been significant increase in credit risk.

For trade receivables, the Company applies the simplified approach permitted by Ind AS 109 Financial Instruments, which requires expected credit losses to be recognized from initial recognition of the receivables.

iv) **Derecognition of financial assets**

A financial asset is derecognized only when:

- a) The Company has transferred the rights to receive cash flows from the financial asset or
- b) The Company retains the contractual rights to receive the cash flows of the financial asset, but assumes a contractual obligation to pay the cash flows to one or more recipients.

Where the entity has transferred an asset, the Company evaluates whether it has transferred substantially all risks and rewards of ownership of the financial asset. In such cases, the financial asset is derecognized. Where the entity has not transferred substantially all risks and rewards of ownership of the financial asset, the financial asset is not derecognized.

Where the entity has neither transferred a financial asset nor retains substantially all risks and rewards of ownership of the financial asset, the financial asset is derecognized, if the Company has not retained control of the financial asset. Where the company retains control of the financial asset, the asset is continued to be recognized to the extent of continuing involvement in the financial asset.

v) **Income recognition**

Interest Income:

Interest income is recognized on time proportion basis, determined by the amount outstanding and the rate applicable.

While calculating the effective interest rate, the Company estimates the expected cash flows by considering all the contractual terms of the financial instrument (for example, prepayment, extension, call and similar options), but does not consider the expected credit losses.

Dividends:

Dividends are recognized in profit or loss only when the right to receive payment is established, it is probable that the economic benefits associated with the dividend will flow to the Company, and the amount of dividend can be reliably measured.

r) Functional Currency

Items included in the financial statements are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The financial statements are presented in Indian rupee (INR), which is functional and presentation currency.

Transactions and balances:

Transactions in foreign currencies are translated into the functional currency using the exchange rates prevailing on the date of transaction.

Exchange differences arising on settlement of transactions are recognized as income or expense in the year in which they arise.

s) Trade and other payables

These amounts represent liabilities for goods and services provided to the Company prior to the end of the financial year which are unpaid. These amounts are usually unsecured and paid within the credit periods. Trade and other payables are presented as current liabilities unless payment is not due within twelve months after reporting period. They are recognized initially at fair value and subsequently measured at amortized cost using effective interest method.

t) Borrowings

Borrowings are initially recognized at fair value, net of transaction cost incurred. Borrowings are subsequently measured at amortized cost. Any difference between the proceeds (net of transaction cost) and the redemption amount is recognized in profit or loss over the period of the borrowings, using the effective interest method. Fees paid on the established loan facilities are recognized as transaction cost of the loan, to the extent that it is probable that some or all the facility will be drawn down.

Borrowings are removed from the balance sheet when the obligation specified in the contract is discharged, cancelled or expired. The difference between the carrying amount of a financial liability that has been extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognized in profit or loss as other gain/(loss).

Borrowings are classified as current liabilities unless the Company has an unconditional right to defer settlement of the liability for at least 12 months after the reporting period.

u) Borrowing Cost

General and specific borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalized during the period of time that is required to complete and prepare the asset for its intended use or sale. Qualifying assets are assets that necessarily take a substantial period of time to get ready for their intended use or sale. Other borrowing costs are expensed in the period in which they are incurred.

v) Leases

As a lessee

Leases are recognised as a right-of-use asset and a corresponding liability at the date at which the leased asset is available for use by the Company. Contracts may contain both lease and non-lease components. The Company allocates the consideration in the contract to the lease and non-lease components based on their relative stand-alone prices. *However, the has*

elected not to separate lease and non-lease components and instead accounts for these as a single lease component.

Payments associated with short-term leases and all leases of low-value assets are recognised on a straight-line basis as an expense in profit or loss. Short-term leases are leases with a lease term of 12 months or less.

w) Current and Non-current classification

The Company presents assets and liabilities in the balance sheet based on current / non-current classification.

Cash or cash equivalent is treated as current, unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period. In respect of other assets, it is treated as current when it is:

- expected to be realized or intended to be sold or consumed in the normal operating cycle
- held primarily for the purpose of trading
- expected to be realised within twelve months after the reporting period

All other assets are classified as non-current.

A liability is treated as current when:

- it is expected to be settled in the normal operating cycle
- it is held primarily for the purpose of trading or
- it is due to be settled within twelve months after the reporting period, or
- there is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

All other liabilities are classified as non-current.

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

Operating Cycle:

The normal operating cycle in respect of operation relating to real estate project depends on signing of agreement, size of the project, phasing of the project, type of development, project complexities, approvals needed & realization of project into cash & cash equivalents and range from 3 to 7 years. Accordingly, assets & liabilities have been classified into current & non-current based on operating cycle.

x) Earnings Per Share

(i) Basic earnings per share:

Basic earnings per share is calculated by dividing:

- the profit attributable to owners of the company
- by the weighted average number of equity shares outstanding during the financial year, adjusted for new equity shares issued during the year (Note No.7)

(ii) Diluted earnings per share

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account:

- The after income tax effect of interest and other financing costs associated with dilutive potential equity shares, and
- The weighted average number of additional equity shares that would have been outstanding assuming the conversion of all dilutive potential equity shares.

TVS ELECTRIC MOBILITY LIMITED

Notes to the Financial Statements - (Continued)

Notes to Balance Sheet

(In Rs.)

	Amount as at 31-Mar-26	Amount as at 31-Mar-25
2 Cash and Cash Equivalents		
Balances with banks	1,00,00,000	1,00,00,000
Total	1,00,00,000	1,00,00,000

3 Equity Share Capital

(a) Authorised, issued, subscribed and fully paid up

Particulars	As at 31-03-2026		As at 31-03-2025	
	Number	Rupees in crores	Number	Rupees in crores
Authorised:				
Equity shares of Re.1/- each	1,00,00,000	1.00	1,00,00,000	1.00
Issued, subscribed and fully paid up:				
Equity shares of Re.1/- each	1,00,00,000	1.00	1,00,00,000	1.00
	1,00,00,000	1.00	1,00,00,000	1.00

(b) Reconciliation of equity shares outstanding at the beginning and at the end of the year

Particulars	As at 31-03-2026		As at 31-03-2025	
	Number	Rupees in crores	Number	Rupees in crores
Shares outstanding at the beginning of the year	1,00,00,000	1.00	1,00,00,000	1.00
Shares issued during the year	-	-	-	-
Shares outstanding at the end of the year	1,00,00,000	1.00	1,00,00,000	1.00

(c) (i) Rights and preferences attached to equity share:

Every shareholder is entitled to such rights as to attend and vote at the meeting of the shareholders, to receive dividends distributed and also has a right in the residual interest of the assets of the company. Every shareholder is also entitled to right of inspection of documents as provided in the Companies Act, 2013.

(ii) There are no restrictions attached to equity shares.

(d) Shares held by Holding Company at the end of the year

Name of shareholder	Class of share	As at 31-03-2026		As at 31-03-2025	
		No. of shares held	% of holding	No. of shares held	% of holding
TVS Motor Company Limited (Holding Company)	Equity	1,00,00,000	100.00	1,00,00,000	100.00

(e) Shareholders holding more than five percent at the end of the year (other than (d))

Name of shareholder	Class of share	As at 31-03-2026		As at 31-03-2025	
		No. of shares held	% of holding	No. of shares held	% of holding
Nil					

(f) Shares held by promoters at the end of the year 31.03.2023

Promoter name	Class of share	As at 31-03-2026		As at 31-03-2025	
		No. of shares held	% of holding	No. of shares held	% of holding
TVS Motor Company Limited (Holding Company)	Equity	1,00,00,000	100.00	1,00,00,000	100.00

4 Other Equity

Particulars	As at 31-03-2026	As at 31-03-2025
Retained earnings	(50,000)	(40,000)
Other Reserves	-	-
	(50,000)	(40,000)

5 Trade Payables

Dues to Micro and Small Enterprises **

Dues to enterprises other than Micro and Small Enterprises

As at 31-03-2026

As at 31-03-2025

-
50,000
50,000

-
40,000
40,000

** There are no transactions with Micro Small and Medium enterprises during the year

TVS ELECTRIC MOBILITY LIMITED

Notes to the Financial Statements - (Continued)

(In Rs.)

	Particulars	For the period 1st Apr 2025 to 31st Mar 2026	For the period 1st Apr 2024 to 31st Mar 2025
6	Other Expenses		
	Payment to statutory auditors	10,000	10,000
	Total Other Expenses	10,000	10,000
7	Earnings per share (Basic and Diluted)		
	Earnings attributable to equity share holders	(10,000)	(10,000)
	Number of Shares	1,00,00,000	1,00,00,000
	Earnings per Share	(0.00)	(0.00)

8 Fair Value Measurements

Particulars	As at 31-03-2026			As at 31-03-2025		
	FVTPL [§]	FVOCI *	Amortised cost	FVTPL [§]	FVOCI *	Amortised cost
<u>Financial assets</u>						
Cash and cash equivalents	-	-	1,00,00,000	-	-	1,00,00,000
	-	-	1,00,00,000	-	-	1,00,00,000
<u>Financial liabilities</u>						
Trade payables	-	-	50,000	-	-	40,000
	-	-	50,000	-	-	40,000

* FVOCI - Fair Valued Through Other Comprehensive Income § FVTPL- Fair Value Through Profit or Loss

TVS ELECTRIC MOBILITY LIMITED

Notes to the Financial Statements - (Continued)

9 Financial Risk Management - The company is yet to commence the operation. Therefore, note relating to market risk, liquidity risk and credit risk along with mitigation parameters, note on Capital Management, Key Financial Ratios are not furnished.	(vi) The Company has complied with the number of layers prescribed under clause (87) of Section 2 of the Companies Act, 2013 read with Companies (Restriction on number of Layers) Rules, 2017.
10 Employee Benefit Obligation - The company does not have employees and hence disclosure of employee obligation is not furnished.	(vii) No scheme of arrangement has been approved by the competent authority in terms of Section 230 to 237 of the Companies Act, 2013.
11 Related party disclosures (i) Related parties and their relationship where control exists : Ultimate holding company - TVS Holdings Limited Holding company - TVS Motor Company Limited (ii) Key Management Personnel: Mr. Venu Srinivasan, Director Mr. Sudarshan Venu, Director Prof. Sir Ralf Dieter Speth, Director	(viii) The Company has not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall: (a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company (ultimate beneficiaries) or (b) provide any guarantee, security or the like to or on behalf of the ultimate beneficiary
12 Disclosure under Micro, Small and Medium Enterprises Development Act, 2006 - Nil	(ix) The Company have not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Company shall: (a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or (b) provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries
13 Payment to Auditors: For Statutory audit - Rs. 10,000	(x) The Company has not operated in any crypto currency or Virtual Currency transactions
14 Contingent liabilities, Contingent assets and other commitments - Nil	(xi) During the year the Company has not disclosed or surrendered, any income other than the income recognised in the books of accounts in the tax assessments under Income Tax Act, 1961.
15 Additional Regulatory Disclosures As Per Schedule III Of Companies Act, 2013 (i) The Company does not have any immovable property. (ii) The Company does not have any investment property. (iii) 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.	(xii) The Company does not have any Property, Plant & Equipment (PPE) and Intangible Assets , hence revaluation of Property, Plant & Equipment (PPE) and Intangible Assets are not applicable.
(iv) No proceedings have been initiated or pending against the Company for holding any Benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and the rules made thereunder.	(xiii) The Company does not have any Property, Plant & Equipment (PPE) and Intangible Assets , hence revaluation of Property, Plant & Equipment (PPE) and Intangible Assets are not applicable.
(v) There are no transactions with the Companies whose name are struck off under Section 248 of The Companies Act, 2013 or Section 560 of the Companies Act, 1956 during the year ended 31st March 2026.	(xiv) The Company does not have any sanctioned facilities from banks based on security of current assets. Hence, submission of quarterly returns to Banks is not applicable to the Company.

DRIVEX MOBILITY PRIVATE LIMITED

Directors' Report to the Shareholders

Your directors present the Sixth Annual Report of the Company together with the Audited Financial Statements for the year ended 31st March 2026.

1. STATE OF COMPANY'S AFFAIRS

The Company is engaged in the procurement, refurbishment, and retail of pre-owned multi-brand two-wheelers, including motorcycles and scooters. The Company operates through a combination of company-owned company-operated (COCO) stores and franchisee-led (FOFO) outlets. As on 31 March 2026, DriveX operates 12 COCO stores and approximately 23 FOFO outlets, with a primary presence across the southern states of Karnataka and Tamil Nadu. The Company also runs two refurbishment centres located in Hosur and Coimbatore.

In addition to its physical retail network, DriveX operates a customer-to-customer (C2C) digital platform, DriveX DIRECT, which serves as an end-to-end online marketplace for buying and selling multi-brand pre-owned two-wheelers. The Company also operates an auction platform, DriveX Auction Platform (DAP), facilitating vehicle sales to open market brokers.

During the financial year under review, the Company continues to be a subsidiary of M/s TVS Motor Company Limited ("TVSM"). As on 31st March 2026, TVSM holds 92.21% of the paid-up share capital of the Company.

2. FINANCIAL SUMMARY AND PERFORMANCE

(Rs. In Lakhs)

Particulars	Financial Year (2025-26)	Financial Year (2024-25)
Revenue from Operations	7319.48	5997.30
Less: Total Expenses other than Depreciation, Finance Cost & Tax	13096.02	11199.29
EBITDA (A)	(5776.54)	(5201.99)
Finance Cost	397.83	387.33
Depreciation & Amortization Expenses	641.34	672.44
Profit or (Loss) Before Tax (PBT) (B)	(6700.01)	(6177.72)
Less: Tax expenses (C)	(1706.73)	(1544.73)
Profit or (Loss) After Tax (B-C)	(4993.27)	(4632.99)
Other Comprehensive Income (Loss)	6.17	3.85
Total Comprehensive Income (Loss)	(4987.11)	(4629.14)

The summary of financial performance of the Company for the financial year 2025-26, as compared with the previous year, is given below:

- During the financial year 2025-26, the Company has posted a turnover of Rs. 7,319.48 Lakhs as against the previous year's turnover of Rs. 5,997.30 Lakhs, reflecting continued growth in operational revenue. The increase in the number of outlets along with ramp-up in sales initiatives has contributed to this growth during the year.
- The Company continues to invest in expansion of its operations and, in line with its growth plans, maintained higher inventory levels and strengthened its manpower during the financial year 2025-26. This has resulted in an increase in inventory and employee-related costs. Consequently, the total expenses of the Company increased to Rs. 13,096.02 Lakhs during financial year 2025-26 from Rs. 11,199.29 Lakhs incurred during the financial year 2024-25.
- The Company recorded a negative EBITDA of Rs. 5,776.54 Lakhs for the period ended 31st March 2026 vis-à-vis the negative EBITDA of Rs. 5,201.99 Lakhs recorded during the financial year 2024-25.
- Consequently, the net loss of the Company widened to Rs. 4,993.27 Lakhs for the financial year 2025-26 as against the previous year's net loss of Rs. 4,632.99 Lakhs.
- The Company has posted a Total Comprehensive Loss of Rs. 4,987.11 Lakhs for the financial year 2025-26 compared to a Total Comprehensive Loss of Rs. 4,629.14 Lakhs during the previous financial year.

3. DIVIDEND

The Directors do not recommend any dividend for the financial year under review, due to absence of profits.

4. TRANSFER TO RESERVES

No amount has been proposed for transfer to Reserves for the year under review.

5. TRANSFER OF UNCLAIMED DIVIDEND TO INVESTOR EDUCATION AND PROTECTION FUND

The provisions of Section 125(2) of the Companies Act 2013 with respect to the transfer of unclaimed dividend to Investor Education and Protection Fund do not apply to the Company during the financial year 2024-25, as the Company has not declared any dividends till date.

6. MATERIAL CHANGES AND COMMITMENT, IF ANY, AFFECTING THE FINANCIAL POSITION OF THE COMPANY WHICH HAVE OCCURRED BETWEEN THE END OF THE FINANCIAL YEAR TO WHICH THIS FINANCIAL STATEMENTS RELATE AND THE DATE OF THE REPORT

No material changes and commitments affecting the financial position of the Company occurred between the end of the financial year to which these financial statements relate and the date of this Report.

7. CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO

i) Conservation of Energy:

a) The steps taken or impact on conservation of energy:

- Usage of LED lights across all its facilities which will minimize the consumption of power;
- Installed Effluent Treatment Plant in its refurbishment centers to recycle the wastewater disposed and the treated water is used for watering green landscape surrounding the refurbishment centers;
- Procurement of only 5 star rated inverter type ACs for all its facilities to reduce power consumption;
- Installation of water aerators in outlets to reduce water consumption.

b) the steps taken by the company for utilising alternate sources of energy: Nil

c) the capital investment on energy conservation equipment: Not applicable

ii) Technology absorption:

- the efforts made towards technology absorption the benefits derived like product improvement, cost reduction, product development or import substitution:

➤ Website:

The DriveX digital platform, including its C2C marketplace (DriveX DIRECT), was significantly enhanced with improved user experience, lead funnels, and SEO capabilities, along with the launch of a Progressive Web App (PWA) for seamless mobile access. The platform was integrated with inspection workflows, escrow, and payment systems to enable end-to-end digital transactions.

➤ BikeScan (Inspection App):

The Company strengthened its inspection ecosystem through BikeScan and InspectX, enabling over 73,000 inspections across procurement and refurbishment stages. The platform incorporates AI-assisted pricing, standardized workflows, automated report generation, and centralized quality validation.

➤ ERPX (Org-Wide ERP):

The Company implemented and scaled its in-house ERP platform (ERPX) covering procurement, refurbishment (DTC), logistics, documentation, sales, and returns management. The platform has been integrated with BikeScan and Dealer Management System (DMS), enabling end-to-end operational tracking.

➤ Dealer Management System (DMS):

The Dealer Management System supports operations across COCO and FOFO stores with features such as live inventory tracking, GST-compliant invoicing, and QR-based lead capture

- Technology imported during the last three years reckoned from the beginning of the year under reference – NIL

- the expenditure incurred on Research and Development– NIL

iii) Foreign exchange earnings and Outgo –

- The Foreign Exchange earned in terms of actual inflows during the year and the Foreign Exchange outgo during the year in terms of actual outflows - NIL

8. CORPORATE SOCIAL RESPONSIBILITY INITIATIVES

The Company is not required to report on the Corporate Social Responsibility activities as the provisions of Section 135 of the Companies Act, 2013 is not applicable for the current year.

9. PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS UNDER SECTION 186 OF COMPANIES ACT 2013.

The Company has not made any inter-corporate Loans, Guarantees, or provided securities or made investments under Section 186 of Companies Act 2013, during the period under review.

10. PARTICULARS OF CONTRACTS OR ARRANGEMENTS MADE WITH RELATED PARTIES

All the related party transactions entered, during the year, were in the Ordinary Course of Business and on Arm Length's Basis. The particulars of material contracts or arrangements or transactions with related parties, required to be furnished in terms of Section 134 of Companies Act, 2013 are furnished in form AOC – 2 as Annexure and the same forms part of this Report.

11. AUDITORS OF THE COMPANY

The members of the Company at its Fourth AGM held on 01st August 2024, has re-appointed M/s Raghavan, Chaudhuri & Narayanan, Chartered Accountants, Bengaluru holding Firm Registration No. 007761S as Statutory Auditors of the Company for a period of 5 consecutive years from the conclusion of the 4th AGM until the conclusion of 9th AGM of the Company to be held in the year 2029 to audit the financial statements of the Company for the financial year from 2024-25 till 2028-29.

12. EXPLANATION OR COMMENTS ON QUALIFICATIONS, RESERVATIONS OR ADVERSE REMARKS OR DISCLAIMERS MADE BY THE AUDITORS AND THE PRACTICING COMPANY SECRETARY IN THEIR REPORTS

There are no qualifications, reservations or adverse remarks made by the Auditors in their report on the financial statements of the Company for the financial year 2025-26.

The provisions relating to submission of Secretarial Audit Report are not applicable to the Company for the financial year 2025-26.

13. COMPOSITION OF THE BOARD

The Board of the Company as at the end of the financial year 2025-26, comprised of:

- i) **Mr. Sharad Mohan Mishra**, Director (DIN: 09772241)
- ii) **Mr. Narain Karthikeyan**, Executive Director (DIN: 01587897)
- iii) **Mr. Anuraag Agarwal**, Director (DIN: 06379359)
- iv) **Mr. G Parthasarathy**, Director (DIN: 01769831)
- v) **Mr. Hormazd Sorabjee**, Director (DIN: 00593311) and
- vi) **Mr. S G Murali**, Director (DIN: 00348902)

Mr. Sharad Mohan Mishra (DIN: 09772241) and Mr. Hormazd Sorabjee (DIN: 00593311), Directors of the Company, being the longest in office shall retire by rotation at the ensuing AGM and being eligible, have offered themselves for re-appointment. The Board recommends their re-appointment and items to this effect will be included in the notice for the forthcoming AGM.

Key Managerial Personnel (KMP)

Mr. Pramod Krishna, Chief Financial Officer and Devesh Taparia, Chief Executive Officer of the Company are the Key Managerial Personnel of the Company on the date of this Report.

During the year under review, following changes occurred in the composition of Key Managerial Personnel:

- Mr K Harisha resigned from the post of Chief Financial Officer effective 16th October 2025.
- Mr Pramod Krishna was appointed as Chief Financial Officer and Mr Devesh Taparia was appointed as Chief Executive Officer of the Company effective 17th October 2025.
- Mr Rajan Ranjith resigned from the post of Company Secretary effective 10th April 2026.

14. BOARD MEETINGS DURING THE YEAR UNDER REVIEW:

The Company, during the financial year 2025-26, has conducted **Five Board meetings** on the following dates:

- i) 22nd April 2025
- ii) 28th July 2025
- iii) 17th October 2025
- iv) 20th January 2026
- v) 20th March 2026

15. DIRECTORS' RESPONSIBILITY STATEMENT

In accordance with the provisions of Section 134(5) of the Companies Act, 2013 the Board hereby submits its Responsibility Statement:

- a) in the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures.
- b) the directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year 2025-26 and of the loss of the company for that year;
- c) the directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities.
- d) the directors had prepared the annual accounts on a going concern basis; and
- e) the directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

16. HIGHLIGHTS OF PERFORMANCE OF SUBSIDIARIES, ASSOCIATES AND JOINT VENTURE COMPANIES

The Company did not have any Subsidiary, Associate or Joint Venture Company during the year under review.

17. PUBLIC DEPOSITS

The Company has neither accepted nor renewed any deposits during the year under review. There were no unclaimed or overdue public deposits as at the close of the year under review.

18. DECLARATION OF INDEPENDENT DIRECTORS

The provisions of Section 149 of Companies Act, 2013 for appointment of Independent Directors do not apply to the company.

19. SHARE CAPITAL

During the financial year 2025-26, the Company has issued and allotted 7,129 nos. of equity shares of face value Rs. 10 each at a premium of Rs. 123550.52 per share, during the financial year 2025-26.

There were no changes in the Authorized Share Capital of the Company. The Authorized Share Capital of the Company as on 31st March 2026 was Rs. 1,60,30,000 comprising of 1,00,000 equity shares of Rs. 10 each and 15,03,000 compulsorily convertible preference shares of Rs. 10 each. The paid-up equity share capital of the Company as on 31st March 2026 stood at Rs. 3,04,840.

20. SECRETARIAL STANDARDS

The Company is in compliance with the applicable Secretarial Standards for the financial year 2025-26.

21. DETAILS OF SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS, COURTS AND TRIBUNALS

No significant and material order has been passed by the regulators, courts and tribunals during the year under review, impacting the going concern status and Company's operations in future.

22. DETAILS IN RESPECT OF FRAUDS REPORTED BY AUDITORS OTHER THAN THOSE WHICH ARE REPORTABLE TO THE CENTRAL GOVERNMENT

No frauds have been reported by Auditors during the financial year under review.

23. DISCLOSURE UNDER THE SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013

The Company has zero tolerance for sexual harassment at workplace. The Company has constituted an Internal Complaints Committee as required under Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and three meetings were held during the financial year 2025-26 with the entire Internal Committee members through online mode on 22nd June 2025, 01 September 2025 and 01st December 2025. During the financial year 2025-26, the Company has not received any complaints on sexual harassment and no complaints remain pending as of 31st March 2026.

24. PARTICULARS OF EMPLOYEES

Details of employees receiving the remuneration as prescribed under Section 197 of the Act 2013 read with Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 are given in Annexure of the Report. In terms of first proviso to Section 136(1) of the Act, 2013 the Annual Report, excluding the aforesaid annexure is being sent to the Shareholders of the Company. The annexure is available for inspection at the Registered Office of the Company as mentioned in the Notice of AGM and any Shareholder interested in obtaining a copy of the said annexure may write to the Company Secretary at the Registered Office of the Company.

25. INTERNAL FINANCIAL CONTROLS

The Company has in place proper and adequate internal financial control systems commensurate with the nature of its business, size and complexity of operations. Internal control systems comprise policies and procedures that are designed to ensure reliability of financial reporting, compliance with applicable laws and regulations. Necessary policies and procedures are in place, inter-alia, to ensure that all assets and resources are acquired economically, used efficiently and protected adequately.

26. RISK MANAGEMENT POLICY

Risk management is embedded in the Company's operating framework. The Company's approach to addressing business risks is comprehensive and includes periodic review of such risks and a framework for mitigating controls and reporting mechanism of such risks. Also, key business risks and their mitigation measures are considered on a regular basis in the annual/strategic business plans and in periodic management reviews.

27. ANNUAL RETURN

Pursuant to the provisions of Section 92(3) and Section 134(3) of the Act read with Rule 12 of the Companies (Management and Administration) Rules, 2014 as amended from time to time, the Annual Return of the Company as on 31st March, 2026 will be available on the Company's website at www.drivex.in upon filing the said return with the Registrar of Companies.

28. ACKNOWLEDGEMENTS

Your directors place on record their sincere thanks to its Investor shareholders for posing faith in the business model and prospects of the Company. The Company would like to express gratitude to the various Government authorities, Banks and Financial Institutions, Business Associates, Business partners, Dealers, suppliers, vendors, service providers and Consultants for extending their cooperation and continued support to the Company's business activities during the year under review. Your directors also gratefully acknowledge the efforts of all its employees for their initiatives and contributions to the development and growth of the Company.

For and on behalf of the Board of Directors

Place : Bengaluru
Date: 17th April 2026

Sharad Mohan Mishra
Director
(DIN: 09772241)

G Parthasarathy
Director
(DIN: 01769831)

Annexure - I
FORM NO. AOC -2

(Pursuant to clause (h) of sub-section (3) of section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014.

Form for Disclosure of particulars of contracts/arrangements entered into by the company with related parties referred to in sub section (1) of section 188 of the Companies Act, 2013 including certain arm's length transaction under third proviso thereto.

1. Details of contracts or arrangements or transactions not at Arm's length basis: **NIL**
2. Details of contracts or arrangements or transactions at an Arm's length basis:

Sl. No.	Particulars	Details
a)	Name (s) of the related party & nature of relationship	TVS Training and Services Limited - Associate Company
b)	Nature of contracts/arrangements/transaction	Reimbursement of DTC Salary and Reimbursement of DTC Service Fee
c)	Duration of the contracts/arrangements/transaction	2025-26
d)	Salient terms of the contracts or arrangements or transaction including the value, if any	The related party transactions entered during the financial year were in the ordinary course of business and on arm's length basis Transaction Value: Rs. 834.60 Lakhs.
e)	Date of approval by the Board	Since these transactions are in the ordinary course of business and on an arm's length basis, no Board approval is required
f)	Amount paid as advances, if any	Nil.

For and on behalf of the Board of Directors

Place : Bengaluru
Date: 17th April 2026

Sharad Mohan Mishra
Director
(DIN: 09772241)

G Parthasarathy
Director
(DIN: 01769831)

Independent Auditor's Report to the Members of DRIVEX MOBILITY PRIVATE LIMITED for the year ended 31st March 2026

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Opinion

We have audited the accompanying financial statements of **DRIVEX MOBILITY PRIVATE LIMITED** ("the Company"), having its registered office at, 484, Kamaraj Road, Uppilipalayam, Coimbatore, Tamil Nadu, India – 641015, which comprise the Balance Sheet as at 31st March 2026, 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 then ended on that date, and notes to the financial statements, including a summary of the material accounting policies and other explanatory information (hereinafter referred to as the "Financial Statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013 ('Act') in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India including Indian Accounting Standards ('Ind AS') specified under section 133 of the Act, of the state of affairs of the Company as at 31st March 2026, and its loss, its total comprehensive loss, its cash flows and the changes in equity for the year ended on that date.

Basis for Opinion

We conducted our audit of the financial statements in accordance with the Standards on Auditing specified under section 143(10) of the Act. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the 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 financial statements under the provisions of the Act and the rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on the Financial Statements.

Information Other than the financial statements and Auditor's Report Thereon

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in Annual Report to the Shareholders but does not include the financial statements and our auditor's report thereon. The Annual Report to the Shareholders is expected to be made available to us after the date of this Auditor's Report.

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

In connection with our audit of the financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Those charged with governance for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these financial statements that give a true and fair view of the state of affairs (financial position), profit or loss (financial performance) including other comprehensive income, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Ind AS specified under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of 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 financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management 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 management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

- Identify and assess the risks of material misstatement of the 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 controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3) (i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of 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 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 financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

We also provide those charged with governance, 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.

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

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2020 (the "Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order.
2.
 - (a) we have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit.
 - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
 - (c) The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, Statement of Changes in Equity and the Statement of Cash Flows dealt with by this Report are in agreement with the books of account;
 - (d) In our opinion, the aforesaid financial statements comply with Ind AS specified under section 133 of the Act.

- (e) On the basis of the written representations received from the directors and taken on record by the Board of Directors, none of the directors is disqualified as on 31st March 2026 from being appointed as a director in terms of section 164(2) of the Act;
- (f) With respect to the adequacy of the internal financial controls with reference to Financial Statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls with reference to Financial Statements;
- (g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended:
- In our opinion and to the best of our information and according to the explanations given to us, we report that the Company has not paid or provided for any managerial remuneration during the year. Accordingly, reporting under section 197(16) of the Act is not applicable.
- (h) With respect to the other matters to be included in the Auditor's Report in accordance with rule 11 of the Companies (Audit and Auditors) Rules, 2014 (as amended), in our opinion and to the best of our information and according to the explanations given to us:
- (i) The Company has no pending litigations as at 31st March 2026, except as stated in Note 24(i);
- (ii) The company did not have any long-term contracts including derivatives contracts for which there were any material foreseeable losses as at 31 March 2026;
- (iii) There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company;
- (iv) (a) The Management has represented that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person or entity, including foreign entity ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

- (b) The Management has represented, that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been received by the Company from any person or entity, including foreign entity ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, 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;
- (c) Based on the audit procedures that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (a) and (b) above, contain any material misstatement;
- (v) The Company has not declared any dividends during the year;
- (vi) Based on our examination, which included test checks, the Company has used accounting software systems for maintaining its books of account for the financial year ended March 31, 2026 which have the feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the software systems. Further, during the course of our audit we did not come across any instance of the audit trail feature being tampered with and the audit trail has been preserved by the Company as per the statutory requirements for record retention.

For Raghavan, Chaudhuri & Narayanan
Chartered Accountants
Firm's Registration No.: 007761S

UDIN 26027716LTRKCY5055

Place: Bengaluru
Date: 17th April 2026

V. Sathyanarayanan
PARTNER
Membership No. 027716

ANNEXURE “A” TO THE INDEPENDENT AUDITOR’S REPORT – 31st March 2026 (Referred to in our report of even date)

To the best of our information and according to the explanations provided to us by the Company and the books of account and records examined by us in the normal course of audit, we state that:

- i. In respect of the Company's Property, Plant and Equipment and Intangible Assets:
 - (a) (A) The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment and relevant details of right-of-use assets;
 - (B) The Company has maintained proper records showing full particulars of intangible assets;
 - (b) The Company has a regular program of physical verification of its property, plant and equipment under which the assets are physically verified in a phased manner, which in our opinion, is reasonable having regard to the size of the Company and the nature of its assets management during the year and no material discrepancies were noticed on such verification. In our opinion, the frequency of verification of the Property, Plant and Equipment is reasonable having regard to the size of the Company and the nature of its assets;
 - (c) The Company does not hold any immovable property (in the nature of 'fixed assets'). Accordingly, the provisions of clause 3(i) (c) of the Order are not applicable;
 - (d) The Company has not revalued any of its Property, Plant and Equipment (including right-of-use assets) and intangible assets during the year;
 - (e) No proceedings have been initiated during the year or are pending against the Company as at March 31, 2026 for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (as amended in 2016) and rules made thereunder;
- ii. (a) The management has conducted physical verification of inventory at reasonable intervals during the year. In our opinion the coverage and the procedure of such verification by the management is appropriate. Discrepancies noticed on such physical verification, were less than 10% in aggregate for each class of inventory and have been properly dealt with in the books of account;
- (b) The Company has been sanctioned working capital limits in excess of ₹ 5 crore during the year, from banks on the basis of security of current assets and in our opinion, the quarterly returns or statements filed by the company are in agreement with the books of the accounts;
- iii. The Company has not made investments and has not provided any Guarantee or security or granted any loans or advances in nature of loans secured or unsecured to companies, firms, Limited Liability Partnerships, or any other parties, during the year. Accordingly, the provision of clause 3(iii)(a) to 3 (iii)(f) of the order is not applicable;
- iv. In our opinion, the Company has not entered any transaction covered under Sections 185 and 186 of the Act. Accordingly, the provisions of clause 3(iv) of the Order are not applicable;
- v. The Company has not accepted any depositor amounts which are deemed to be deposits. Hence, reporting under clause 3(v) of the Order is not applicable;
- vi. The Central Government has not specified maintenance of cost records under sub-section (1) of section 148 of the Act, in respect of Company's products/business activity. Accordingly, reporting under clause 3(vi) of the Order is not applicable;
- vii. In respect of statutory dues:
 - (a) The Company is regular in depositing undisputed statutory dues including provident fund, employees' state insurance, Income Tax, Goods and Service Tax, duty of customs, and other material statutory dues, as applicable, to the appropriate authorities. Further, no undisputed amounts payable in respect thereof were outstanding at the year end for a period of more than six months from the date they become payable;

- (b) There are no dues in respect of Income Tax, Goods and Service Tax, duty of customs, that have not been deposited with the appropriate authorities on account of any dispute except the following:

Nature of Duty/ Tax under Dispute	Nature of the Statute	Period	Forum where dispute is pending	Amount Involved Rs. In Lakhs	Amount Deposited
Income Tax	Income Tax Act 1961	AY 2023-24	Commissioner Appeals	62.93	-
Goods and Service Tax	Goods and Service Tax Act, 2017	FY 2020-21	Appellate Authority	10.07	0.56
Goods and Service Tax	Goods and Service Tax Act, 2017	FY 2021-22	Appellate Authority	18.75	1.87
Goods and Service Tax	Goods and Service Tax Act, 2017	FY 2022-23	Appellate Authority	182.55	18.25
Goods and Service Tax	Goods and Service Tax Act, 2017	FY 2023-23	Appellate Authority	284.61	28.46

- viii. There were no transactions relating to previously unrecorded income that have been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (Section 43 of 1961);
- ix. (a) The Company has not defaulted in repayment of loans or borrowings to any lender during the year;
- (b) The Company has not been declared wilful defaulter by any bank or financial institution or government or any government authority;
- (c) The Company has not obtained term loan during the year. Accordingly, the provisions of clause 3(ix)(c) of the Order are not applicable;
- (d) On an overall examination of the financial statements of the Company, funds raised on short-term basis have, prima facie, not been used during the year for long-term purposes by the Company;
- (e) On an overall examination of the financial statements of the Company, the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries and hence reporting on clause 3(ix)(e) of the order is not applicable;
- (f) The Company has not raised any loans during the year on the pledge of securities held in its subsidiaries, joint ventures or associate companies and hence reporting on clause 3(ix)(f) of the Order is not applicable;
- x. (a) The Company has not raised moneys by way of initial public offer or further public offer (including debt instruments) during the year and hence reporting under clause 3(x)(a) of the Order is not applicable;
- (b) During the year, the Company has made private placement of shares. In our opinion and according to the information and explanations given to us, the Company has complied with the requirements of section 42 and section 62 of the Act and the Rules framed thereunder with respect to the same. Further, the amounts so raised have been utilized by the Company for the purposes for which these funds were raised;
- xi. (a) No fraud by the Company and no material fraud on the Company has been noticed or reported during the year;

- (b) No report under sub-section (12) of section 143 of the Companies Act has been filed in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government, during the year and up to the date of this report;
- (c) As represented to us by the management, there are no whistle blower complaints received by the company during the year;
- xii. The Company is not a Nidhi Company and hence reporting under clause (xii) of the Order is not applicable;
- xiii. In our opinion, all transactions with the related parties are in compliance with Section 188 of the Act, where applicable, and the requisite details have been disclosed in the financial statements, as required by the applicable Ind AS. Further, in our opinion, the company is not required to constitute audit committee under Section 177 of the Act;
- xiv. In our opinion and based on our examination, the company does not have an internal audit system and is not required to have an internal audit system as per provisions of the Companies Act 2013 and hence reporting under clause 3(xiv)(a) and clause 3(xiv)(b) of the Order is not applicable;
- xv. In our opinion during the year the Company has not entered into any non-cash transactions with its Directors or persons connected with its directors and hence provisions of section 192 of the Companies Act, 2013 are not applicable to the Company;
- xvi. (a) In our opinion, the Company is not required to be registered under section 45-1A of the Reserve Bank of India Act, 1934. Hence, reporting under clause 3(xvi)(a), (b) and (c) of the Order is not applicable;
- (b) Based on the information and explanations given to us and as represented by the management of the Company, the Group (as defined in Core Investment Companies (Reserve Bank) Directions, 2016) has one CIC as part of the Group;
- xvii. The Company has incurred cash losses during the financial year and in immediately preceding financial year amounting to Rs 5973.41 & Rs 5427.12 Lakhs covered by our audit;

- xviii. There has been no resignation of the statutory auditor of the Company during the year;
- xix. On the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the financial statements and our knowledge of the Board of Directors and Management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report indicating that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due;
- xx. The provision of section 135 of Companies Act, is not applicable to company and hence reporting under clause 3(xx)(a) and 3(xx)(b) of the Order is not applicable;
- xxi. In our opinion and based on our examination, the Company is not required to prepare consolidated financial statements.

For Raghavan, Chaudhuri & Narayanan
Chartered Accountants
Firm's Registration No.: 007761S

UDIN 26027716LTRKCY5055

Place: Bengaluru
Date: 17th April 2026

V. Sathyanarayanan
PARTNER
Membership No. 027716

ANNEXURE 'B' TO THE INDEPENDENT AUDITOR'S REPORT – 31st March 2026

(Referred to in paragraph 2(f) under 'Report on Other Legal and Regulatory Requirements' section of our report to the Members of Drivex Mobility Private Limited

Report on the Internal Financial Controls Over Financial Reporting under Clause (i) of subsection 3 of Section 143 of the Companies Act, 2013 (the "Act")

We have audited the internal financial controls over financial reporting of Drivex Mobility Private Limited as of March 31, 2026 in conjunction with our audit of the Ind AS financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting of the Company based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by the ICAI and the Standards on Auditing prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

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

We believe that the audit evidence we have obtained, is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that

(1) Pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;

(2) Provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and

(3) Provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls over Financial Reporting

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

Opinion

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2026, based on the criteria for internal financial control over financial reporting established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the ICAI.

For Raghavan, Chaudhuri & Narayanan
Chartered Accountants
Firm's Registration No.: 007761S

UDIN	26027716LTRKCY5055

Place: Bengaluru
Date: 17th April 2026

V. Sathyanarayanan
PARTNER
Membership No.027716

DRIVEX MOBILITY PRIVATE LIMITED

Balance Sheet as at 31st March 2026

(Amount in Rs Lakhs, unless otherwise stated)

Particulars	Note No.	As at March 31, 2026	As at March 31, 2025
ASSETS			
1 Non-current assets			
(a) Property, Plant and Equipment	3A	713.39	536.54
(b) Right of Use Assets	30	1,357.84	697.23
(c) Capital work in progress	3C	0.00	5.96
(d) Other Intangible Assets	3B	779.07	521.64
(e) Intangible Assets under development	3D	256.95	165.36
(f) Deferred Tax Assets	4	4,665.73	2,961.07
(i) Other Financial Assets	5.1	192.33	81.89
(h) Other Non-Current Assets	6	106.76	24.17
Total Non - Current Assets		8,072.07	5,138.82
2 Current assets			
Inventories	7	2,546.50	1,822.20
(a) Financial Assets			
(i) Trade Receivables	8.1	216.00	734.05
(ii) Cash and Cash Equivalents	8.2	433.90	202.25
(iii) Other Financial Assets	8.3	20.11	25.59
(b) Other Current Assets	9	1,447.58	958.11
Total Current Assets		4,664.09	3,742.20
Total Assets (1+2)		12,736.16	8,881.02
EQUITY AND LIABILITIES			
1 Equity			
(a) Equity Share capital	10	3.05	2.35
(b) Other Equity	11	7,376.04	3,696.08
Total equity		7,379.09	3,698.43
LIABILITIES			
2 Non-current liabilities			
(a) Financial Liabilities			
(i) Lease Liabilities	30	1,153.29	595.71
(b) Provisions	12	475.21	39.41
Total Non - Current Liabilities		1,628.50	635.12
3 Current liabilities			
(a) Financial Liabilities			
(i) Short term borrowings	13.1	2,705.67	3,301.03
(ii) Lease Liabilities	30	324.64	200.16
(iii) Trade Payables	13.2		
(A) total outstanding dues of micro enterprises and small enterprises		24.34	0.76
(A) total outstanding dues of creditors other than micro enterprises and small enterprises.		300.90	332.58
(iv) Other Financial Liabilities	13.3	1.03	88.76
(b) Provisions	14	148.63	244.16
(c) Contract Liabilities	15	0.13	3.73
(d) Other Current Liabilities	16	223.23	376.29
Total Current Liabilities		3,728.57	4,547.47
Total liabilities		5,357.07	5,182.59
Total Equity and Liabilities (1+2+3)		12,736.16	8,881.02
See accompanying notes to the financial statements	1&2		-

For Raghavan, Chaudhuri & Narayanan
Chartered Accountants
FRN: 007761S

V. Sathyanarayanan
Partner
Membership No. 027716

Date: 17th April 2026
Place: Bengaluru
UDIN: 26027716LTRKCY5055

For and on behalf of the Board of Directors

G Parthasarathy
Director
DIN: 01769831

Devesh Taparia
Chief Executive Officer

Date: 17th April 2026
Place: Bengaluru

Sharad Mohan Mishra
Director
DIN: 09772241

Pramod Krishna
Chief Financial Officer

Date: 17th April 2026
Place: Bengaluru

DRIVEX MOBILITY PRIVATE LIMITED

Statement of Profit and Loss for the year ended 31st March 2026

(Amount in Rs Lakhs, unless otherwise stated)

Particulars	Note No.	Year ended March 31, 2026	Year ended March 31, 2025
I Revenue from Operations	17	7,319.48	5,997.30
II Other Income	18	115.70	84.04
III Total Income (I + II)		7,435.18	6,081.34
IV EXPENSES			
(a) Cost of materials consumed	19	7,051.66	6,846.81
(b) Employee Benefit Expense	20	3,015.76	2,710.60
(c) Finance Costs	21	398.06	387.33
(d) Depreciation and Amortisation expense	3E	641.33	672.44
(e) Other Expenses	22	3,028.38	1,641.88
Total Expenses (IV)		14,135.19	12,259.06
V Profit before tax (III - IV)		(6,700.01)	(6,177.72)
VI Tax Expense			
(a) Current tax		-	-
(b) Deferred tax charge/(credit)	23	(1,706.73)	(1,544.73)
Total tax expense		(1,706.73)	(1,544.73)
VII Profit after tax for the year (V - VI)		(4,993.28)	(4,632.99)
VIII Other comprehensive income/(loss)		6.17	3.85
A (i) Items that will not be reclassified to profit or loss			
(a) Remeasurements of the defined benefit liabilities / (asset)		8.24	5.20
(b) Income tax relating to items that will not be reclassified to profit or loss		(2.07)	(1.35)
B (ii) Items that may be reclassified to profit or loss		-	-
IX Total Comprehensive Income/(Loss) for the year (VII + VIII)		(4,987.11)	(4,629.14)
X Earnings/(Loss) per equity share: (in Rs.)			
Basic		(18,278.91)	(22,540.18)
Diluted		(18,278.91)	(22,540.18)
See accompanying notes to the financial statements	1&2		

For Raghavan, Chaudhuri & Narayanan
Chartered Accountants
FRN: 007761S

V. Sathyanarayanan
Partner
Membership No. 027716

Date: 17th April 2026
Place: Bengaluru
UDIN: 26027716LTRKCY5055

For and on behalf of the Board of Directors

G Parthasarathy
Director
DIN: 01769831

Devesh Taparia
Chief Executive Officer

Date: 17th April 2026
Place: Bengaluru

Sharad Mohan Mishra
Director
DIN: 09772241

Pramod Krishna
Chief Financial Officer

Date: 17th April 2026
Place: Bengaluru

DRIVEX MOBILITY PRIVATE LIMITED

Statement of Changes in Equity

(Amount in Rs Lakhs, unless otherwise stated)

(a) Equity share capital	Amount
As at 1 Apr 24	2.02
Issue of shares	0.32
31-Mar-24	2.35
As at 1-Apr-25	2.35
Issue of shares	0.70
As at 31-Mar-26	3.05

(b) Other equity	Reserves and Surplus				
Particulars	Share application money pending allotment	Securities premium	Retained earnings / (deficit)	OCI Reserve	Total other equity
As at 1 Apr 24	-	8,857.09	(4,529.08)	(0.89)	4,327.12
Profit/(loss) for the year	-	-	(4,632.99)	-	(4,632.99)
Share application money received	-	3,998.10	-	-	3,998.10
Allotment of shares	-	-	-	-	-
Remeasurements of the defined benefit liabilities / (asset) net of tax	-	-	-	3.85	3.85
As at 31-Mar-25	-	12,855.19	(9,162.07)	2.96	3,696.08
Profit/(loss) for the year	-	-	(4,993.28)	-	(4,993.28)
Premium on issue of shares	-	8,667.07	-	-	8,667.07
Allotment of shares	-	-	-	-	-
Remeasurements of the defined benefit liabilities / (asset) net of tax	-	-	-	6.17	6.17
As at 31-Mar-26	-	21,522.26	(14,155.35)	9.13	7,376.04

For Raghavan, Chaudhuri & Narayanan
Chartered Accountants
FRN: 007761S

V. Sathyanarayanan
Partner
Membership No. 027716

Date: 17th April 2026
Place: Bengaluru
UDIN: 26027716LTRKCY5055

For and on behalf of the Board of Directors

G Parthasarathy
Director
DIN: 01769831

Devesh Taparia
Chief Executive Officer

Date: 17th April 2026
Place: Bengaluru

Sharad Mohan Mishra
Director
DIN: 09772241

Pramod Krishna
Chief Financial Officer

Date: 17th April 2026
Place: Bengaluru

DRIVEX MOBILITY PRIVATE LIMITED

Statement of Cash Flow for the year ended 31st March 2026

(Amount in Rs Lakhs, unless otherwise stated)

A. CASH FLOW FROM OPERATING ACTIVITIES

Profit before tax for the year

Adjustments for:

Depreciation and amortisation expenses
Finance costs
Interest income
Provision/(reversal of doubtful debts and Bad debts written off)
Other Comprehensive Income
Loss on Fixed asset writeoff - Lease cancellation
Liabilities no longer required written back Loss on Fixed asset writeoff

Operating loss before working capital changes

Changes in working capital:

Adjustments for (increase) / decrease in operating assets:

Financial Assets

Trade receivables
Other financial assets
Margin money

Non-financial assets

Inventory
Other assets

Adjustments for increase / (decrease) in operating liabilities:

Financial liabilities

Trade payables
Other financial liabilities

Non-financial liabilities

Provisions
Other liabilities

Cash generated from operations

Net income tax (paid) / refunded

Net cash outflow from operating activities (A)

B. CASH FLOW FROM INVESTING ACTIVITIES

Capital expenditure on property plant and equipment, including capital advances

Proceeds from sale of Property plant and equipment

Interest received

Net cash flow used in investing activities (B)

C. CASH FLOW FROM FINANCING ACTIVITIES

Repayment of principal portion lease liabilities

Interest paid on lease liabilities

Repayment of long term borrowings

Net movement in short term borrowings

Proceeds from issue of shares including share application money

Finance costs paid

Net cash flow from financing activities (C)

Net increase / (decrease) in cash and cash equivalents (A+B+C)

Add: Cash and cash equivalents at the beginning of the year

Cash and cash equivalents at the end of the year *

Reconciliation of Cash and Cash Equivalents with the Balance Sheet:

Cash and cash equivalents as per Balance Sheet (Refer Note 6.3)

Less: Bank balances not considered as cash and cash equivalents, as defined in Ind AS 7 Cash Flow Statements:

- (i) In earmarked accounts
- Margin money deposits
- Unpaid dividends account

Cash and cash equivalents as per Cash Flow Statement

* Comprises:

(a) Cash on hand

Balances with banks:

- (i) In current accounts
- (ii) In deposit accounts

Total

1. SIGNIFICANT ACCOUNTING POLICIES

Year ended 31-03-2026
(6,700.01)

Year ended 31-03-2025
(6,177.72)

641.33
398.06
(33.12)
(8.85)
8.24
13.64
(24.86)
(5,705.57)

672.44
387.33
(39.13)
-
5.20
-
6.73
(5,145.15)

534.89
-17.72
-

(653.33)
(26.59)

(724.30)
(537.65)

388.69
(382.50)

(8.10)

44.41

176.43
(80.55)

19.59
39.25

(6,362.57)

(5,715.63)

(1.30)

(2.35)

(6,363.87)

(5,717.98)

(864.97)

(606.60)

-

-

33.12

39.13

(831.85)

(567.47)

(246.97)

(155.56)

(125.23)

(77.18)

-

-

(595.36)

1,673.65

8,667.77

3,998.42

(272.83)

(310.15)

7,427.38

5,129.18

231.65

(1,156.27)

202.25

1,358.52

433.90

202.25

433.90

202.25

-

-

-

-

-

-

433.90

202.25

2.48

16.31

416.42

185.94

15.00

-

433.90

202.25

For Raghavan, Chaudhuri & Narayanan

Chartered Accountants

FRN: 007761S

V. Sathyanarayanan

Partner

Membership No. 027716

Date: 22nd April 2025

Place: Bengaluru

UDIN: 25027716BMMIT1330

60

For and on behalf of the Board of Directors

G Parthasarathy

Director

DIN: 01769831

Harisha K

Chief Financial Officer

Date: 22nd April 2025

Place: Bengaluru

Sharad Mohan Mishra

Director

DIN: 09772241

Rajan Ranjith

Company Secretary

Date: 22nd April 2025

Place: Bengaluru

Notes to Financial Statements

(All amounts in Indian rupees Lakhs)

1. Company overview

DriveX Mobility Private Limited ('the Company') was incorporated in 2020 as a Private Limited Company. The Company is engaged in the business of sale of used two wheelers, subscription of two wheelers and sales of two-wheeler parts and service. The Company is headquartered in Coimbatore, India and has operations across India.

2. Basis of preparation

A. Statement of compliance

The Company is a Subsidiary of TVS Motor Company Ltd from 23-12-2024 whose financial statements are prepared in accordance with Companies (Indian Accounting Standard) Rules 2015 notified under section 133 of the Companies Act 2013 (the Act), as amended and other relevant provisions of the Act. Consequently, these financial statements are prepared in accordance with Companies (Indian Accounting Standard) Rules 2015.

B. Functional and presentation currency

These financial statements are presented in Indian Rupees (INR), which is also the Company's functional currency. All amounts are presented in Indian Rupees in lakhs, except share data, unless otherwise stated.

C. Basis of measurement

The financial statements have been prepared on the historical cost basis.

2a. Material Accounting Policies

A. Use of estimates and judgements

In preparing these financial statements, management has made judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized prospectively.

Judgements

Information about judgements made in applying accounting policies that have the most significant effects on the amounts recognized in the financial statements.

B. Property, plant and equipment

a. Recognition and measurement

Items of property, plant and equipment are measured at cost, which includes capitalized borrowing costs, less accumulated depreciation and accumulated impairment losses, if any.

Cost of an item of property, plant and equipment comprises its purchase price, including import duties and non-refundable purchase taxes, road tax, after deducting trade discounts and rebates, any directly attributable cost of bringing the item to its working condition for its intended use and estimated costs of dismantling and removing the item and restoring the site on which it is located.

The cost of a self-constructed item of property, plant and equipment comprises the cost of materials and direct labour, any other costs directly attributable to bringing the item to working condition for its intended use, and estimated costs of dismantling and removing the item and restoring the site on which it is located.

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

Any gain or loss on disposal of an item of property, plant and equipment is recognized in profit or loss.

Advances paid towards the acquisition of fixed assets, outstanding at each balance sheet date are shown under loans and advances. The cost of fixed assets not ready for its intended use at each balance sheet date are disclosed as capital work-in-progress.

Borrowing costs directly attributable to the acquisition, construction or production of those fixed assets that necessarily take a substantial period to get ready for their intended use, are capitalized. Other borrowing costs are accounted as an expense in the statement of profit and loss.

b. Subsequent expenditure

Subsequent expenditure is capitalized only if it is probable that the future economic benefits associated with the expenditure will flow to the Company.

c. Depreciation

Depreciation is calculated on cost of items of property, plant and equipment less their estimated residual values over their estimated useful lives using the straight-line method, and is generally recognised in the profit or loss. Leasehold improvements are amortized over the lease term or useful lives of assets, whichever is lower. Freehold land is not depreciated.

The estimated useful lives of items of property, plant and equipment are as follows:

Class of assets	Revised life
Building Leased	3
Motor cycles and trucks	6
Office Equipment's	3
Plant and machinery	15
Furniture and fittings	10
Computer equipment	3

* For the above mentioned classes of assets, the Company believes that the useful lives as given above best represent the useful lives of these assets based on internal assessment and supported by technical advice, where necessary, which is different from the useful lives as prescribed under Part C of Schedule II of the Companies Act, 2013.

Depreciation for the period is provided on proportionate basis.

C. Intangible Assets:

Intangible assets with finite useful lives that are acquired separately and the estimated useful life is more than one year, is capitalised and carried at cost less accumulated amortisation and accumulated impairment losses.

Internally generated Intangible Assets:

Expenditure on research activities is recognised as an expense in the period in which it is incurred. An internally generated intangible asset arising from development phase of internal project is recognised, if and only if, the conditions under the Ind AS 38 - Intangible Asset, are fulfilled. If the conditions are not fulfilled the same is recognised in profit and loss in the period in which it is incurred. The intangible assets are amortised on straight line basis over its useful life. The useful life of the Intangible assets are reviewed annually with respect to estimates and changes if any are, being accounted for on a prospective basis

The estimated useful lives are as follows:

Class of assets	Years
Software	3

Subsequent expenditure is capitalized only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure is recognized in profit or loss as incurred.

D. Employee benefits

Short-term employee benefits

Employee benefits payable wholly within twelve months of receiving employee services are classified as short-term employee benefits. These benefits include salaries and wages, bonus and ex-gratia. Short-term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided. A liability is recognized for the amount expected to be paid e.g., under short-term cash bonus, if the Company has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the amount of obligation can be estimated reliably.

Post-employment benefits Defined contribution plans

A defined contribution plan is a post-employment benefit plan under which an entity pays fixed contributions into a separate entity and will have no legal or constructive obligation to pay further amounts. The Company makes specified monthly contributions towards Government

administered provident fund scheme. Obligations for contributions to defined contribution plans are recognized as an employee benefit expense in profit or loss in the periods during which the related services are rendered by employees.

Prepaid contributions are recognized as an asset to the extent that a cash refund or a reduction in future payment is available.

Defined benefit plans

A defined benefit plan is a post-employment benefit plan other than a defined contribution plan. The Company's net obligation in respect of defined benefit plan is calculated by estimating the amount of future benefit that employees have earned in the current and prior periods and discounting that amount.

The calculation of defined benefit obligation is performed annually by a qualified actuary using the projected unit credit method.

Re-measurements of the net defined benefit liability, which comprise actuarial gains and losses are recognized in other comprehensive income (OCI). The Company determines the net interest expense on the net defined benefit liability for the period by applying the discount rate used to measure the defined benefit obligation at the beginning of the annual period to the then-net defined benefit liability, taking into account any changes in the net defined benefit liability during the period as a result of contributions and benefit payments. Net interest expense and other expenses related to defined benefit plans are recognized in profit or loss.

Other long term employee benefits

The Company's net obligation in respect of long-term employee benefits other than post-employment benefits is the amount of future benefit that employees have earned in return for their service in the current and prior periods; that benefit is discounted to determine its present value, and the fair value of any related assets is deducted. The obligation is measured on the basis of an annual independent actuarial valuation using the projected unit credit method. Re-measurement gains or losses are recognized in profit or loss in the period in which they arise.

E. Provisions (other than for employee benefits)

A provision is recognized if, as a result of a past event, the Company has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows (representing the best estimate of the expenditure required to settle the present obligation at the balance sheet date) at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The unwinding of the discount is recognized as finance cost. Expected future operating losses are not provided for.

A contract is considered to be onerous when the expected economic benefits to be derived by the Company from the contract are lower than the unavoidable cost of meeting its obligations under the contract. The provision for an onerous contract is measured at the present value of the lower of the expected cost of terminating the contract and the expected net cost of continuing with the contract. Before such a provision is made, the Company recognizes any impairment loss on the assets associated with that contract.

F. Revenue

Revenue from contracts with customers is recognized upon transfer of control of promised goods/ services to customers at an amount that reflects the consideration which the Company expect to be entitled for those goods/ services.

To recognize revenues, the Company applies the following five-step approach:

- Identify the contract with a customer.
- Identify the performance obligations in the contract.
- Determine the transaction price.
- Allocate the transaction price to the performance obligations in the contract; and
- Recognize revenues when a performance obligation is satisfied.

Revenue on sale of vehicles, spare parts and accessories is recognized when the risk and rewards are transferred to the customer and is accounted net of GST and trade discounts, if any.

Revenue from vehicle subscription is recognized on a periodic basis based on agreement with customers.

Insurance claims accounted on accrual; accrual being reckoned based on subsequent receipts towards claims and provisional liability determined by surveyors.

a) **Trade receivables:** The timing of revenue recognition, billings and cash collections results in receivables on the Company's Balance Sheet. The Company's receivables are rights to consideration that are unconditional and are net of impairment in the Balance Sheet.

• Impairment of financial assets:

- The company assesses on a forward-looking basis the expected credit losses associated with its assets carried at amortized cost. The impairment methodology applied depends on whether there has been significant increase in credit risk. Note 33 details how the company determines whether there has been a significant increase in credit risk.
- For trade receivables, the Company applies the simplified approach permitted by Ind AS 109 Financial Instruments, which requires expected credit losses to be recognized from initial recognition of the receivables.

G. Inventories

Inventories are valued on the basis of cost or net realizable value, whichever is less.

Cost for this purpose is arrived at as follows:

In the case of vehicles, valuation is done on a specific identification basis and in the case of spares and accessories and consumables on weighted average basis.

H. Financial instruments

i. Recognition and initial measurement

Trade receivables and debt securities issued are initially recognized when they are originated. All other financial assets and financial liabilities are initially recognized when the Company becomes a party to the contractual provisions of the instrument.

A financial asset or financial liability is initially measured at fair value plus, for an item not at fair value through profit and loss (FVTPL), transaction costs that are directly attributable to its acquisition or issue.

ii. Classification and subsequent measurement

Financial assets

On initial recognition, a financial asset is classified as measured at either at amortized cost, FVTPL or fair value in other comprehensive income (FVOCI).

Financial assets are not reclassified subsequent to their initial recognition, except if and in the period the Company changes its business model for managing financial assets.

A financial asset is measured at amortized cost if it meets both of the following conditions and is not designated as at FVTPL:

- the asset is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

On initial recognition of an equity investment that is not held for trading, the Company may irrevocably elect to present subsequent changes in the investment's fair value in OCI (designated as FVOCI – equity investment). This election is made on an investment-by-investment basis.

All financial assets not classified as measured at amortized cost or FVOCI as described above are measured at FVTPL. This includes all derivative financial assets. On initial recognition, the Company may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortized cost or at FVOCI as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

I. Financial assets: Business model assessment

The Company makes an assessment of the objective of the business model in which a financial asset is held at investment level because this best reflects the way the business is managed and information is provided to management. The information considered includes:

- i. the stated policies and objectives for each of such investments and the operation of those policies in practice.
- ii. the risks that affect the performance of the business model (and the financial assets held within that business model) and how those risks are managed;
- iii. the frequency, volume and timing of sales of financial assets in prior periods, the reasons for such sales and expectations about future sales activity.

Transfers of financial assets to third parties in transactions that do not qualify for de recognition are not considered sales for this purpose, consistent with the Company's continuing recognition of the assets.

Financial assets that are held for trading or are managed and whose performance is evaluated on a fair value basis are measured at FVTPL.

Financial assets: Assessment whether contractual cash flows are solely payments of principal and interest For the purposes of this assessment, 'principal' is defined as the fair value of the financial asset on initial recognition. 'Interest' is defined as consideration for the time value of money and for the credit risk associated with the principal amount outstanding during a particular period of time and for other basic lending risks and costs (e.g. liquidity risk and administrative costs), as well as a profit margin.

In assessing whether the contractual cash flows are solely payments of principal and interest, the Company considers the contractual terms of the instrument. This includes assessing whether the financial asset contains a contractual term that could change the timing or amount of contractual cash flows such that it would not meet this condition. In making this assessment, the Company considers:

- contingent events that would change the amount or timing of cash flows;
- terms that may adjust the contractual coupon rate, including variable interest rate features;
- prepayment and extension features; and
- terms that limit the Company's claim to cash flows from specified assets (e.g. non-recourse features).

Financial assets: Subsequent measurement and gains and losses

Financial assets at FVTPL	These assets are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognized in profit or loss.
Financial assets at amortized cost	These assets are subsequently measured at amortized cost using the effective interest method. The amortized cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognized in profit or loss. Any gain or loss on derecognition is recognized in profit or loss.
Equity investments at FVOCI	These assets are subsequently measured at fair value. Dividends are recognized as income in profit or loss unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognized in OCI and are not reclassified to profit or loss.

Financial liabilities: Classification, subsequent measurement and gains and losses

Financial liabilities are classified as measured at amortized cost or FVTPL. A financial liability is classified as at FVTPL if it is classified as held for trading, or it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognized in profit or loss. Other financial liabilities are subsequently measured at amortized cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognized in profit or loss. Any gain or loss on de recognition is also recognized in profit or loss.

iii) De recognition

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 rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Company neither transfers nor retains substantially all of the risks and rewards of ownership and does not retain control of the financial asset.

If the Company enters into transactions whereby it transfers assets recognized on its balance sheet, but retains either all or substantially all of the risks and rewards of the transferred assets, the transferred assets are not derecognized.

Financial liabilities

The Company derecognizes a financial liability when its contractual obligations are discharged or cancelled, or expire.

The Company also derecognizes a financial liability when its terms are modified and the cash flows under the modified terms are substantially different. In this case, a new financial liability based on the modified terms is recognized at fair value. The difference between the carrying amount of the financial liability extinguished and the new financial liability with modified terms is recognized in profit or loss.

iv) Off setting

Financial assets and financial liabilities are offset and the net amount presented in the balance sheet when, and only when, the Company currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realize the asset and settle the liability simultaneously.

J. Impairment

i. Impairment of financial instruments

The Company recognizes loss allowances for expected credit losses on financial assets measured at amortized cost.

At each reporting date, the Company assesses whether financial assets carried at amortized cost are credit impaired. A financial asset is 'credit impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

Loss allowances for trade receivables are always measured at an amount equal to lifetime expected credit losses. Lifetime expected credit losses are the expected credit losses that result from all possible default events over the expected life of a financial instrument.

In all cases, the maximum period considered when estimating expected credit losses is the maximum contractual period over which the Company is exposed to credit risk.

Measurement of expected credit losses

Expected credit losses are a probability weighted estimate of credit losses. Credit losses are measured at higher of actual provision or present value of all cash shortfalls (i.e. the difference between the cash flows due to the Company in accordance with the contract and the cash flows that the Company expects to receive).

Presentation of allowance for expected credit losses in the balance sheet

Loss allowances for financial assets measured at amortized cost are deducted from the gross carrying amount of the assets.

Write-off

The gross carrying amount of a financial asset is written off (either partially or in full) to the extent that there is no realistic prospect of recovery. This is generally the case when the Company determines that the debtor does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write off

ii. Impairment of non- financial assets

The Company's non-financial assets, other than inventories and deferred tax assets, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated.

For impairment testing, assets that do not generate independent cash inflows are grouped together into cash-generating units (CGUs). Each CGU represents the smallest group of assets that generates cash inflows that are largely independent of the cash inflows of other assets or CGUs.

The recoverable amount of a CGU (or an individual asset) is the higher of its value in use and its fair value less costs to sell. Value in use is based on the estimated future cash flows, 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 CGU (or the asset).

An impairment loss is recognized if the carrying amount of an asset or CGU exceeds its estimated recoverable amount. Impairment losses are recognized in profit or loss.

In respect of assets for which impairment loss has been recognized in prior periods, the Company reviews at each reporting date whether there is any indication that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. Such a reversal is made only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortization, if no impairment loss had been recognized.

K. Leases

Ind AS 116 has replaced existing leases standard with effect from 01.04.2019, Ind AS 17 Leases (Ind AS 17) and 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 lessee accounting model for lessees. A lessee recognizes present value of the lease payment (discounted using incremental borrowing rate) as right-of-use asset representing its right to use the underlying asset and a lease liability representing its obligation to make lease payments and lease rent expense will be replaced with the amortization of right-of-use asset and interest accrued on lease liability. The standard also contains enhanced disclosure

requirements for lessees and will have consequential impact on cash flows categories as well. The new standard substantially carries forward the lessor accounting requirements in Ind AS 17.

The Company has applied the provisions of this standard only in respect of those lease agreements other than short term leases. Where the non-cancellable period in the lease agreements entered into by the Company are for a period of less than one year, such leases fall within the meaning of short term lease as per the standard and thus qualifies for exemption as per para 5 to 8 of Ind AS 116. Accordingly, this standard is not applied for short term leases.

L. Recognition of interest income

Interest Income: Interest Income is recognized using the time proportion method based on rates implicit in the transaction.

M. Income tax

Income tax comprises current and deferred tax. It is recognized in profit or loss except to the extent that it relates to an item recognized directly in equity or in other comprehensive income.

i. Current tax

Current tax comprises the expected tax payable or receivable on the taxable income or loss for the year and any adjustment to the tax payable or receivable in respect of previous years. The amount of current tax reflects the best estimate of the tax amount expected to be paid or received after considering the uncertainty, if any, related to income taxes. It is measured using tax rates (and tax laws) enacted or substantively enacted by the reporting date.

Current tax assets and current tax liabilities are offset only if there is a legally enforceable right to set off the recognized amounts, and it is intended to realize the asset and settle the liability on a net basis or simultaneously.

ii. Deferred tax

Deferred tax is recognized in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the corresponding amounts used for taxation purposes. Deferred tax is also recognized in respect of carried forward tax losses and tax credits.

Deferred tax assets are recognized to the extent that it is probable that future taxable profits will be available against which they can be used. The existence of unused tax losses is strong evidence that future taxable profit may not be available. Therefore, in case of a history of recent losses, the Company recognizes a deferred tax asset only to the extent that it has sufficient taxable temporary differences or there is convincing other evidence that sufficient taxable profit will be available against which such deferred tax asset can be realized. Deferred tax assets – unrecognized or recognized, are reviewed at each reporting date and are recognized/ reduced to the extent that it is probable/ no longer probable respectively that the related tax benefit will be realized.

Deferred tax is measured at the tax rates that are expected to apply to the period when the asset is realized or the liability is settled, based on the laws that have been enacted or substantively enacted by the reporting date. The measurement of deferred tax reflects the tax consequences that would follow from the manner in which the Company expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax

authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realized simultaneously

N. Borrowings:

Borrowings are initially recognized at fair value, net of transaction cost incurred. Borrowings are subsequently measured at amortized cost. Any difference between the proceeds (net of transaction cost) and the redemption amount is recognized in the Statement of Profit and Loss over the period of the borrowings, using the effective interest method. Fees paid on the established loan facilities are recognized as transaction cost of the loan, to the extent that it is probable that some or all the facility will be drawn down.

Borrowings are removed from the balance sheet when the obligation specified in the contract is discharged, cancelled or expired. The difference between the carrying amount of a financial liability that has been extinguished or transferred to another party and the consideration paid, including any non-cash of assets transferred or liabilities assumed, is recognized in the Statement of Profit and Loss as other gain/(loss).

Borrowings are classified as current liabilities unless the Company has an unconditional right to defer settlement of the liability for over or at least 12 months after the reporting period.

O. Borrowing cost

Borrowing costs are interest and other costs incurred in connection with the borrowing of funds. Borrowing costs directly attributable to acquisition or construction of an asset which necessarily take a substantial period of time to get ready for their intended use are capitalized as part of the cost of that asset. Other borrowing costs are recognized as an expense in the period in which they are incurred.

P. Earnings/loss per share

The basic earnings/loss per share is computed by dividing the net profit / (loss) after tax for the year attributable to equity shareholders by the weighted average number of equity shares outstanding during the year.

The number of shares used in computing diluted earnings per share comprises the weighted average number of shares considered for deriving basic earnings per share and also the weighted average number of equity shares that could have been issued on the conversion of all dilutive potential equity shares. Dilutive potential equity shares are deemed converted as of the beginning of the period unless issued at a later date. In computing dilutive earning per share, only potential equity shares that are dilutive i.e. which reduces earnings per share or increases loss per share are included.

Q. Cash-flow statement

Cash flows are reported using the indirect method, whereby net profit before tax is adjusted for the effects of transactions of a non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from regular revenue generating, investing and financing activities of the Company are segregated.

R. Cash and cash equivalents

Cash and cash equivalents comprise cash at bank and on hand and short-term deposits with an original maturity of three months or less which are subject to insignificant risk of changes in value.

DRIVEX MOBILITY PRIVATE LIMITED

Notes forming part of Financial Statements - (continued)

(Amount in Rs Lakhs, unless otherwise stated)

3A Property, Plant and equipment

Description of Assets	3A Property, Plant and equipment							3B Intangible assets	
	Plant and Machinery	Furnitures & Fixtures	Computer and Peripherals	Vehicles	Office equipments	Leasehold improvements	Total	Software	Total
I. Deemed Cost as at									
1-Apr-24	86.59	51.38	103.47	9.67	34.48	295.27	580.86	384.87	965.73
Additions	33.05	20.22	67.81	0.22	14.64	59.39	195.33	574.93	770.26
Converted to stock in trade	-	-	-	(3.00)	-	-	(3.00)	-	(3.00)
Disposals	-	-	-	-	-	-	-	-	-
31-Mar-25	119.64	71.60	171.28	6.89	49.12	354.66	773.19	959.80	1,732.99
Additions	46.66	11.41	51.59		15.34	241.21	366.20	413.14	779.34
Converted to stock in trade	-	-	-	-	-	-	-	-	-
Disposals	-	-	-	(6.89)	-	(25.98)	(32.87)	-	(32.87)
31-Mar-26	166.30	83.01	222.87	-	64.46	569.89	1,106.52	1,372.94	2,479.46
II. Accumulated depreciation and impairment as at									
1-Apr-24	5.17	3.38	33.16	5.15	8.67	49.73	105.26	89.29	194.55
Depreciation / amortisation expense for the year	6.36	6.17	41.50		13.22	64.01	131.26	348.87	480.13
Converted to stock in trade	-	-	-	0.13	-	-	0.13	-	0.13
Eliminated on disposal of assets	-	-	-	-	-	-	-	-	-
31-Mar-25	11.53	9.55	74.66	5.28	21.89	113.74	236.65	438.16	674.55
Depreciation / amortisation expense for the year	8.93	7.58	58.74		18.30	76.94	170.49	155.71	326.20
Converted to stock in trade	-	-	-	-	-	-	-	-	-
Eliminated on disposal of assets	-	-	-	(5.28)	-	(8.73)	(14.01)	-	(14.01)
31-Mar-26	20.46	17.13	133.40	-	40.19	181.95	393.13	593.87	986.74
Carrying amount as at (I-II)									
1-Apr-24	81.42	48.00	70.31	4.52	25.81	245.54	475.60	295.58	771.18
31-Mar-25	108.11	62.05	96.62	1.61	27.23	240.92	536.54	521.64	1,058.44
31-Mar-26	145.83	65.87	89.47	-	24.27	387.94	713.39	779.07	1,492.72

(a) All the above assets are owned by the Company.

(b) No Property Plant and Equipment and intangible assets are pledged/hypothecated/given as security against loan except movable property, plant & equipment.

	As at 31 March 26	As at 31 March 25
3C Capital work in progress	0.00	5.96
Movement in capital work in progress		
Opening balance	5.96	-
Additions	80.80	59.89
Capitalised during the year	86.76	53.93
Closing balance	0.00	5.96

	Amount of CWIP for a period of				31 March 26
Capital work-in-progress ageing	< 1 year	1-2 years	2-3 years	> 3 years	Total
Projects in progress	0.00	-	-	-	0.00
Projects temporarily suspended	-	-	-	-	-
	0.00	-	-	-	0.00

	Amount of CWIP for a period of				31 March 25
Capital work-in-progress ageing	< 1 year	1-2 years	2-3 years	> 3 years	Total
Projects in progress	5.96	0	0	0	5.96
Projects temporarily suspended	0	0	0	0	0
	5.96	-	-	-	5.96

	As at 31 March 26	As at 31 March 25
3D Intangible assets under development	256.95	165.36
Opening balance	165.36	333.54
Additions	504.73	529.97
Deletions		133.55
Capitalised during the year	413.14	564.60
Closing balance	256.95	165.36

DRIVEX MOBILITY PRIVATE LIMITED

Notes forming part of Financial Statements - (continued)

(Amount in Rs Lakhs, unless otherwise stated)

Intangible assets under development aging	Amount of CWIP for a period of				31 March 26
	< 1 year	1-2 years	2-3 years	> 3 years	Total
Projects in progress	256.95	-	-	-	256.95
Projects temporarily suspended	-	-	-	-	-
	256.95	-			256.95

Intangible assets under development aging	Amount of CWIP for a period of				31 March 25
	< 1 year	1-2 years	2-3 years	> 3 years	Total
Projects in progress	165.36	-	-	-	165.36
Projects temporarily suspended	-	-	-	-	-
	165.36	-	-	-	165.36

	Note	Year ended 31-Mar-26	Year ended 31-Mar-25
3E Depreciation and Amortisation			
Depreciation on:			
Tangible Assets	3A	170.49	131.61
Right of use assets	30	315.14	191.96
Amortisation of intangible assets	3B	155.71	348.87
		641.33	672.44

Non-current assets

4 Deferred Tax Assets

	As at 31 March 26	As at 31 March 25
Provision for Gratuity	4.90	-
Provision for Leave Encashment	12.33	11.32
Provision for bad debts	-	2.50
Property, Plant & Equipment	31.14	35.98
Lease Liabilities and Right of Use Assets	30.23	24.82
Provisions for Expenses	35.48	60.05
Provision for Bonus	101.16	51.16
Income Tax Losses	4,453.87	2,776.54
Deferred Tax Liability		
OCI Remeasurement	3.38	1.31
	4,665.73	2,961.07

The major components of deferred tax liabilities and assets arising on account of timing differences are as follows:

	As at 1 April 25	Recognized/ reversed through profit and loss	Recognized in other comprehensive income	As at 31 March 26
Deferred tax assets				
OCI Remeasurement				
Provision for Leave Encashment	11.32	1.01	-	12.33
Provision for bad debts	2.50	(2.50)	-	-
Property, Plant & Equipment	35.98	(4.84)	-	31.14
Lease Liabilities	200.30	171.67	-	371.97
Provisions for Expenses	60.05	(24.58)	-	35.48
Income Tax Losses	2,776.54	1,677.33	-	4,453.87
Provision for Bonus	51.16	50.00	-	101.16
Provision for gratuity	-	4.90	-	4.90
Deferred Tax Liability				
Right of Use Assets	175.48	166.26	-	341.74
OCI Remeasurement	1.31	-	2.07	3.38
Total	2,961.07	1,706.73	(2.07)	4,665.73
Net deferred tax liability/ (asset)	2,961.07	1,706.73	(2.07)	4,665.73

DRIVEX MOBILITY PRIVATE LIMITED

Notes forming part of Financial Statements - (continued)

(Amount in Rs Lakhs, unless otherwise stated)

5 Financial Assets

	As at 31 March 26	As at 31 March 25
5.1 Other Financial Assets		
Office lease security deposits	192.33	169.13
	192.33	169.13

*In FY 2023-24 Deposit against Bank Gurantee issued in favour of supplier credits

6 Other Non-Current Assets

	As at 31 March 26	As at 31 March 25
Capital Advance	48.57	27.75
Statutory Deposit	49.16	48.59
Advance Tax and Tax Deducted at Source (Net of Provision for Income Tax) [Refer note (i) below]	3.65	2.35
Other security deposits	5.38	3.20
	106.76	81.89

Note (i)

Advance Tax and Tax Deducted at Source	3.65	2.35
Provision for Tax	-	-
	3.65	2.35

Current Assets

	As at 31 March 26	As at 31 March 25
7 Inventories		
Inventory of Vehicles	2,288.60	1,735.27
Inventories of spares and consumables	257.90	86.92
[Lower of cost or net realisable value]		
	2,546.50	1,822.20

8 Financial Assets

	As at 31 March 26	As at 31 March 25
8.1 Trade Receivables (Unsecured)		
(i) Other trade receivables:		
Unsecured, considered good *	216.00	734.05
Unsecured, considered doubtful	-	9.92
	216.00	743.97
Less: Allowance for expected credit losses	-	(9.92)
Trade receivables which have significant increase in credit risk	-	-
Trade receivables credit impaired	-	-
	216.00	734.05

* Refer note 28(b) for receivables from Related Parties

The Company uses a provision matrix to determine impairment loss on portfolio of its trade receivable. The provision matrix is based on its historically observed default rates over the expected life of the trade receivable and is adjusted for forward-looking estimates. At every reporting date, the historical observed default rates are updated and changes in forward-looking estimates are analysed.

	Not Yet due	Outstanding for following period from due date of payment				Total
		< 6 months	6 months - 1 year	1-2 years	2-3 years	
31-Mar-26						
Undisputed trade receivables	173.62	42.38	-	-	-	216.00
	173.62	42.38	-	-	-	216.00
31-Mar-25						
Undisputed trade receivables	413.65	321.82	0.02	8.47	-	743.97
Total	413.65	321.82	0.02	8.47	-	743.97

	As at 31 March 26	As at 31 March 25
Movement in expected credit loss allowance		
Balance at the beginning of the year	9.92	9.92
Expected credit losses for the year	(1.07)	-
Provision for expected credit losses written back	(8.85)	-
Balance at the end of the year	-	9.92

There are no disputed receivable, nor any receivable from the directors.

8.2 Cash and Cash Equivalents

	As at 31 March 26	As at 31 March 25
Cash on hand	2.48	16.31
Balances with banks :	-	-
(i) In current accounts	416.42	185.94
(iii) In deposit accounts*	15.00	-
	433.90	202.25
Of the above, balances that meet the definition of cash and cash equivalents as per Ind AS 7	433.90	202.25

* Deposits amounting to Rs.15.00 Lakhs are pledged against bank guarantees.

	As at 31 March 26	As at 31 March 25
8.3 Other Financial Assets		
<i>(Unsecured and considered good, unless stated otherwise)</i>		
Interest accrued on deposits	0.55	9.27
Other advances	-	4.20
Prepaid Rent Current	19.56	12.12
	20.11	25.59

9 Other Current Assets

	As at 31 March 26	As at 31 March 25
(Unsecured)		
Considered good		
Prepaid Expenses	151.07	85.42
Advance to suppliers	175.04	58.57
Gratuity Fund	-	17.83
Claim Receivable	-	11.60
GST receivable	1,121.48	784.69
	1,447.58	958.11

DRIVEX MOBILITY PRIVATE LIMITED

Notes forming part of Financial Statements - (continued)

(Amount in Rs Lakhs, unless otherwise stated)

10 Equity Share Capital	As at 31 March 26		As at 31 March 25	
	Number of shares	Amount	Number of shares	Amount
(a) Authorised:				
(i) Equity Share Capital				
Equity Shares of Rs.10/- each with voting rights	1,00,000	10.00	1,00,000	10.00
Compulsory Convertible Preference Shares of Rs. 10/- each	15,03,000	150.30	15,03,000	150.30
Total		160.30		160.30
(b) Issued, Subscribed and Fully paid-up:				
(i) Equity Share Capital				
Equity shares of Rs.10/- each with voting rights	30,484	3.05	23,469	2.35
Total		3.05		2.35

(i) Reconciliation of the number of shares and amount outstanding at the beginning and at the end of the reporting period:

Particulars	As at 31 March 26		As at 31 March 25	
	Number of shares	Amount	Number of shares	Amount
Equity shares of Rs. 10/- each				
At the beginning of the year	23,469	2.35	20,233	2.02
Add: Issued during the year	7,015	0.70	3,236	0.32
Add: Conversion of preference shares to equity shares	-	-	-	-
Outstanding at the end of the period	30,484	3.05	23,469	2.35

(ii) Terms / rights attached to the Equity Shares:

Rights, preferences and restrictions attached to shares Equity Shares: The Company has only one class of equity share, having a par value of Rs.10/-. Each holder of equity shares is entitled to one vote per share. The dividend, if any, proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting, except in case of interim dividend. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amounts, in proportion to their shareholding.

(iii) Details of shareholders holding more than 5% of the share capital:

Name of the Shareholder	As at 31 March 26			As at 31 March 25		
	Number of shares held	% of holding	% of Change during the period	Number of shares held	% of holding	% of Change during the period
Equity Shares of Rs.10/- each with voting rights						
TVS Motor Company Limited	28,110	92.21%	2.81%	20,981	89.40%	41.13%
Narain Karthikeyan	2,021	6.63%	-1.98%	2,021	8.61%	-38.02%

There are no shares allotted as fully paid up by way of bonus shares since the incorporation of the Company. There are no shares allotted as fully paid up pursuant to contracts without payment being received in cash since the incorporation of the Company. There are no shares which are reserved for issuance and there are no securities issued/ outstanding which are convertible into equity shares.

During FY 2024-25, TVS Motor Company Limited became the promoter of the company by virtue of acquisition of 11,215 equity shares by way of primary and secondary purchase of shares. Consequently, Mr. Narain Karthikeyan has become non-promoter of the Company with effect from 23rd December 2024.

Other Equity	As at			As at	
	31 March 26	31 March 25		31 March 26	31 March 25
Securities premium account	21,522.25	12,855.18	Securities premium account		
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.			Opening balance	12,855.18	8,857.08
			Add: Premium on issue of shares during the year	8,667.07	3,998.10
				21,522.25	12,855.18
Retained earnings/(deficit)	(14,146.21)	(9,159.10)	Retained earnings/(deficit)		
Retained earnings/(deficit) comprise of the Company's current and prior years' undistributed earnings after taxes or accumulated losses.			Opening balance	(9,162.06)	(4,529.07)
	7,376.04	3,696.08	Profit/(loss) for the period/year	(4,993.28)	(4,632.99)
			Closing balance	(14,155.34)	(9,162.06)
			Other Comprehensive Income		
			Opening balance	2.96	(0.89)
			Remeasurements of the defined benefit liabilities / (asset) net of tax	6.17	3.85
				9.13	2.96

DRIVEX MOBILITY PRIVATE LIMITED

Notes forming part of Financial Statements - (continued)

(Amount in Rs Lakhs, unless otherwise stated)

Non-current Liabilities

Provisions	As at 31 March 26	As at 31 March 25
(a) Provision for employee Benefits	-	
Provision for Leave Encashment	48.28	39.41
Provision for gratuity	24.98	-
Provision for Employee Incentive	<u>401.96</u>	<u>163.84</u>
* Refer Note26.1.b	<u>475.21</u>	<u>203.25</u>

Current Liabilities

13 Financial Liabilities	As at 31 March 26	As at 31 March 25
13.1 Short-term borrowings		
Borrowings from Banks*	<u>2,705.67</u>	<u>3,301.03</u>
	<u>2,705.67</u>	<u>3,301.03</u>

* Includes the below sanctioned facilities

Name of Lender	Type of Facility	Sancition Limit	Interest Rate	Outstanding Amount	Repayment Terms	Securtiy
IDFC First Bank Ltd.	Short Term Loan	1,500.00	8.25%	1,004.27	On demand	Note 1
IDFC First Bank Ltd.	Working Capital Demand Loan	500.00	8.25%	201.40	upto 90 days	Note 1
Federal Bank Ltd	Working Capital Demand Loan	500.00	7.75%	1,500.00	upto 90 days	Note 1

*Note 1 Pari passu charge on current assets and moveable fixed assets of the company .

13.2 Trade Payables

	As at 31 March 26	As at 31 March 25
Trade payables		
Total outstanding dues of micro and small enterprises	24.34	0.76
Total outstanding dues of creditors other than micro and small enterprises	<u>300.90</u>	<u>332.58</u>
	<u>325.24</u>	<u>333.34</u>

*Dues to Micro and Small Enterprises have been determined to the extent such parties have been identified on the basis of information collected by the management. The entire closing balance represents the principal amount payable to these enterprises. There are no undisputed overdues on Principal and no interest due or outstanding.

* Refer Note 28(b) for payable to Related Parties

	Outstanding for following period from due date of payment						Total
	Not yet due	< 6 months	6 months - 1 year	1-2 years	2-3 years	> 3 years	
31-Mar-26							
Total outstanding dues of micro and small enterprises	24.34	-	-	-	-	-	24.34
Total outstanding dues of creditors other than micro and small enterprises	208.13	64.88	18.64	9.26	-	-	300.90
Total	232.47	64.88	18.64	9.26	-	-	325.24
31-Mar-25							
Total outstanding dues of micro and small enterprises	0.76	-	-	-	-	-	0.76
Total outstanding dues of creditors other than micro and small enterprises	236.59	95.99	-	-	-	-	332.58
Total	237.35	95.99	-	-	-	-	333.34

13.3 Other Financial Liabilities	As at 31 March 26	As at 31 March 25	15.0 Contract liabilities	As at 31 March 26	As at 31 March 25
Payable towards purchase of property plant and equipment	-	1.26			
Other Financial Liabilities	<u>1.03</u>	<u>87.50</u>	Unearned revenue	<u>0.13</u>	<u>3.73</u>
	<u>1.03</u>	<u>88.76</u>		<u>0.13</u>	<u>3.73</u>

14.0 Provisions	As at 31 March 26	As at 31 March 25	16.0 Other Current Liabilities	As at 31 March 26	As at 31 March 25
Provision for gratuity	1.04	-	Statutory remittances	77.60	71.22
Provision- for leave encashment	6.60	5.57	Advances from Customers	27.30	-
Provision for expenses	<u>140.99</u>	<u>238.59</u>	Payable to Employees	26.76	39.44
	<u>148.63</u>	<u>244.16</u>	Security deposit received	<u>91.57</u>	<u>101.79</u>
				<u>223.23</u>	<u>212.45</u>

* Refer Note26.1.b

DRIVEX MOBILITY PRIVATE LIMITED

Notes forming part of Financial Statements - (continued)

(Amount in Rs Lakhs, unless otherwise stated)

17. Revenue from Operations

	Year ended 31-Mar-26	Year ended 31-Mar-25
Revenue from contract with customers		
Sale of products		
Sale of vehicles	7,205.14	5,839.45
Sale of Spares & Accessories	38.16	101.97
Sale of services	58.34	
Income from vehicle services	4.85	22.69
Royalty & DMS Charges		27.62
	13.00	
Other operating income		
Sale of scrap	13.00	5.57
	7,319.48	5,997.30

(i) Disaggregation of revenue from contracts with customers

Revenue from customers		
Sale of vehicles	7,243.29	5,941.42
Income from Vehicle Services	58.34	22.69
Others	4.85	27.62
Sale of scrap	13.00	5.57
	7,319.48	5,997.30
Time of revenue recognition		
-At a point in time	7,256.29	5,946.99
-Over time	63.19	50.31

(ii) Contract balances

The Company earns revenue from sale of refurbished vehicles, Subscription of Refurbished Vehicles, through Royalty for sales done by franchisee dealers and through value added services. The significant performance obligation of the Company is to sell refurbished vehicles. Sale of refurbished vehicles are fulfilled at a point in time and Royalty are fulfilled over a period of time. There are no material unsatisfied performance obligations or reconciling items between the amounts recognised as revenue and contract price as at 31 Mar 26 and 31 Mar 25.

Contract assets		
Trade receivables (Refer note (i) below)	216.00	743.97
	216.00	743.97

Contract liabilities		
Advance from customers	27.30	-
Unearned revenue	0.13	3.73

(i) Trade receivables are non-interest bearing and are generally on credit terms of upto 30 days.

(ii) Unbilled revenue pertains to transactions where performance obligation has been satisfied and contractual invoices have not been raised.

Movement in contractual liabilities	Year ended 31-Mar-26	Year ended 31-Mar-25
Opening balance	3.73	11.95
Revenue recognised during the year	3.73	11.95
Liabilities recognised during the year	0.13	3.73
	0.13	3.73

The Company has applied practical expedient and has not disclosed information about remaining performance obligations in contracts where the original contract duration is one year or less.

18 Other income

	Year ended 31-Mar-26	Year ended 31-Mar-25
(a) Interest income from		
-bank deposits	1.08	39.13
-financial assets at amortised cost	32.05	9.45
-income tax refund	-	0.89
(b) Gain on modification of Right to use asset	24.86	6.73
(c) Commission Income	26.76	14.82
(d) Miscellaneous income	30.95	13.02
	115.70	84.04

19. Cost of goods sold

	Year ended 31-Mar-26	Year ended 31-Mar-25
Opening stock	1,822.20	2,210.89
Purchase of vehicles consumables and spares	6,641.19	5,608.03
Refurbishment expenses	1,134.77	850.08
Closing stock	(2,546.50)	(1,822.20)
	7,051.66	6,846.81

*Refer Note 28(b) for purchases from related parties

20. Employee Benefit Expenses

	Year ended 31-Mar-26	Year ended 31-Mar-25
Salaries, wages and bonus	2,720.39	1,900.56
Contributions to provident fund	80.18	98.82
Gratuity expenses	52.09	38.57
Staff welfare expenses	163.10	133.07
	3,015.76	2,171.02

*Refer Note 28(b) for amount paid to KMP

21. Finance costs

	Year ended 31-Mar-26	Year ended 31-Mar-25
Interest on borrowings	272.59	310.15
Interest on lease liabilities *	125.23	77.18
Interest on delayed payments under MSMED Act, 2006	0.23	-
	398.06	387.33

*Refer Note 30

22 Other expenses

	Year ended 31-Mar-26	Year ended 31-Mar-25
Rent expenses	98.04	104.42
Power, fuel and water charges	47.77	33.90
Repairs and Maintenance - Others	140.27	49.34
Rates and Taxes	102.05	8.78
Subcontracting charges	110.31	89.32
Technical & Subscription Charges	316.64	169.35
Intangible assets written off *	-	133.55
Travelling and Conveyance	215.57	197.51
Contract and Manpower charges	771.25	539.58
Marketing Expenses	862.64	706.09
Professional / Consultancy / Technical fees	297.85	125.31
Payments to Auditors	5.00	5.40
Miscellaneous Expenses**	60.99	18.91
Total	3,028.38	2,181.46

DRIVEX MOBILITY PRIVATE LIMITED

Notes forming part of Financial Statements - (continued)

(Amount in Rs Lakhs, unless otherwise stated)

* Intangible assets written off pertains to Project discontinued

** Under head there is no expenditure which is excess of 1% of revenue from operations or 10 Lakhs whichever is higher.

	Year ended 31-Mar-26	Year ended 31-Mar-25
Note - Payments to auditors:		
Payments to auditors comprises (net of GST input credit, where applicable):	-	-
Statutory Audit fees	5.00	5.00
Tax Audit fees	-	0.40
Total	5.00	5.40

*Refer Note 28(b) for payment to related parties

23 Income tax expenses

A Particulars	31-Mar-26	31-Mar-25
I Tax expense recognized in the Statement of Profit and Loss:		
Current tax expense:		
i. Current tax on profit for the year	-	-
ii. Tax relating to earlier years	-	-
Deferred tax expense:		
Deferred tax expenses	(1,706.73)	(1,544.73)
Total tax expense recognized in the Statement of Profit and Loss	(1,706.73)	(1,544.73)
II Tax expense recognized in other comprehensive income		
Items that will not be reclassified to profit and loss		
Remeasurements of the defined benefit liabilities / (asset)	8.24	5.20
Income tax relating to items that will not be reclassified to profit or loss	(2.07)	(1.35)
Total Tax expense recognized in other comprehensive income	6.17	3.85

B. Effective Tax Rate

Reconciliation of tax expense and the accounting profit for the year is under.

Particulars	31-Mar-26	31-Mar-25
Accounting profit before income tax expenses	(6,700.01)	(6,177.72)
Enacted tax rate in India (%)	25.17%	25.17%
Computed expected tax expense	(1,686.26)	(1,554.81)
Tax effect of :		
- Expenses that are not deductible in determining taxable profit	-	-
- Bought forward losses	5.66	5.66
- Warranties	-	-
- Impact of rate change	-	-
- Others	(26.14)	4.41
Tax expenses recognized in statement of profit and loss	(1,706.73)	(1,544.73)
Effective tax rate (%)	25.47%	25.00%

Note	Particulars	31-Mar-26	31-Mar-25
24	Contingent liabilities and commitments (to the extent not provided for)		
(i)	Contingent liabilities:		
(a)	Bank Guarantees	15.00	15.00
(b)	Disputed Tax Liabilities under:		
	Goods and Services Tax	495.98	490.11
(ii)	Commitments: Capital commitments		1.36

25 Disclosures required under Section 22 of the Micro, Small and Medium Enterprises Development Act, 2006

	31-Mar-26	31-Mar-25
(i) Principal amount remaining unpaid to any supplier as at the end of the accounting year	24.34	0.76
(ii) Interest due thereon remaining unpaid to any supplier as at the end of the accounting year	-	-
(iii) The amount of interest paid along with the amounts of the payment made to the supplier beyond the appointed day	-	-
(iv) The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the MSMED Act	0.23	-
(v) The amount of interest accrued and remaining unpaid at the end of the accounting year	0.23	-
(vi) The amount of further interest due and payable even in the succeeding year, 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	-	-
Dues to micro and small enterprises have been determined to the extent such parties have been identified on the basis of information collected by the Management. This has been relied upon by the auditors.		

26 Employee benefit plans

26.1.a Defined contribution plans

The Company makes Provident Fund scheme contributions to defined contribution plans and Employee State insurance scheme for qualifying employees. Under the Schemes, the Company is required to contribute a specified percentage of the payroll costs to fund the benefits. The Company recognised the following contributions in the Statement of Profit and Loss.

Particulars	Year ended 31-Mar-26	Year ended 31-Mar-25
Provident fund	69.08	65.50
Employee state insurance	0.06	0.06
Labour welfare fund	0.27	0.14

26.1.b Defined benefit plan - gratuity

In accordance with applicable Indian laws, the Company provides for Gratuity, a defined benefit retirement plan (Gratuity plan) to the employees who are in continuous service for a period of more than 5 years. The Gratuity plan provides a lump sum payment to vested employees, at retirement or termination of employment, an amount based on the respective employee's last drawn eligible salary and the years of employment with the Company. The Company provides the gratuity benefit through valuation carried out by actuary included as part of 'Gratuity expenses' in Note 18 Employee benefit expense. Under this plan, the settlement obligation remains with the Company. This is a funded plan.

DRIVEX MOBILITY PRIVATE LIMITED

Notes forming part of Financial Statements - (continued)

(Amount in Rs Lakhs, unless otherwise stated)

Description of Risk Exposures

Valuations are performed on certain basic set of pre-determined assumptions and other regulatory framework which may vary over time. Thus, the Company is exposed to various risks in providing the above gratuity benefit which are as follows:

- A Interest Rate Risk: The plan exposes the Company to the risk of fall in interest rates. A fall in interest rates will result in an increase in the ultimate cost of providing the above benefit and will thus result in an increase in the value of the liability (as shown in financial statements).
- B Salary Escalation Risk: The present value of the defined benefit plan is calculated with the assumption of salary increase rate of plan participants in future. Deviation in the rate of increase of salary in future for plan participants from the rate of increase in salary used to determine the present value of obligation will have a bearing on the plan's liability.
- C Demographic Risk: The Company has used certain mortality and attrition assumptions in valuation of the liability. The Company is exposed to the risk of actual experience turning out to be worse compared to the assumption.
- D Liquidity Risk: This is the risk that the Company is not able to meet the short-term gratuity pay-outs. This may arise due to non-availability of enough cash/cash equivalent to meet the liabilities or holding of illiquid assets not being sold in time.
- E The present value of the defined benefit obligation, and the related current service cost and past service cost, were measured using the projected unit credit method.
- F The gratuity is to provide benefits for the life of the member, so increases in life expectancy will result in an increase in the plans' liabilities. This is particularly significant where inflationary increases result in higher sensitivity to changes in life expectancy.

The following table sets out the movement of the defined benefit obligation:

Particulars	Year ended 31-Mar-26	Year ended 31-Mar-25
Components of employer expense		
Current service cost	52.80	38.00
Past service cost	-	-
Interest cost	4.71	2.01
Net transfer of asset/(liability)	(1.44)	(1.44)
Recognised in statement of profit and loss	56.07	38.57
Re-measurement - actuarial (gain)/loss recognised in OCI	(8.24)	(5.20)
Total expense recognised in the Statement of total comprehensive income	47.83	33.37
Other Comprehensive Income (OCI)		
Actuarial (gain)/loss due to DBO experience	(7.47)	(7.36)
Actuarial (gain)/loss due to DBO assumption changes	(0.77)	2.17
Actuarial (gain)/loss arising during period	(8.24)	(5.20)
Actuarial (gains)/ losses recognized in OCI	(8.24)	(5.20)
Defined Benefit Cost	31-Mar-26	31-Mar-25
<u>Service cost</u>	52.80	38.00
Net interest on net defined benefit liability / (asset)	4.71	2.01
Actuarial (gains)/ losses recognized in OCI	(8.24)	(5.20)
Defined Benefit Cost	49.27	34.81
Change in defined benefit obligation (DBO) during the year		
Present value of DBO at beginning of the year	61.33	27.59
Current service cost	52.80	38.00
Past service cost	-	-
Interest cost	4.71	2.01
Actuarial (gains) / losses	(8.24)	(5.20)
Benefits paid	(1.44)	(1.07)
Present value of DBO at the end of the year	109.16	61.33
Actual contribution and benefit payments for year		
Actual benefit payments	1.44	1.07
Actual contributions	-	30.39

Change in fair value of assets during the year

Plan assets at beginning of the year	79.16	49.03
Expected return on plan assets	5.41	0.81
Actual company contributions	-	30.39
Employer direct benefits payment	-	-
Actuarial gain / (loss)	-	-
Benefits paid	(1.44)	(1.07)
Plan assets at the end of the year	83.13	79.16
Actual return on plan assets	5.41	0.81

Current and Non Current Liability portion

Particulars		
Current Liability	(1.04)	(0.41)
Non Current Asset/ (Liability)	(108.12)	(60.93)
Net Asset/(Liability)	(109.16)	(61.34)

Net asset / (liability) recognised in the Balance Sheet

Present value of defined benefit obligation	109.16	61.33
Fair value of plan assets	83.13	79.16
Funded status [Surplus / (Deficit)]	(26.03)	17.83
Net asset / (liability) recognised in the Balance Sheet	(26.03)	17.83

Actuarial assumptions

	31-Mar-26	31-Mar-25
Discount rate	7.00%	6.95%
Attrition rate (based on age group)		
21-30	15.00%	15.00%
31-34	10.00%	10.00%
35-44	5.00%	5.00%
45-50	3.00%	3.00%
51-54	2.00%	2.00%
55-57	1.00%	1.00%
Salary escalation	8.00%	8.00%

"The discount rate is based on the prevailing market yields of Government of India securities as at the Balance Sheet date for the estimated term of the obligations. The estimates of future salary increases, considered in actuarial valuation, takes into account inflation, seniority, promotion and other relevant factors such as supply and demand factors in the employment market. "

Sensitivity Analysis

Reasonably possible changes at the reporting date to one of the relevant actuarial assumptions, holding other assumptions constant, would have affected the defined benefit obligation by the amounts shown below:

Gratuity Plan	31-Mar-26	31-Mar-25
Estimate value of obligation if discount rate is taken 0.5% higher	101.83	57.10
Estimated value of obligation if discount rate is taken 0.5% lower	117.24	66.00
Estimate value of obligation if salary growth rate is taken 0.5% higher	116.63	65.72
Estimate value of obligation if salary growth rate is taken 0.5% lower	102.16	57.30
Estimate value of obligation if attrition rate is taken 50% higher	98.22	54.32
Estimate value of obligation if attrition rate is taken 50% lower	122.40	69.91
Estimate value of obligation if Mortality rate is taken 10% higher	109.14	61.33
Estimate value of obligation if Mortality rate is taken 10% lower	109.18	61.35

DRIVEX MOBILITY PRIVATE LIMITED

Notes forming part of Financial Statements - (continued)

(Amount in Rs Lakhs, unless otherwise stated)

These sensitivities have been calculated to show the movement in defined benefit obligation in isolation and assuming there are no other changes in market conditions at the accounting date. There have been no changes from the previous periods in the methods and assumptions used in preparing the sensitivity analysis. This sensitivity change may not be representative of actual change in defined benefit obligation as it is unlikely that the change in assumptions would occur in isolation of one another.

Maturity profile of defined benefit obligation (undiscounted):

Maturity profile, if it ensues	31-Mar-26	31-Mar-25
1 year	1.04	0.41
2-5 years	20.50	11.99
6-9 years	38.36	20.05
10 years and more	295.59	170.12

Compensated absences	31-Mar-26	31-Mar-25
Compensated absences recognised in statement of Profit & Loss Account	10.99	33.20
Closing balance of Compensated absences provisions	54.88	44.98

The leave obligations cover the Company's liability for earned leaves of employees. The provision balance is presented as current and non current, though the Company does not have an unconditional right to defer settlement for any of these obligations since, based on past experience, the Company does not expect all employees to take the full amount of accrued leaves to make payments in lieu of accrued leaves within the next 12 months.

- 27 The Board of Directors being Chief Operating Decision Maker of the Company has identified the segment of the company primarily relating to refurbishing of vehicles. Geographical revenues and receivable are allocated based on the location of the customer. The Company operates in only one geography which is India.

28 Related Party Transactions

A. Details of Related Parties:

Name of related parties	Description of relationship
TVS Motor Company Ltd	Holding Company [With effect from 23 December 2024]
TVS Credit Services Ltd	Subsidiary of TVS Motor Co Ltd. [With effect from 15 October 2022]
Leap India Food & Logistics Pvt.Ltd (Leap IFL)	Enterprises in which relative of Key Management Personnel exercise significant influence (Ceased to be KMP w.e.f 23rd December 2024)
Leap Agri Logistics Delhi Pvt.Ltd	Enterprises in which relative of Key Management Personnel exercise significant influence (Ceased to be KMP w.e.f 23rd December 2024)
Leap Agri Logistics Guwahati Pvt.Ltd	Enterprises in which relative of Key Management Personnel exercise significant influence (Ceased to be KMP w.e.f 23rd December 2024)
Leap Agri Logistics Ludhiana Pvt.Ltd	Enterprises in which relative of Key Management Personnel exercise significant influence (Ceased to be KMP w.e.f 23rd December 2024)
Pipavav Leap Agri Logistics Pvt.Ltd	Enterprises in which relative of Key Management Personnel exercise significant influence (Ceased to be KMP w.e.f 23rd December 2024)
Sri Karthikeya Spinning & Weaving Mills Pvt Ltd	Enterprises in which Key Management Personnel and his relatives exercise significant influence (Ceased to be KMP w.e.f 23rd December 2024)
G Ramaswamy Naidu Matric HR Sec School	Enterprises in which relative of Key Management Personnel exercise significant influence (Ceased to be KMP w.e.f 23rd December 2024)
RND Softech Private Limited	Enterprises in which relative of Key Management Personnel exercise significant influence (Ceased to be KMP w.e.f 23rd December 2024)
Karthikeya Spinners	Enterprises in which relative of Key Management Personnel exercise significant influence (Ceased to be KMP w.e.f 23rd December 2024)
P.S. Govindaswamy Naidu Sons' Charities	Enterprises in which relative of Key Management Personnel exercise significant influence (Ceased to be KMP w.e.f 23rd December 2024)
Future Accessories LLP	Enterprises in which relative of Key Management Personnel exercise significant influence
Mr.GR Karthikeyan	Relative of Key Management Personnel (Ceased to be KMP w.e.f 23rd December 2024)
Mr.Narain Karthikeyan	"Key Management Personnel - Director (Ceased to be KMP w.e.f 23rd December 2024)"
Mr. G Parthasarathy	Key Management Personnel - Director
Mr. Sharad Mohan Mishra	Key Management Personnel - Director
Mr. Pramod Krishna	Key Management Personnel - Chief Financial Officer
Devesh Taparia	Key Management Personnel - Chief Executive Officer
Mr.Ranjith R	Key Management Personnel - Company Secretary (Resigned Date: 25th Feb 2026)

B. Details of transactions during the year and balance outstanding as at the balance sheet date:

Related parties	31-Mar-26	31-Mar-25		
Income from Vehicle Subscription				
RND Softech Private Limited	0.19	0.42	Payment of Rent:	
Sri Karthikeya Spinning & Weaving Mills Pvt Ltd	0.09	0.28	Karthikeya Spinners	- 0.18
Purchase Vehicle:			Payment for Services:	
Future Accessories LLP	44.63	-	Tvs Training & Service LTd	834.60 602.28
Nkars Mobility Solution Pvt Ltd		23.49	TVS Digital Limited	1.13 -
TVS Credit Services Ltd	160.97	898.93	Narain Karthikeyan	- 29.70
Purchase of Subscription:			Expenses Reimbursements:	
Nkars Mobility Solution Pvt Ltd	-	2.25	Narain Karthikeyan	119.02 0.94
Vehicle Loan:			Remuneration:	
TVS Motor Company Ltd	4.29	25.78	Key Managerial Personnel	16.83 121.00
				1,181.75 1,705.25

DRIVEX MOBILITY PRIVATE LIMITED

Notes forming part of Financial Statements - (continued)

(Amount in Rs Lakhs, unless otherwise stated)

Outstanding balances as at

Particulars	Related Party	31-Mar-26	31-Mar-25
Trade Payable	Karthikeya Spinners	0.02	0.02
	Mr.Narain Karthikeyan	9.92	9.92
	Tvs Training & Service LTd	59.03	58.42
Trade Receivable	RND Softtech Private Limited	-	0.04
	Sri Karthikeya Spinning & Weaving Mills Pvt Ltd	-	0.42
Other Receivables	TVS Credit Services Ltd	1.01	-

Notes:

- Related parties have been identified by the Management.
- Information relating to remuneration does not include compensated absence which are provided on an overall basis based on actuarial valuation.
- No amount is/ has been written off or written back during the year in respect of dues from/ to related parties.

29 Earnings per equity share (EPS)

	Year ended 31-Mar-26	Year ended 31-Mar-25
Profit \ (Loss) attributable to equity shareholders	(4,993.28)	(4,632.99)
Weighted average number of equity shares for calculating:		
Basic earnings per share (Nos.)	30,484	23,469
Diluted earnings per share (Nos.)	30,484	23,469
Par value per equity share (Rs.)	10	10
Earnings/(loss) per share		
- Basic (Rs.)	(18,278.91)	(22,540.18)
- Diluted (Rs.)	(18,278.91)	(22,540.18)

30 'On 30 March 2019, the Ministry of Corporate Affairs had notified Ind AS 116, Leases, replacing the existing leases standard, Ind AS 17, Leases, and related interpretations. The new lease standard sets out the principles for the recognition, measurement, presentation and disclosure of leases for both parties to a contract i.e., the lessee and the lessor. Ind AS 116 introduces a single lessee accounting model and requires a lessee to recognize assets and liabilities for all leases with a term of more than 12 months, unless the underlying asset is of low value. Under the previous GAAP, operating lease expenses are charged to the statement of profit and loss. The Standard also contains enhanced disclosure requirements for lessees. Ind AS 116 substantially carries forward the lessor accounting requirements in Ind AS 17.

The standard permits two possible methods of transition:

Full retrospective : Retrospectively to each prior period presented applying Ind AS 8 Accounting Policies, Changes in Accounting Estimates and Errors

Modified retrospective : Retrospectively, with the cumulative effect of initially applying the Standard recognized at the date of initial application.

The Company has adopted modified retrospective approach

The Company has entered into leasing arrangements in respect of office premise. The leasing arrangements, which are generally cancellable, have lease periods ranging between 11 and 60 months. They are generally renewable by mutual consent on mutually agreeable terms. The operating leases are cancellable by lessor/lessee with notice period up to three months.

The following is the summary of practical expedients elected by the Company on the initial application:

Applied the exemption not to recognize right-of-use assets and liabilities for leases with less than 12 months of lease term on the date of initial application.

Excluded the initial direct costs from the measurement of the right-of-use asset at the date of initial application.

a. The change in lease payments results in revised consideration for the lease that is substantially the same as, or less than, the consideration for the lease immediately preceding the change;

Movement in right-of-use assets and lease liabilities during the year:

Right-of-use assets - Buildings

Gross block

Opening balance	1,067.29	855.35
Additions	1,180.91	211.94
Deletions	367.43	-
Closing balance	1,880.77	1,067.29

Accumulated depreciation

Opening balance	370.06	178.10
Depreciation for the year	315.14	191.96
Elimination on cancelled lease	162.27	-
	522.93	370.06

Net block

	1,357.84	697.23

	Year ended 31-Mar-26	Year ended 31-Mar-25

Lease liabilities - Buildings

Opening balance	795.87	739.48
Additions	1,180.91	211.94
Deletions	(251.88)	-
Interest	125.23	77.18
Lease payments	(372.21)	(232.74)
Closing balance	1,477.92	795.87
Current	324.64	200.16
Non-current	1,153.28	595.71

Maturity analysis of lease payment and short term and low value leases

1 year	324.64	200.16
1 to 5 years	1,153.28	595.71
More than 5 years	-	-
	Year ended 31-Mar-26	Year ended 31-Mar-25

Amount Recognised in statement of profit and loss

Lease rent expense on short-term and low value lease debited to Statement of Profit and Loss	98.04	104.42
Depreciation on right of use assets	315.14	191.96
Interest on lease liabilities	125.23	77.18

Notes forming part of Financial Statements - (continued)

(Amount in Rs Lakhs, unless otherwise stated)

31 Financial instruments

The carrying value and fair value of financial instruments by categories as at Mar 31, 2026 and March 31, 2025 is as follows:

Particulars	Carrying value as at	
	31-Mar-26	31-Mar-25
Amortised Cost		
Trade receivable	216.00	216.00
Cash and cash equivalents including margin money	433.90	433.90
Other financial assets	20.11	20.11
Office lease security deposits	192.33	192.33
Other security deposits	5.38	5.38
Prepaid Rent	48.57	27.75
Total Assets	916.29	916.29

Financial liabilities

Amortised Cost		
Lease liabilities	1,477.93	795.87
Short Term borrowings	2,705.67	3,301.03
Trade payables	325.24	333.34
Other financial liabilities	1.03	88.76
Total Liabilities	4,509.87	4,519.00

The management assessed that fair value of cash and short-term deposits, trade receivables and loans, trade payables, and other financial assets and liabilities approximate their carrying amounts largely due to the short-term maturities of these instruments. The fair value of long term lease liabilities are not expected to undergo change.

The fair value of the financial assets and liabilities is included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

32 Fair Value Hierarchy

Financial assets and liabilities include cash and cash equivalents, trade receivables, finance lease payables, trade payable. This section explains the judgements and estimates made in determining the fair values of the financial instruments that are (a) recognized and measured at fair value and (b) measured at amortized cost and for which fair values are disclosed in the financial statements.

	As at 31st Mar, 2026			As at 31st Mar, 2025		
	FVTPL	FVOCI	Amortised cost	FVTPL	FVOCI	Amortised cost
Financial assets :						
Trade Receivables	-	-	216.00	-	-	734.05
Cash and Cash Equivalents	-	-	433.90	-	-	202.25
Interest accrued on deposits	-	-	0.55	-	-	9.27
Other advances	-	-	-	-	-	4.20
Office lease security deposits	-	-	192.33	-	-	169.13
Other security deposits	-	-	5.38	-	-	3.20
Prepaid Rent	-	-	68.13	-	-	39.87
Total	-	-	916.29	-	-	1,161.97
Financial liabilities						
Short term borrowings	-	-	2,705.67	-	-	3,301.03
Lease Liabilities	-	-	1,477.93	-	-	795.87
Trade Payables	-	-	325.24	-	-	333.34
Payable towards purchase of property plant and equipment	-	-	-	-	-	1.26
Other financial liabilities	-	-	1.03	-	-	87.50
Total	-	-	4,509.87	-	-	4,519.00

The fair value of loan, cash and cash equivalents, trade receivables, trade payables, other current financial assets and liabilities approximate their carrying amount largely due to the short-term nature of these instruments. These financial asset & liabilities have been classified as Level 3.

Level 1: Level 1 hierarchy includes financial instruments measured using quoted prices.

Level 2: The fair value of financial instruments that are not traded in an active market (for example, over-the-counter derivatives) is determined using valuation techniques which maximize the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3. This is the case for unlisted equity securities, contingent consideration and indemnification asset included in level 3.

There have been no transfers among Level 1, Level 2 and Level 3 during the year.

DRIVEX MOBILITY PRIVATE LIMITED

Notes forming part of Financial Statements - (continued)

(Amount in Rs Lakhs, unless otherwise stated)

Financial assets and liabilities measured at fair value - recurring fair value measurements

Assets and liabilities which are measured at amortised cost

As at 31st Mar, 2026	Level 1	Level 2	Level 3	Total
Financial assets				
Trade Receivables	-	-	216.00	216.00
Cash and Cash Equivalents	-	-	433.90	433.90
Interest accrued on deposits	-	-	0.55	0.55
Office lease security deposits	-	-	192.33	192.33
Other security deposits	-	-	5.38	5.38
Prepaid Rent	-	-	68.13	68.13
Total financial assets	-	-	916.29	916.29
Financial Liabilities				
Short term borrowings	-	-	2,705.67	2,705.67
Lease Liabilities	-	-	1,477.93	1,477.93
Trade Payables	-	-	325.24	325.24
Other financial liabilities	-	-	1.03	1.03
Total financial liabilities	-	-	4,509.87	4,509.87

Assets and liabilities which are measured at amortised cost

As at 31st Mar, 2025	Level 1	Level 2	Level 3	Total
Financial assets				
Trade Receivables	-	-	734.05	734.05
Cash and Cash Equivalents	-	-	202.25	202.25
Interest accrued on deposits	-	-	9.27	9.27
Other advances	-	-	4.20	4.20
Office lease security deposits	-	-	169.13	169.13
Other security deposits	-	-	3.20	3.20
Prepaid Rent	-	-	39.87	39.87
Total financial assets	-	-	1,161.97	1,161.97
Financial Liabilities				
Short term borrowings	-	-	3,301.03	3,301.03
Lease Liabilities	-	-	795.87	795.87
Trade Payables	-	-	333.34	333.34
Payable towards purchase of property plant and equipment	-	-	1.26	1.26
Other financial liabilities	-	-	87.50	87.50
Total financial liabilities	-	-	4,519.00	4,519.00

DRIVEX MOBILITY PRIVATE LIMITED

Notes forming part of Financial Statements - (continued)

(Amount in Rs Lakhs, unless otherwise stated)

33 Financial Risk Management

The Company's principal financial liabilities, comprise trade and other payables. The main purpose of these financial liabilities is to finance the company's operations and to provide guarantees to support its operations. The Company's principal financial assets include loans, trade and other receivables, and cash and short-term deposits that derive directly from its operations.

The Company's activities expose it to a variety of financial risks: credit risk, liquidity risk, foreign currency risk and interest rate risk. The Company's primary focus is to foresee the unpredictability of financial markets and seek to minimize potential adverse effects on its financial performance. The primary market risk to the company is foreign exchange risk. The Company uses foreign currency forward contracts to mitigate foreign exchange related risk exposures.

The Board of Directors reviews and agrees policies for managing each of these risks, which are summarised below:

Credit Risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Company's receivables from customers, investment securities, loans and other financial assets. Credit risk arises from cash held with banks and financial institutions, as well as credit exposure to clients, including outstanding accounts receivable. The maximum exposure to credit risk is equal to the carrying value of the financial assets. The objective of managing counterparty credit risk is to prevent losses in financial assets. The Company assesses the credit quality of the counterparties, taking into account their financial position, past experience and other factors.

The major exposure to the credit risk at the reporting date is primarily from:

Trade and Other receivables -

a. Trade receivables are typically unsecured. The Company exposure to credit risk is influenced mainly by the individual characteristics of each customer. Accordingly, credit risk is managed through customer specific credit approvals, establishing credit limits and monitoring the creditworthiness of customers. In general, it is presumed that credit risk has significantly increased since initial recognition if the payments are more than 180 days past due from agreed credit terms with customer. Historically, the company has not experienced any significant non-payment or write-offs and the provision made as at reporting date is considered to be adequate.

b. Exposure of credit loss on security deposits given against the rented premises is considered to be low as recovery of these deposits is supported by contractual agreement. As a internal process management performs background check of counterparty before entering into contractual agreement where credit risk assessment is carried out. As at reporting date credit risk has not increased significantly since initial recognition.

The Company exposure to credit risk is influenced mainly by the individual characteristics of each customer. The demographics of the customer, including the default risk of the industry and country in which the customer operates, also has an influence on credit risk assessment. Ratings of customers are periodically monitored.

The Company's major revenue is from sale of refurbished vehicles and to the ultimate buyers. Therefore the Company's credit risk is very insignificant from customers.

Investments

The Company limits its exposure to credit risk by generally investing in liquid securities and only with counterparties that have a good credit rating. The company does not expect any losses from non- performance by these counter-parties, and does not have any significant concentration of exposures to specific industry sectors.

Liquidity Risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they become due. The Company manages its liquidity risk through credit limits with banks as and when required. Currently the Company does not have any undrawn credit facilities.

The Company's corporate treasury department is responsible for liquidity, funding as well as settlement management. In addition, processes and policies related to such risks are overseen by senior management who seek to maintain sufficient cash balances /lines of credit to meet any obligations as they fall due.

Particulars	As at 31 March 26	As at 31 March 25
Cash and Cash Equivalents	433.90	202.25
Total	433.90	202.25

The table below provides details regarding the contractual maturities of significant financial liabilities as at 31 Dec 25 and 31 Mar 25.

Particulars	As at	Less than 1 year	1-5 years	5 years and above
Trade Payables	31-Mar-26	325.24	-	-
	31-Mar-25	333.34	-	-
Other Financial Liabilities	31-Mar-26	1.03	-	-
	31-Mar-25	13.14	-	-
Lease liabilities	31-Mar-26	324.64	1,153.29	-
	31-Mar-25	200.16	595.71	-
Short Term Borrowings	31-Mar-26	2,705.67	-	-
	31-Mar-25	3,301.03	-	-

DRIVEX MOBILITY PRIVATE LIMITED

Notes forming part of Financial Statements - (continued)

(Amount in Rs Lakhs, unless otherwise stated)

Foreign Currency risk

The Company's operations predominantly in India and it does not have any foreign operations and therefore the risk on account of foreign currency exchange fluctuation is very insignificant.

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's exposure to the risk of changes in market interest rates relates primarily to the Company's debt obligations with floating interest rates.

Interest rate sensitivity analysis

If interest rates had been 1% higher and all other variables were held constant, the company's profit for the year ended would have impacted in the following manner:

	Year ended 31-Mar-26	Year ended 31-Mar-25
Particulars		
Impact on profit or (loss) for the year	27.26	31.02
If interest rates were 1% lower, the company's profit would have increased or loss would have decreased by the equivalent amount as shown in the above table.		

34 Capital management

The Company's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business.

The capital structure is as follows:

	As at	
	31-Mar-26	31-Mar-25
Particulars		
Total equity attributable to the equity share holders of the company	7,379.09	3,698.43
As percentage of total capital	73.17%	52.84%
Total borrowings	2,705.67	3,301.03
As a percentage of total capital	26.83%	47.16%
Total capital (borrowings and equity)	10,084.76	6,999.46

The Company is predominantly debt financed and current year equity has been infused which is evident from the capital structure table

35 Financial Ratios

<u>Ratio</u>	<u>Current ratio</u>
Numerator	Current Assets
Denominator	Current Liabilities

Ratios / measures	31-Mar-26	31-Mar-25
Total Current Assets (A)	4,664.09	3,742.20
Total Current Liabilities (B)	3,728.57	4,547.47
Current ratio (C) = (A) / (B)	1.25	0.82
%Change from previous period/ year*	52%	-48%

*The increase in current ratio during FY 2025-26 is mainly attributable to improved working capital position arising from increase in current assets and reduction in short-term liabilities compared to the previous year.

<u>Ratio</u>	<u>Debt Equity Ratio</u>	
Ratios / measures	31-Mar-26	31-Mar-25
Total debts (A)	2,705.67	3,301.03
Total shareholder's equity (B)	7,379.09	3,698.43
Debt equity ratio (C) = (A) / (B)	0.37	0.89
%Change from previous period/ year*	-58%	134%

* The decrease in Debt Equity Ratio is mainly due to reduction in borrowings and increase in shareholders' equity during the year.

Ratio

Numerator

Denominator

Debt service coverage ratio

Earnings available for debt service

Debt service

Ratios / measures	31-Mar-26	31-Mar-25
Profit after tax (A)	(4,993.28)	(4,632.99)
Add: Following non cash operating expenses and finance cost		
Depreciation and amortization (B)	641.33	672.44
Finance cost (C)	125.23	77.18
Other non-cash expenses (D)	-	-
Earnings available for debt services (E) = (A)+(B)+(C)+(D)	(4,226.72)	(3,883.37)
Interest cost (F)	125.23	77.18
Principal repayments (G)	-	-
Principal payments for lease liability(H)	246.97	155.56
Debt service (I) = (F) + (G) + (H)	372.21	232.74
Debt service coverage ratio (E/I)	(11.36)	(16.69)
* The change in DSCR is mainly due to losses incurred during the year and new premises taken on rent.	-32%	6%

Ratio

Numerator

Denominator

Return on equity [%]

Profit after tax

Average Shareholder's Equity

Ratios / measures	31-Mar-26	31-Mar-25
Net Profit after tax (A)	(4,993.28)	(4,632.99)
Closing shareholder's equity (B)	7,379.09	3,698.43
Average shareholder's equity [opening + closing /2] (C)	5,538.76	4,013.79
Return on equity [%] (D) = (A)/ (C) *100	-90%	-115%
% Change from previous period/ year*	22%	-119%

*The change in ratio is due to contribution losses incurred and increase in fixed expenses as company is in growth phase

Ratio

Numerator

Denominator

Trade receivables turnover ratio

Revenue from operations

Average trade receivables

Ratios / measures	31-Mar-26	31-Mar-25
Average Inventory - (A)	2,184.35	2,016.55
Cost of goods sold - (B)	7,051.66	6,846.81
Inventory turnover ratio - (B/A)	3.23	3.40
% Change from previous period/ year	-5%	6%

DRIVEX MOBILITY PRIVATE LIMITED

Notes forming part of Financial Statements - (continued)

(Amount in Rs Lakhs, unless otherwise stated)

<u>Ratio</u>	<u>Trade receivables turnover ratio</u>		
Numerator	Revenue from operations		
Denominator	Average trade receivables		
Ratios / measures		31-Mar-26	31-Mar-25
Sales (A)		7,319.48	5,997.30
Closing Trade Receivables		216.00	734.05
Average Trade Receivables [(opening + closing) /2] (B)		475.03	407.39
Trade receivables turnover ratio (C) = (A) / (B)		15.41	14.72
% Change from previous period/ year		5%	74%

<u>Ratio</u>	<u>Trade payables turnover ratio</u>		
Numerator	Adjusted total expenses		
Denominator	Average trade payables		
Ratios / measures		31-Mar-26	31-Mar-25
Total expenses excluding depreciation, finance cost and non cash expenses (A)		13,095.80	11,199.29
Closing Trade Payables		325.24	333.34
Average Trade Payables [(opening + closing) /2] (B)		329.29	307.77
Trade payables turnover ratio		39.77	36.39
% Change from previous period/ year*		9%	70%

<u>Ratio</u>	<u>Net Working capital turnover ratio</u>		
Numerator	Revenue from operations		
Denominator	Average working capital		
Ratios / measures		31-Mar-26	31-Mar-25
Revenue from operations (A)		7,319.48	5,997.30
Working Capital (Current Assets - Current Liabilities)		935.52	(805.27)
Net working Capital (B)		935.52	(805.27)
Net capital turnover ratio (C) = (A)/ (B)		7.82	-7.45
% Change from previous period/ year		-205%	-458%

* The change in Working Capital Turnover Ratio is mainly due to improvement in working capital position and increase in revenue from operations during the year.

<u>Ratio</u>	<u>Net profit [%]</u>		
Numerator	Net profit		
Denominator	Revenue from operations		
Ratios / measures		31-Mar-26	31-Mar-25
Profit after tax (A)		(4,993.28)	(4,632.99)
Revenue from operations (B)		7,319.48	5,997.30
Net profit [%] (C) = (A) / (B) *100		-68.22%	-77.25%
% Change from previous period/ year*		-12%	-15%

<u>Ratio</u>	<u>Return on capital employed [%]</u>		
Numerator	Earning before interest and taxes		
Denominator	Capital Employed (Net shareholder's Equity, Lease Liabilities)		
Ratios / measures		31-Mar-26	31-Mar-25
Profit before tax (A)		(6,700.01)	(6,177.72)
Add : Finance cost (B)		398.06	387.33
Earnings before interest and tax (C) = (A) + (B)		(6,301.95)	(5,790.39)
Total Shareholder's Equity (D)		7,379.09	3,698.43
Total Debt (E)		4,183.60	4,096.90
Capital Employed (F) = (D) + (E)		11,562.69	7,795.33
Return on capital employed [%] (G) = (C) / (F) *100		-55.00%	-74.00%
% Change from previous period/ year*		-26%	14%

*The change in Return on Capital Employed is mainly due to continued operating losses during the year, partially offset by increase in capital employed.

Notes forming part of Financial Statements - (continued)

(Amount in Rs Lakhs, unless otherwise stated)

- 36 Additional regulatory information not disclosed elsewhere in the standalone financial statements
- (a) There are no properties / assets which are not held or registered in the name of the Company (benami property). No proceedings have been initiated on or are pending against the Company for holding benami property under the Benami Transactions (Prohibition) Act, 1988 (as amended in 2016) and rules made thereunder.
- (b) Transactions and balances with companies which have been removed from register of Companies [struck off companies under section 248 of the Companies Act, 2013 or section 560 of the Companies Act, 1956.] as at the above reporting periods is Nil.
- (c) The Company has not traded / invested in Crypto currency or Virtual Currency during the year.
- (d) The Company does not have any charges or satisfaction which is yet to be registered with Registrar of Companies beyond the statutory period.
- (e) The Company has not advanced or loaned or invested funds to any other person(s) or entity(is), including foreign entities (Intermediaries) with the understanding that the Intermediary shall:
- (i) 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
- (ii) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries
- (f) The Company has not received any fund from any person(s) or entity(is), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Company shall
- (i) 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
- (ii) provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries,
- (g) The Company has no 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).
- (h) The Company has not granted any loans or advances in the nature of loans to promoters, directors, KMPs and the related parties (as defined under Companies Act, 2013), either severally or jointly with any other person.
- (i) The Company has not been declared wilful defaulter by any bank or financial institution or other lender or government or any government authority.
- 37 There are no significant events that have occurred after the balance sheet date.
- 38 The previous year comparative numbers have been regrouped as and when required to match with the current year numbers
- 39 All the numbers have been rounded off to nearest lakhs except shares and EPS

For **Raghavan, Chaudhuri & Narayanan**
Chartered Accountants
FRN: 007761S

V. Sathyanarayanan
Partner
Membership No. 027716

Date: 17th April 2026
Place: Bengaluru
UDIN: 26027716LTRKCY5055

For and on behalf of the Board of Directors

G Parthasarathy
Director
DIN: 01769831

Devesh Taparia
Chief Executive Officer

Date: 17th April 2026
Place: Bengaluru

Sharad Mohan Mishra
Director
DIN: 09772241

Pramod Krishna
Chief Financial Officer

Date: 17th April 2026
Place: Bengaluru

The Directors have the pleasure of presenting the Eighteenth Annual Report and the audited accounts of the Company for the year ended 31st March 2026.

1. BUSINESS AND FINANCIAL PERFORMANCE

The highlights of the financial performance of the Company are given below:

₹ in crore

Particulars	Year ended	
	31 st March 2026	31 st March 2025
Revenue from Operations	7,191.14	6,604.75
Other Income	4.86	3.93
Total Income (A)	7,196.00	6,608.68
Finance Costs	1,934.29	1,863.32
Fees & Commission, Employee Benefit, Administrative & Other Operating Expenses	2,802.07	2,378.36
Impairment of Financial Instruments	1,156.59	1,295.36
Depreciation and Amortisation Expenses	56.12	46.20
Total Expenses (B)	5,949.07	5,583.24
Profit / (Loss) before Tax & Exceptional Item (A) - (B)	1,246.93	1,025.44
Less: Exceptional Items	8.61	-
Profit / (Loss) before Tax	1,238.32	1,025.44
Less: Tax Expense	325.15	258.19
Profit / (Loss) after Tax	913.17	767.25
Other Comprehensive Income	5.85	(15.08)
Total Comprehensive Income	919.02	752.17

Company's Performance

The Company registered a growth of 26% in disbursements from ₹26,301 crore to ₹33,017 crore for the financial year ended 31st March 2026. The Company ended the year with assets under management (AUM) of ₹30,639 crore as against ₹26,647 crore as of the end of the previous year, registering a growth of 15%. AUM of the Company is well diversified with various portfolios, and % of total loans as of 31st March 2026 are as follows: Two-Wheeler Loans (28%), Used Car Loans (8%), Consumer Durable Loans (21%), Personal Loans (15%) Tractor Loans (13%), Used Commercial Vehicle Loans (10%) and Business Loans (1%).

Total income during the financial year ended 31st March 2026 increased to ₹ 7,196 crore from ₹6,609 crore, an increase of 9% over the previous

year. The profit before tax and exceptional items for the year stood at ₹1,247 crore as against ₹1,025 crore during the previous year, registering a growth of 22%.

The above financial performance is based on Indian Accounting Standards - (IND-AS). The Company had adopted IND-AS reporting from 1st April 2018 with an effective transition date of 1st April 2017 pursuant to MCA notification dated 31st March 2016, and the financial statements have been prepared in accordance with Division III of Schedule III to Companies Act, 2013 notified by Ministry of Corporate Affairs (MCA) on 11th October 2018.

Key Product-wise performance during the Financial Year

Two-Wheeler Loans: AUM of two-wheeler loans have increased from ₹7,483 crore to ₹ 8,669 crore as of March 2026 registering a growth of 16%. The Company continues to be the leading financier for TVS Motor Company Ltd, the Holding Company.

Used Car Loans: AUM of Used car loans as of March 2026 is at ₹ 2,400 crore against ₹ 2,235 crore as at March 2025, registering an increase of 7%.

Consumer Durable Loans: During this year, the number of loans grew by 27% from 46 lakh loans to 58 lakh loans. AUM of consumer durable loans have increased from ₹4,047 crore to ₹6,586 crore, registering a growth of 63% over the corresponding previous year.

Personal Loans: The personal loans to existing customers portfolio as of March 2026 is at ₹ 3,893 crore, registering a growth of 5% from ₹ 3,716 crore as of March 2025, owing to the necessary credit interventions undertaken over the last three years in the light of the stress noted in the portfolio coupled with the overleverage in the market across players over the last financial year.

Tractor Loans: During this year, on account of cautious growth in New Tractors coupled with degrowth during FY25, the total AUM of New Tractors have reduced from ₹1,809 crore to ₹1,212 crore as of March 2026, owing to run down of the earlier years book.

There has been growth in the disbursements in Used Tractors and the AUM has registered a growth of 3% from ₹ 2,591 crore to ₹ 2,657 crore as of March 2026. The growth has been calibrated given the conscious decision taken by the Company to implement necessary credit

interventions given the recent stress noted in this portfolio over the last two fiscal years in addition to the rundown of the earlier book.

Used Commercial Vehicle Loans: The Used Commercial Vehicle loans portfolio comprising of medium, heavy, small and light commercial vehicles has marginally degrown by 3% from ₹ 3,265 crore to ₹3,182 crore as of March 2026 on account of necessary credit interventions undertaken in the last two years due to stress noted in the segment.

2. MANAGEMENT DISCUSSION AND ANALYSIS REPORT

India continues to stand out as one of the fastest-growing major economies, charting a steady path towards becoming the third-largest economy by 2030.

Indian economy to grow 7.6% in fiscal 2026, outpacing global peers

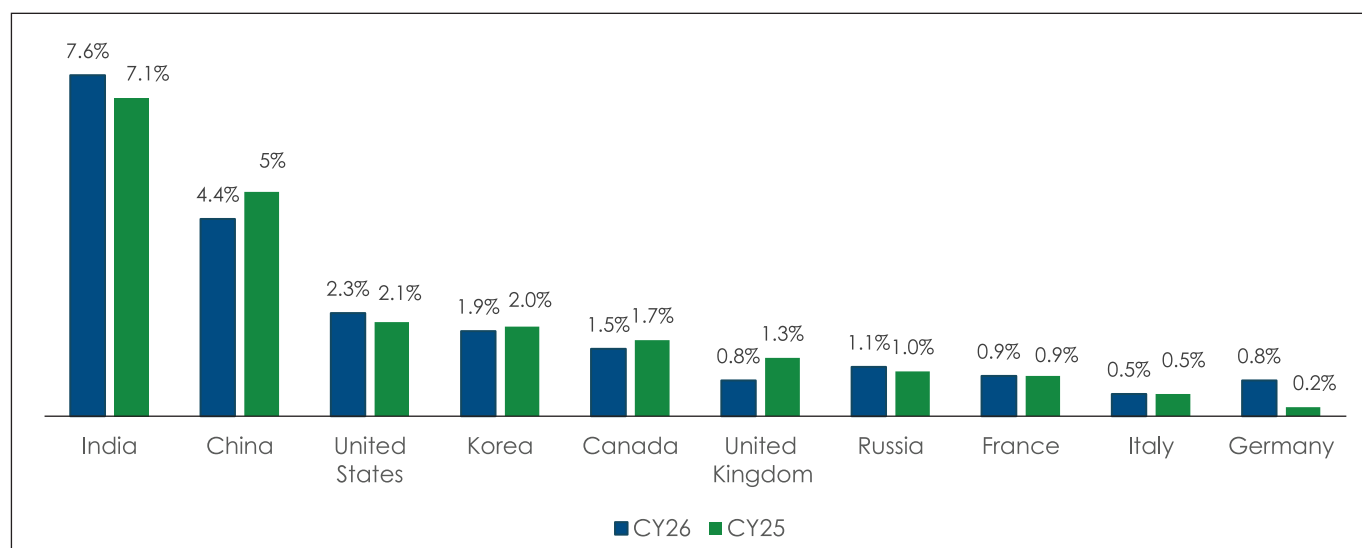
According to the International Monetary Fund (IMF), global growth is projected at 3.1% for calendar year 2026. Global trade uncertainties and shifting policy dynamics continue to pose headwinds to this outlook. Furthermore, the escalating geopolitical conflict involving Iran has disrupted energy markets and supply chains may drive up inflation. However, these challenges are partly offset by rising investment in technology, particularly Artificial Intelligence (AI), along with supportive fiscal and monetary policies, broadly accommodative financial conditions, and the improving adaptability of the private sector.

As per the Reserve Bank of India (RBI), Indian economy is estimated to grow by 7.6% in fiscal 2026, significantly outperforming its global peers. The Indian economy is expected to remain resilient, supported by strong domestic demand, government-led capital expenditure, improving labour force participation, rapid adoption of digital public infrastructure, and positive investor sentiment. This growth momentum is further supported by sustained economic reforms, a continued policy focus, and deeper global integration. Additionally, the GST rate rationalisation is expected to stimulate domestic consumption, ease inflationary pressures, and further accelerate economic growth by simplifying the tax structure.

Indian economy to maintain momentum in fiscal 2027, with real GDP growth estimated at 6.9%

India's real Gross Domestic Product (GDP) is projected to grow at 6.9% in fiscal 2027, following expected growth of 7.6% in fiscal 2026 and 7.1% in fiscal 2025. The growth outlook for fiscal 2027 reflects moderation from the high base of fiscal 2026, even as fiscal 2026 was supported by strong quarterly momentum in the second and third quarters. In fiscal 2026, real Gross Value Added (GVA) is estimated to have risen 7.3%, while nominal GDP growth moderated to 8.6%. Growth during the year was broad-based, led by the secondary sector at 9.2% and the tertiary sector at 11.7%, while the primary sector grew by around 0.6% due to uneven seasonal and commodity trends.

Real GDP growth for major global economies in calendar year 2026



Note: *For India, estimated real GDP is presented on a fiscal year basis (April 2025-March 2026 and April 2024-March 2025).

On inflation, the Monetary Policy Committee (MPC) has projected CPI at 4.6% for fiscal 2027, with risks tilted to the upside. Inflation is expected at 4.0% in Q1, 4.4% in Q2, 5.2% in Q3, and 4.7% in Q4. At its April 2026 meeting, the MPC maintained a neutral stance and kept policy rates unchanged, with the repo rate at 5.25%, the standing deposit facility at 5.00%, and the marginal standing facility at 5.50%. Given heightened uncertainty from the West Asia conflict, the MPC has adopted a wait-and-watch approach, while reiterating its commitment to maintaining adequate domestic liquidity amid ongoing financial market volatility. Domestic demand remains supported by GST rationalization, a resilient services sector, strong corporate and banking balance sheets, and improving manufacturing capacity utilization, although external risks continue to persist.

GST rationalization during fiscal 2026 is expected to provide a further impetus to rural consumption across key segments. The reduction in GST on tractors (engine capacity below 1800 cc) to 5%, along with rate cuts on components such as tyres, tubes, and hydraulic pumps, is expected to lower acquisition costs and support demand for tractor financing. Similarly, the reduction in GST on two-wheelers (≤ 350 cc) and small cars from 28% to 18%, coupled with evolving consumer preferences and increasing participation of women, is expected to support sustained demand for two-wheeler financing over the long term.

Key drivers and sectoral highlights

- **Healthy domestic consumption:** Private Final Consumption Expenditure (PFCE) is expected to remain resilient, supported by steady urban demand, ongoing recovery in services and improving rural incomes as agricultural output stabilises. PFCE is estimated to grow at 7.7% in fiscal 2026, compared with 5.8% in fiscal 2025.
- **Sustained investment momentum:** Gross Fixed Capital Formation is likely to persist, backed by government infrastructure spending and private capital expenditure, particularly in manufacturing, construction and allied sectors.
- **Services sector strength:** The services sector is expected to remain the primary driver of growth, with trade, transport, communication, financial services and IT-enabled services continuing to expand at a healthy pace.
- **Manufacturing and construction:** The secondary sector is likely to benefit from

policy support, supply chain improvements and steady demand for consumer durables and capital goods. Within the secondary sector, manufacturing recorded higher growth of 11.4% in Gross Value Added at current prices in fiscal 2026.

- **Government policy support:** Fiscal policy is expected to remain growth-supportive, with continued emphasis on capital expenditure and targeted measures to support consumption, employment and skilling.

Geopolitical developments and trade uncertainties remain key monitorables

Global economic conditions continue to be influenced by elevated geopolitical tensions and ongoing uncertainties in global trade policies. A key transmission channel remains crude oil, where potential supply disruptions may exert upward pressure on prices, with spillover effects on inflation, currency stability, and input costs. The 10% global tariff currently in effect following the US Supreme Court's decision to strike down reciprocal tariffs is significantly lower than the effective tariffs previously faced by India; however, renewed geopolitical concerns and trade-related uncertainties may continue to pose a downside risk to export performance.

The likely emergence of El Niño conditions in 2026 poses a risk of a below normal monsoon, which could disrupt agricultural output, dampen rural consumption, and rise along with impact on domestic food inflation. The Indian Meteorological Department has projected rainfall at ~92% of the long-period average, marking a below-normal monsoon that could have impact on the agriculture sector, particularly during the Kharif cropping season.

If Brent crude oil prices remain elevated over the long term due to ongoing geopolitical conflicts, it could exert upward pressure on inflation and input costs, thereby impacting trade competitiveness. The conflict in West Asia has caused the rupee to depreciate sharply in March following a correction in February, and a prolonged conflict could lead to even sharper depreciation, increasing India's external vulnerability and disrupting foreign portfolio investment (FPI) flows. Additionally, the combination of high oil prices and geopolitical supply risks continues to put pressure on the current account deficit and imported inflation.

The Consumer Price Index (CPI) is estimated to close at 2.5% in FY26 and expected to increase to 4.6% as of March 2027, owing to increased geopolitical stress and increase in crude oil prices.

Despite these macroeconomic headwinds, sustained government focus on infrastructure investments including roads, highways, and logistics corridors is expected to drive robust demand for commercial vehicles.

Overall, while India's macroeconomic fundamentals remain resilient, evolving global uncertainties could influence external demand, financial conditions, and consumer sentiment, particularly in interest rate-sensitive segments, and would remain key monitorable in this year.

Budget measures to strengthen rural demand, MSME funding, and domestic manufacturing

The Union Budget 2026-27 introduced targeted measures to strengthen rural incomes, improve MSME liquidity, and support domestic manufacturing. The replacement of MGNREGS with the Viksit Bharat Guarantee for Rozgar and Aajeevika Mission (Gramin), with a combined allocation of ₹1.26 lakh crore or 2.4% of total expenditure, signals a strategic shift towards employment-led rural income generation. This was complemented by continued farmer support through ₹ 63,500 crore under Pradhan Mantri Kisan Samman Nidhi and an approximately 140% increase in allocation for the Pradhan Mantri Kisan Maandhan Yojana.

To support MSMEs, the Budget strengthened TReDS, enabled credit guarantee-backed invoice discounting, set up a ₹ 10,000 crore MSME growth fund, and increased contribution to the Self-Reliant India Fund to ₹ 12,000 crore, improving access to working capital, equity, and formal credit. On manufacturing, the Budget extended support through exemptions for 35 capital goods for EV battery manufacturing and 28 capital goods for mobile battery manufacturing, while increasing the allocation for the Electronics Components Manufacturing Scheme from ₹ 22,919 crore to ₹ 40,000 crore to accelerate localisation, reduce import dependence, and improve cost efficiencies.

Rural India poised to drive the next phase of consumption growth

India's rural economy continues to strengthen, supported by improving income visibility, moderating inflation, and sustained policy support. According to NABARD's Rural Economic Conditions and Sentiments Survey (RECSS), approximately 79% of rural households reported higher consumption over the past year, marking the highest level across survey rounds conducted in fiscal 2026. Above

average monsoon with rainfall of 8% above normal levels during fiscal 2026 also supported rural agricultural productivity with improved cashflows and sentiments aiding consumption.

Households are allocating 67.3% of their monthly income toward consumption, while 42.2% reported income growth, the strongest performance recorded in the survey since September 2024. This improvement reflects stronger agricultural and non-agricultural wages, robust farm credit growth, steady MSP procurement, healthy reservoir levels, and lower input costs.

The Government of India continues to support rural incomes through increased allocations toward rural development schemes, including enhanced outlays for the Pradhan Mantri Gram Sadak Yojana (PMGSY) and the introduction of the Viksit Bharat-Guarantee for Rozgar and Aajeevika Mission (Gramin) Act, 2025, which marks a strategic shift in rural employment policy toward sustainable livelihood creation under the Viksit Bharat 2047 vision.

Growth in rural demand is reflected in the sales of key products such as two-wheelers, three-wheelers and tractors. Domestic two-wheeler sales are estimated to have grown by 13% in fiscal 2026. However, tractor sales are estimated to have grown at a higher rate of 22-24% in fiscal 2026 supported by multiple tailwinds such as above average monsoon improving farm cashflow, GST cut on tractors (12% to 5%) and continued government financing schemes. Going ahead the growth is expected to stabilise at 3-5% in fiscal 2027 due to high base effect and emerging El Niño probability with a long-term growth expectation of 5-7% between fiscal 2026-31.

Growth of middle-income households in India expected to sustain economic growth

The proportion of "middle India", households with annual income between ₹2 lakh and ₹ 10 lakh, has increased steadily and is projected to reach approximately 18.1 crore households by fiscal 2030, from 4.1 crore in fiscal 2012, reflecting a CAGR of approximately 9%. A significant share of this growth is driven by semi-urban and rural areas, indicating broad-based income expansion. Per capita net national income at constant prices is estimated to grow at a CAGR of approximately 6.6% between fiscals 2023 and 2026, strengthening household purchasing power.

As the middle-income base expands, consumption patterns are shifting structurally

toward discretionary spending. Discretionary expenditure increased from 47% to 53% in rural areas and from 57% to 60% in urban areas between fiscals 2012 and 2024, as per the Household Consumer Expenditure Survey (2023-24) by Ministry of Statistics and Programme Implementation (MOSPI).

With the overall Labor Force Participation Rate (LFPR) estimated at 55.9% and unemployment declining to approximately 4.9%, improving income stability continues to support demand for vehicles and consumer durables.

Rationalization of personal income tax under the new tax regime has provided meaningful relief to individual taxpayers. The tax-free income threshold has been increased to ₹ 12.75 lakh, with an additional benefit of ₹ 75 thousand for salaried individuals, supported by an enhanced rebate under Section 87A of ₹ 60,000. Additionally, tax rates across middle-income slabs have been moderated to provide further relief. These measures are expected to increase household disposable incomes and support consumption demand with higher purchasing power, particularly among middle-income segments, thereby contributing positively to overall economic activity.

India's digital ecosystem drives formalization and credit growth

India's expanding digital public infrastructure continues to strengthen the country's economic backbone by improving productivity, reducing transaction costs and expanding access to financial services. The digital economy accounted for 12% of GDP in fiscal 2023 and is projected to reach approximately 20% by fiscal 2030. As of March 2026, over 134 crore Aadhaar holders have been registered, and 2,356 crore e-KYC transactions have been completed, materially reducing onboarding friction and enabling seamless access across financial services.

Digital infrastructure is also easing credit constraints, particularly for MSMEs, which comprise over 7.6 crore enterprises as of February 2026. Platforms such as the Trade Receivables Discounting System (TReDS) are enabling working capital financing, with 64.05 lakh invoices uploaded in fiscal 2025, of which approximately 95% were successfully financed, while emerging frameworks such as the Open Credit Enablement Network (OCEN) are facilitating consent-based, cash flow-driven lending. The Unified Payments Interface (UPI) processed 2,170 crore transactions in January

2026, reflecting approximately 28% year-on-year growth and underscoring the deepening integration of households and businesses into the formal financial ecosystem.

Retail-led credit expansion supports systemic lending growth in fiscal 2026

India's lending ecosystem continued to expand at a healthy pace in fiscal 2026. Systemic credit, comprising banks and non-banking financial institutions, grew approximately 15%, compared with 13% in fiscal 2025. The retail segment continued to drive this growth, expanding approximately 16% in fiscal 2026 versus 13% in fiscal 2025, with the segment's share of systemic credit growing a CAGR of approximately 16% between fiscals 2021 and 2026. Demand for secured retail products, including housing, vehicle and gold loans, remained strong, supported by improving income visibility and stable asset quality. Policy measures, including income tax cuts, GST rationalisation, the cumulative 125 basis points reduction in the repo rate, and the rollback of the risk-weight circular for bank lending to NBFCs, collectively supported credit demand and improved liquidity across the financial system. Systemic credit is expected to grow at a CAGR of 14-15% between fiscals 2026 and 2027, with secured retail expected to remain the key driver of credit expansion.

Amid this strong demand, rising stress in unsecured retail lending and stricter regulatory norms have prompted lenders to shift their focus toward secured retail segments. This transition has intensified competition in products such as housing, vehicle, and gold loans, as both banks and NBFCs recalibrate their portfolios towards lower-risk, collateral-backed lending.

As per the Fintech Association for Consumer Empowerment, overall personal loan outstanding stood at ₹ 15.92 lakh crore as of December 2025, growing at a rate of 12%. Within this, digital NBFCs account for a higher share of loan volumes (~50%) but a lower share of value (~9%), reflecting the predominance of small-ticket loans relative to banks and NBFCs.

Secured retail segments anchor NBFC credit growth

NBFCs continued to strengthen their position within the credit ecosystem, with their share in systemic credit rising to approximately 22% in fiscal 2026 from approximately 19% in fiscal 2019. Between fiscals 2021 and 2026, NBFC credit grew at a CAGR of approximately 16%, outpacing

systemic credit growth of approximately 13% over the same period. In fiscal 2026, NBFCs' outstanding credit expanded approximately 15% on-year, while retail credit grew at approximately 17%, supported by sustained demand across consumer lending segments. Vehicle finance remained a key driver of NBFC credit expansion, with the portfolio growing 16-17% on-year in fiscal 2026, supported by improving vehicle sales, favourable policy measures, and increasing financing penetration across segments.

Improvements in semi-urban and rural landscape cause cheer

Tractor financing recorded healthy momentum during fiscal 2026, supported by a normal monsoon, improving rural sentiment, stable crop prices, and the reduction in GST rates for tractors from 12% to 5%. Replacement demand remained strong, and the overall NBFC tractor loan book is estimated to have grown at a healthy double-digit rate in fiscal 2026.

Two-wheeler financing remained a key growth driver for NBFCs, particularly in rural and semi-urban markets, supported by favourable agricultural conditions, income tax benefits, and repo rate cuts. Premiumization and rising electric two-wheeler penetration further supported demand. The NBFC two-wheeler loan book is estimated to have grown at approximately 15-16% in fiscal 2026.

The Commercial Vehicle (CV) segment saw gradual improvement, driven by better freight demand, improved utilization, sustained infrastructure activity, and replacement demand in Light Commercial Vehicles (LCV) and recovery in Medium and Heavy Commercial Vehicles (MHCV). The NBFC CV loan book is estimated to have grown at approximately 10-11% in fiscal 2026.

Domestic Passenger Vehicle (PV) sales witnessed robust growth in fiscal 2026, supported by improved affordability, GST rationalization, and increasing EV penetration. The NBFC PV loan book is estimated to have grown at approximately 10-11% in fiscal 2026. Used-vehicle loans continued to outpace new vehicle financing, supported by evolving consumer preferences and better access to organized pre-owned platforms. The used-to-new car sales ratio improved to approximately 1.4x, and the NBFC used vehicle loan book is estimated to have grown at approximately 19-20% in fiscal 2026.

Calibrated growth in MSME and LAP lending

The MSME lending landscape remained a key driver of credit growth, with lenders in fiscal 2026 adopting a more calibrated approach emphasizing asset quality and prudent underwriting. NBFCs' MSME credit portfolio is estimated to have grown at approximately 13-14% in fiscal 2026, posting healthy double-digit gains even as growth moderated from the high base of fiscal 2025.

Policy support is likely to give a push to housing and gold loans

Housing credit growth for NBFCs and housing finance companies (HFCs) is estimated at 16-17% in fiscal 2026. Policy support, including the cumulative 125 basis points repo rate cut, income tax relief for income up to ₹ 12 lakh, and GST rationalization, is expected to sustain demand in the housing finance segment going forward.

Gold credit growth is estimated at 32-33% on-year in fiscal 2026, supported by rising gold prices, tighter underwriting in unsecured segments, and rapid expansion by major players. The revised gold loan framework proposed by the RBI, along with the proposal to remove the requirement for branch expansion approval for NBFCs with more than 1,000 branches, is expected to further support growth in this segment by enabling faster network expansion.

Unsecured lending to see cautious growth

The personal loan segment of NBFCs improved in fiscal 2026, with credit growth estimated at 19-20% on-year. Lenders focused on higher-quality borrowers, particularly salaried borrowers and existing customers with stronger credit profiles, and increasingly leveraged digital channels to improve sourcing efficiency and customer engagement.

NBFCs' consumer durable financing portfolio grew 19-20% in fiscal 2026, with NBFCs gaining market share through flexible lending solutions and wider customer reach. Growth continued to be supported by rising disposable incomes and sustained demand for consumer durables, despite some moderation in pent-up demand.

Overall, NBFC credit growth is expected to remain stable in fiscal 2027, with secured lending segments leading expansion. For retail unsecured loans, as asset quality concerns gradually ease, credit growth is expected to

recover in fiscal 2027, although expansion is expected to remain measured to maintain portfolio stability.

Businesses - Disbursements grew at 25.5% in fiscal 2026

During fiscal 2026, the Company continued its strategic focus on building a diversified and high-quality book across its consumer, retail, and commercial portfolios. As of 31st March 2026, the Company's assets under management grew by 15% to ₹ 30,639 crore from ₹ 26,647 crore as of 31st March 2025. The Company's customer base expanded to approximately 2.44 crores customers during the year, reflecting continued momentum in new customer acquisition across segments. Disbursements grew 25.5% during the year, driven by calibrated expansion across micro markets, products, and customer segments, with an emphasis on portfolio quality and sustainable growth.

The Company's Consumer Durable Finance business delivered a strong performance during fiscal 2026, with total disbursements crossing ₹14,100 crore, registering robust growth of 40% over the previous year. The white goods segment emerged as a key growth driver, with volumes growing 70% year-on-year, reflecting sustained consumer demand for home appliances and financing. Customer franchise depth continued to strengthen, with repeat business increasing from 17.51% in FY25 to 22.88% in FY26. In absolute terms, repeat volumes grew by 65% year-on-year, underscoring the effectiveness of targeted engagement and conversion strategies and the expanding pre-approved customer base. During the year, the Company also forged new partnerships with marquee brands, further enhancing its positioning in the premium consumer segment, and expanded its geographic footprint into Jammu & Kashmir, extending access to a wider set of consumers.

Building on the momentum of its e-commerce financing initiative, the Company expanded its presence in the digital consumer credit space during fiscal 2026. Disbursements in the existing-to-book segment grew this year reflecting deepening customer engagement within the digital commerce ecosystem. The Company also entered the new-to-book segment within its e-commerce business, since its launch in September 2025, marking a meaningful step in broadening its digital lending footprint. The Personal Loan portfolio recorded steady growth during fiscal 2026, with disbursements to existing customers growing at 8% year-on-year reflecting the strength of the Company's cross-

sell capabilities within its established customer base.

The Company's two-wheeler and used-car financing continued to grow with a focus on portfolio quality and customer experience. In the two-wheeler segment, the Company increased its proportion of customers with higher credit scores and lower loan-to-value (LTV) ratios, reflecting its continued emphasis on disciplined underwriting. The Company plans to further leverage advanced analytics for credit decisioning and pricing optimization to drive sustainable growth in this segment. The Company also started a pilot in the Used two-wheeler segment with focus in Karnataka and Tamil Nadu. In the used-car segment, the Company strengthened its disbursement performance through newly onboarded partners, while technology upgrades meaningfully improved customer onboarding turnaround times, enhancing the overall customer experience.

The Tractor segment witnessed improved disbursement performance in both new and used tractor financing during fiscal 2026. The Company's strategy of focusing on geographies with lower delinquency rates and healthier margins, supported by digital sourcing capabilities, contributed to a stronger and more resilient portfolio. The Company continued to refine its geographic approach using micro-market analytics to identify and target the right customer segments, ensuring quality acquisitions.

The Company's three-wheeler financing portfolio crossed a significant milestone to reach an AUM of ₹ 631 crore during fiscal 2026, and the segment achieved full coverage across all states within the TVS Motor's network. The Company plans to continue expanding its reach and deepening its network presence in this segment.

The Mid-Corporate portfolio maintained its focus on ecosystem-based growth during fiscal 2026, with all new-to-credit customers sourced exclusively through ecosystem partners, reflecting the maturity and depth of the Company's relationship-led approach. The Company expanded its offerings through ecosystem vendor financing programs and group health insurance partnerships, adding value to its corporate relationships.

The Company has broadened gold loan business by opening additional branches across Tamil Nadu with the AUM crossing ₹ 130 crore in FY26. The Company recognizes Gold loans

as a strategic extension of its existing product line and expects to capitalize on its current customer base through deeper penetration in Tamil Nadu.

The Company's micro-market analytics strategy continued to serve as a key enabler of effective risk management, portfolio optimization, and growth decisions across all business lines. The Company continues to invest in credit underwriting capabilities, cloud-based infrastructure, and technology-led applications to drive sustainable expansion and deliver enhanced customer experience across all segments.

Optimized Collection Framework to Drive Efficiency

The Company maintains a comprehensive collection infrastructure, comprising dedicated product-wise collection verticals supported by a three-tiered regional supervisory framework, a robust legal team, and advanced data-driven analytical models. During fiscal 2026, the Company further strengthened this framework by introducing a Zonal supervisory structure to enhance governance and review effectiveness across large and distributed portfolios. The adoption of Total Quality Management (TQM) principles within the collection function, supported by branch-level MIS and performance dashboards, has reinforced process adherence and enabled real-time performance visibility across the organization.

During the year, the Company deployed a range of targeted initiatives to enhance collection effectiveness across retail, commercial, and consumer portfolios. Digital payment efficiency significantly improved from 25% to 45% through customer segmentation based on payment behaviour and targeted campaign engagement. Customer-level analytics were leveraged to align follow-up strategies with actual payment patterns, improving resolution rates and collection productivity. Dedicated hard-bucket collection teams were deployed across segments, driving higher writebacks and provision releases. The Company also continued to leverage its AI-powered digital collection application for real-time field monitoring and collection optimization and expanded micro segmentation to enable more targeted collection interventions.

These initiatives delivered measurable improvements across portfolios. The Company continues to invest in building internal supervisory capability, equipping collection teams with the skills to manage complex accounts, adhere to

regulatory guidelines, and drive sustained field productivity across all product lines.

Accelerating Digital Transformation to Drive Operational Excellence

During fiscal 2026, the Company further solidified its operational resilience by recording minimal downtimes during the peak season, maintaining high-performance standards and robust support that significantly bolstered confidence among key OEM partners. Building on the digital transformation roadmap established in the previous year, the Company successfully concluded the migration of all portfolios to the new Loan Management System (LMS), ensuring a unified repository for seamless data accessibility and enhanced reporting. Furthermore, the completion of Phase 2 of the CRM implementation has optimized the application's functionality, providing a superior and more intuitive experience for end-users while streamlining internal workflows. As part of its forward-looking strategy, the Company has also initiated several AI-driven initiatives designed to enhance decision-making and operational efficiency, a focus area that will be further strengthened and integrated into the core digital framework in the upcoming fiscal year to drive long-term innovation and hyper-personalization.

Strengthening Data, Analytics and AI Capabilities to Drive Informed Decision-Making

During the year, the Company made significant strides in advancing its data and analytics capabilities to enable sharper, data-driven decision-making across the customer lifecycle. Progress was made towards building a unified customer view, facilitating the identification of cross-sell opportunities and enabling more targeted, personalized engagement. Dealer segmentation implemented across all products to support focused and differentiated business interventions. The expanded use of credit bureau data across key decision points, enabled field teams to take timely, proactive action, strengthening both underwriting quality and collections effectiveness.

The Company applied LLM on customer 360 data to understand semantic meaning and create customer micro segments. Generative AI based interactive HR chatbot that summarizes and responds to queries on HR policies was introduced. The Company also started new initiatives such as calls based AI BOT for sales and collections, and AI generated marketing videos.

The Company also made meaningful progress in Generative AI, building internal capabilities across text-based chatbots, voice-to-text intelligence, and conversational AI. Select use cases, including KYC automation, invoice processing, and conversational AI agents, were successfully piloted during the year. In parallel, existing machine learning models were further enhanced through the incorporation of alternate data sources, improving prediction accuracy and business impact. Focused upskilling initiatives were undertaken to strengthen in-house AI and analytics capabilities.

Looking ahead, the Company's strategic priorities include scaling AI-led automation across underwriting, operations, risk, fraud control, and collections; expanding voice-based and conversational interfaces for customers and employees; and enabling business users to access insights through generative analytics platforms, all underpinned by a robust AI and data governance framework.

Strengthening digital-first initiatives to build a customer-centric brand

During fiscal 2026, the Company continued to increase digitisation across the value chain to craft customer-first experiences. With customers increasingly adopting technology, the Company expanded its digital self-service channels and processes to support quick application, onboarding and disbursements. The Company increased its digital adoption rate to 90% and a self-service utilisation rate to 88% in fiscal 2026 supported by the growth of the active users in the Company's customer App, Saathi.

The Company's Service to Sale initiatives have been ably supported by integrated customer analytics enhanced cross-sell capabilities through customer care interactions, area office walk-ins and WhatsApp-based chatbots.

The Company improved its customer satisfaction score across core segments in fiscal 2026, achieved through seamless service and omni channel grievance redressals. The Company successfully managed several customer interactions across self-service channels and CRM platforms during the year. Of these, a significant number of queries were handled through chatbot-enabled assistance, improving response times, reducing manual intervention, and enabling support teams to focus on more complex customer issues.

Through integrated support initiatives across the customer journey lifecycle, and optimal use of advanced analytics, the Company was able to secure a healthy Relationship NPS (rNPS) of 67 (from 64 in fiscal 2025).

Moving the brand closer to Customers through targeted marketing initiatives

During fiscal 2026, the Company continued to enhance its brand equity, with overall brand awareness and brand consideration increasing from last year. This was supported by a series of integrated physical and digital marketing initiatives that prioritised customer aspirations, built trust, strengthened brand visibility and expanded customer engagement across markets. The Company focused on strategic collaborations such as co-branded campaigns and activation programmes with OEMs, dealerships, and other channel partners.

Additionally, regional visibility campaigns across multiple languages were launched to cater to diverse linguistic segments, further strengthening the Company's presence in key markets and fostering deep-rooted relationships with the dealer network.

During the year, the Company's reach across digital platforms increased to over 5.6 crore monthly reach, driven by engaging campaigns such as #AapkiKushiyonKaSaathi and #BeatTheHeat. The Company has advanced the use of Gen AI to scale production and create highly resonating marketing campaigns such as the Republic Day video which recorded the highest engagement rate compared to past campaigns.

As physical and offline channels remain accessible touchpoints, the brand continued to ramp up its on-ground initiatives. The offline presence was strengthened with POSM (point of sale marketing) coverage at more than 45,000 channel partners and PR coverage in mainstream publications. The Company enhanced awareness and drove engagement through its high-touch rural campaigns like Pragati Parv and Chaupal across 359 regions, generating over 23,200 leads. Further this flagship program complemented by hyper local initiatives such as Chaupal, Mandis, Sugarcane mills and Haats at over 300 additional locations, achieved a combine reach of over 5,000 villages, attracting a footfall of more than 1.5 lakhs. Collectively, these grassroots initiatives achieved over 5.7% on-the-spot conversion rates, fostering sustainable brand advocacy across rural India.

To recognise and build improved rapport with its dealer network, the Company rolled out dealer-centric offline initiatives like the TVS Credit Utsav and Brand Ambassador Day, covering more than 3,000 dealers this year.

The Company continues to focus on its digital touchpoints endeavouring to enhance accessibility across the website and the Saathi app. Both platforms are now available in several regional languages. Optimisation efforts led to a 43% increase in traffic and a 68% increase in the top 10 keyword rankings.

Building a Future-Ready, High-Trust Workforce

The Company's people strategy remains anchored in building a high-performing, high-trust, and future-ready workforce, one that thrives on purpose, capability, and a strong cultural foundation. As part of strengthening this foundation, the Company rolled out six TVS Group values - Trust, Customer Obsession, Value Maximization, Exactness, Speed and Agility, and a Disruptive Mindset - which are being cascaded across the organization through focused initiatives and communication collaterals to deepen Company-wide understanding and embed these principles into everyday ways of working. Reflecting the sustained strength of this commitment, the Company was re-certified as a Great Place to Work for the third consecutive time by the Great Place to Work Institute, achieving a Trust Index score of 91, a one-point improvement over the previous year, with 94% of employees affirming it as a great place to work and a near-perfect participation rate of 99.9%.

Capability building continued to be a strategic priority through the Company's Learning Academies, offering structured curricula and certifications across Leadership, Managerial, Sales, Credit, TQM, and Digital & AI domains, delivered through blended learning formats and strengthened by partnerships with LinkedIn Learning and Skillsoft. Managerial development programmes, conducted in collaboration with NIIT, GLIM, and Welingkar Institute of Management, further deepened leadership depth across the organization. The Company is proud to report that 12 managers across functions were recognized among the Top 300 Great Managers by People Business Consulting during the year.

The Company also advanced its commitment to women's leadership through targeted initiatives such as the 1000 Women Leaders Programme, Flying Lessons, and Wings of Change, with three

employees ranked in the top 10% of the 1000 Women Leaders 2025 cohort. On the technology front, the Company launched a Generative AI-powered platform providing employees with round-the-clock, multilingual access to HR and administrative policies, an initiative that earned recognition at the ET Human Capital Awards 2026 for Excellence in Use of Generative AI for Human Resource Management.

The seventh edition of the E.P.I.C. Campus Challenge saw participation from over 1,35,000 students across 8,000 colleges, reinforcing the Company's brand as an employer of choice among future talent and deepening its engagement with premier academic institutions across the Country.

Driving Process Excellence for Superior Stakeholder Experience

During the year, the Company continued to strengthen its process excellence agenda, with a focused commitment to enabling error-free operations and delivering an effortless experience across customers, dealers, employees, and partners. A total of 53 improvement projects were completed across the organization under four strategic themes, spanning First Time Right (FTR) initiatives, effort reduction, digitization, and automation.

The Company's quality initiatives earned strong external recognition, with 49 awards secured across leading forums including QCFI, ISQ, and the Kaizen Institute, and four Gold awards won for the second consecutive year at the International Convention on Quality Control Circles, Taiwan. The successful completion of the ISO 9001:2015 surveillance audit with zero non-conformities further reinforced the strength and maturity of the Company's quality management systems.

Awards and recognitions

During fiscal 2026, the Company was honoured with various awards and recognitions. Some of the key awards are listed below:

- Multiple GOLD awards at the International Convention conducted by QCFI in Taiwan;
- Multiple Gold awards at the 1st Puducherry Chapter Quality Concepts Convention (PYQCC);
- Multiple Gold awards at 4th TQM Summit, with participation from Finance, CD Sales, HR L&D, HR BP, IT - Projects, Product Management teams along with the TQM team;
- The Great Place to Work recognition in the NBFC category by the Great Place to Work

Institute, for our workplace culture and employee experience. Also, ranked #78 among India's Top 100 Best Companies to work for by Great Place to Work - 2025;

- One of 'India's Leading BFSI and FinTech Companies-2025-26' by Dun and Bradstreet;
- 'ET Best BFSI Brands-2025-26' by The Economic Times;
- The Best Data Quality Award - Gold Category in the Emerging Segment NBFCs by TransUnion CIBIL;
- Awarded for exemplary data quality at the CRIF Data Excellence Awards 2025 in the Consumer - Data category;
- Recognised as a Top-rated Financial Services Company and among the Top 20 Large Companies by Ambition Box Employee Choice Awards (ABECA) 2025;
- Silver for L&D Team of the Year, Gold for Best Blended Learning Programme and Bronze for Best Digital Learning Transformation Programme at TISS LeapVault Chief Learning Officer (CLO) Awards 2025;
- Secured 3 Coveted Spots in Jombay's 10% Club of the 1000 Women Leaders Programme for the year 2025; and
- Best Farm Equipment Financier of the Year 2025 award by Indian Tractor of the Year (ITOTY).

Awards for various marketing initiatives

- ET Trendies Award 2025 for the Best Social Media Regional Campaign and Best Use of Humour in Social Media by The Economic Times;
- Multiple awards for our marketing campaigns, market research project and Fireside Chat podcast series by the Rural Marketing Association - FLAME Awards Southeast Asia Edition 2025;
- Multiple Gold, Silver and Bronze Excellence Awards for our marketing campaigns and collaterals by PRCI (Public Relations Council of India);
- Two awards for our "Ab Wait Nahi Upgrade Karo" Campaign and our Chaupal Rural initiative at the Financial Express Ace Awards 2025;
- Two awards for our "Fantastic Five" campaign and "New Year" campaign at the e4m South Indian Marketing Awards (IMA);

- The Best Social Media Campaign for our "Fantastic Five" campaign at the ET DigiPlus Awards 2025;
- Three awards for our The Fantastic Five Campaign, "Ab Wait Nahi Upgrade Karo" Campaign and our Chaupal Rural initiative at the e4m Pitch Finovate Marketing Summit & Awards 2025;
- Our Chaupal initiative was awarded the Excellence in Rural Marketing award at the Adgully Finnix Awards 2025;
- Bronze Award as Rural Financial Inclusion Champion for our Chaupal initiative at the Rural Fintech Financial Inclusion Awards by Rural Marketing Association of India (RMAI) 2025;
- The Best Humorous/Satirical Campaign for our "Fantastic Five" campaign at the Inkspell India Content Leadership Awards 2025; and
- The Best Social Media Campaign for our "Fantastic Five" campaign at the e4m Maddies Awards 2025.

Community support initiatives

Our community support initiative, Saksham, in collaboration with Yuva Parivartan NGO empowers underprivileged youth in Maharashtra (Sanoer), Gujarat (Savli), Rajasthan (Alwar), Telangana (Warangal), Karnataka (Dabishet). Our comprehensive approach, including hands-on practical training and soft skill development is designed to facilitate job placements and create self-employment opportunities. Since 2018, Saksham has empowered over 1,200 individuals, with 5 new locations added this year.

Treasury

The Company has constituted an Asset Liability Management Committee (ALCO) in accordance with the guidelines issued by the Reserve Bank of India (RBI). The ALCO monitors asset-liability mismatches, liquidity position, funding sources, interest rate risks, liquidity stress testing, contingency funding plans, and collateral position, while also ensuring compliance with regulatory requirements and lender covenants.

The financial year 2026 presented a dynamic operating environment for Non-Banking Financial Companies (NBFCs). The Reserve Bank of India reduced the policy repo rate by 100 basis points from 6.25% to 5.25%, and relaxed risk weights on bank lending to NBFCs with

effect from 1st April 2025. However, systemic liquidity remained volatile during the year, influencing short-term interest rates. Global factors, including rising crude oil prices and foreign capital outflows, further weighed on the domestic liquidity environment. Against this backdrop, the Company continued to adopt a prudent and proactive approach to liability management, diversifying its funding sources and maintaining adequate liquidity buffers while optimizing borrowing costs.

As of 31st March 2026, the Company's total principal debt outstanding is at ₹ 27,377 crore (31st March 2025: ₹ 24,491 crore). During the year, the Company raised ~ ₹ 14,100 crore in fresh borrowings, comprising both long-term and short-term instruments. The Company's borrowing strategy remains aligned with the composition and maturity profile of its assets, with continued focus on managing interest rate and liquidity risks. The Company continues to maintain a diversified lender base comprising banks, financial institutions, mutual funds, insurance companies, and other institutional investors, ensuring that funding structures remain resilient and responsive to its evolving asset mix. During the year, the Company also executed issuances of Non-Convertible Debentures (NCDs) and raised funds through External Commercial Borrowings (ECBs), further strengthening the depth and diversity of its funding program. This prudent asset-liability management enabled the Company to maintain positive cumulative mismatches across all maturity buckets, well within internal and RBI-stipulated norms.

The Company's ALCO regularly reviews liquidity stress testing to evaluate the Company's preparedness for adverse liquidity scenarios. Based on these assessments, the Company maintained a prudent liquidity buffer in the form of cash, liquid investments, and unutilized bank lines to ensure adequate preparedness for unforeseen disruptions. The Company's Liquidity Coverage Ratio (LCR) remained comfortably above the regulatory requirement during the year, and all liquidity metrics were maintained within limits approved by the ALCO.

All principal and interest obligations were met on time during the year. The Company's pool of assets available by way of security continues to remain adequate to cover outstanding liabilities as and when they become due. The Company continued to receive support from shareholders through equity infusion, supplemented by participation from institutional investors in

Tier I (Perpetual Debt Instruments) and Tier II (Subordinated Debt) instruments, collectively contributing to a comfortable capital position. As of 31st March 2026, the Company's Capital Adequacy Ratio (CRAR) stood at 19.4%, well above the regulatory minimum of 15% prescribed by the RBI.

The Company's credit ratings as of 31st March 2026, as assigned by leading domestic rating agencies, are summarized below.

Rating Agency	Facility	Rating
Care Ratings	Long Term Bank Facilities	CARE AA+; Stable
	Non-Convertible Debentures	CARE AA+; Stable
ICRA	Long-term Bank Facilities	ICRA AA+ (Stable)
	Short-term Bank Facilities	ICRA A1+
	Subordinated Debt	ICRA AA+ (Stable)
	Perpetual Debt	ICRA AA (Stable)
	Commercial Paper	ICRA A1+
CRISIL	Long Term Rating - Bank Loan Facilities	CRISIL AA+/Stable
	Short Term Rating - Bank Loan Facilities	CRISIL A1+
	Non-Convertible Debentures	CRISIL AA+/Stable
	Tier II Bond	CRISIL AA+/Stable
	Perpetual Bonds	CRISIL AA/Stable
	Commercial Paper	CRISIL A1+
Brickwork Ratings	Subordinated Debt (Tier II)	BWR AA+/Stable

3. SHARE CAPITAL

During the year under review, the Company issued and allotted 33,94,779 Equity Shares of face value of ₹10 per share at a premium of ₹ 579.14/- per share. Consequent to the aforesaid allotment of Equity Shares, the total paid up capital of the Company as on 31st March 2026, stood at ₹ 258 crore comprising 23,96,67,485 Equity Shares and 1,83,84,684 Compulsorily Convertible Preference Shares, having a face value of ₹ 10 each.

Non-Convertible Debentures

During the year under review, the Company issued Non-Convertible Debentures (NCDs) of ₹ 1,075 crore on a private placement basis.

The NCDs have been listed on the Wholesale Debt Market segment of the National Stock Exchange of India Ltd (NSE).

4. REGISTERED OFFICE OF THE COMPANY

During the year under review, the Registered Office of the Company was shifted from the erstwhile State of Tamil Nadu to the State of Karnataka, pursuant to the approval of the Shareholders and the Central Government, in accordance with the applicable provisions of the Companies Act, 2013 and the Rules made thereunder.

Accordingly, with effect from 6th March 2026, the Registered Office of the Company is now situated at TVR Pride, No. 383, 16th Main, 3rd Block, Koramangala, Bengaluru, Karnataka – 560034.

Consequent to the aforesaid shift of the Registered Office to the State of Karnataka, the Corporate Identification Number (CIN) of the Company has been changed to U65920KA2008PLC218369.

5. DIVIDEND

The Directors have not proposed any dividend for the year under review, as the resources are required for the future growth of the business of the Company.

6. TRANSFER TO RESERVES

During the year, ₹ 182.63 crore were transferred to the Statutory Reserve created as required under Section 45-IC of the Reserve Bank of India Act, 1934.

7. PUBLIC DEPOSITS

The Company is a Non-Deposit taking Non-Banking Finance Company and has not accepted any deposits during the year under review. The Board has also passed a resolution for non-acceptance of deposits from the public.

8. CONSOLIDATED FINANCIAL STATEMENTS

The consolidated financial statements of the Company are prepared in accordance with the provisions of Section 129 of the Companies Act, 2013 (the Act, 2013), read with the Companies (Accounts) Rules, 2014 along with a separate statement containing the salient features of the financial performance of subsidiaries/ associates in the prescribed form. The audited

consolidated financial statements together with Auditors' Report, form part of the Annual Report.

The audited financial statements of the subsidiary companies will be made available to the shareholders on receipt of a request from any shareholder, and it has also been placed on the website of the Company, which will also be available for inspection by the shareholders at the registered office during business hours, as mentioned in the Notice of Annual General Meeting (AGM).

The consolidated Profit Before Tax of the Company and its subsidiaries amounted to ₹ 1,239 crore for the financial year 2025-26 as compared to ₹1,027 crore in the previous year.

Subsidiary Companies

The following companies are the subsidiaries of the Company as on 31st March 2026:

S.No.	Name of the Companies
1.	Harita Two-Wheeler Mall Private Limited
2.	Harita ARC Private Limited
3.	TVS Housing Finance Private Limited

Performance of Subsidiaries

A report on the performance of the subsidiary companies, including the salient features of the financial statements in Form AOC-I is attached and forms part of this Report as **Annexure IV**.

All the subsidiaries are yet to commence their operations.

Holding Company

TVS Motor Company Limited is the holding Company and holds 85.63% equity shares (80.76% on a fully diluted basis), as on the date of this report.

9. DIRECTORS AND KEY MANAGERIAL PERSONNEL

Directors' Appointment / Re-appointment / Cessation

During the year under review, Mr. Venu Srinivasan (DIN: 00051523), Non-Executive Director of the Company, resigned from the Board with effect from 3rd February 2026. TVS Credit Services Limited, was established under the guidance of Mr. Venu Srinivasan in the year 2008 and he has played a significant role in the Company's journey from the early stages of its evolution and has consistently provided thoughtful guidance

to the management over the years while also being a strong pillar of support to the Board. During his tenure, Mr. Venu Srinivasan's visionary leadership and strategic oversight contributed meaningfully to the Company's sustained growth and transformation. His prudent approach on strategic decision-making, focus on customer-centricity, and strong emphasis on corporate governance have been instrumental in shaping the Company's culture and long-term success, firmly rooted in the values of the TVS ethos. The Board wishes to place on record its deep appreciation for his valuable contribution during his tenure as Director of the Company.

Dr. Deepali Pant Joshi (DIN: 07139051), Independent Director also resigned from the Board of the Company with effect from 6th November 2025. The Board wishes to place on record its deep appreciation for the valuable contribution of Dr. Deepali Pant Joshi (DIN: 07139051), during her tenure as Director of the Company.

Directors Liable to Retire by Rotation

In terms of Section 152 of the Act, 2013, two-thirds of the total number of Directors i.e., excluding Independent Directors (IDs), are liable to retire by rotation, and out of which, one-third are liable to retire by rotation at every Annual General Meeting. Mr. K N Radhakrishnan (DIN: 02599393), Non-Executive Director, is liable to retire by rotation at the ensuing Annual General Meeting, and being eligible, offers himself for re-appointment. The Nomination and Remuneration Committee, at its meeting held on 12th May 2026 recommended his re-appointment after evaluating his track record, integrity, and fit and proper criteria as laid down under RBI guidelines.

Woman Director

In compliance with Section 149 of the Act 2013 read with the Companies (Appointment and Qualification of Directors) Rules, 2014, Ms. Kalpana Unadkat (DIN: 02490816) is the Independent Woman Director of the Company.

Independent Directors

In accordance with Section 149(7) of the Act, 2013, all IDs have declared that they meet the criteria of independence as provided under Section 149(6) of the Act, 2013, and the Board confirms that they are independent of the management.

The Board is of the opinion that the IDs of the Company possess the requisite qualifications,

experience, and expertise, and that they adhere to the highest standards of integrity. The detailed terms of appointment of IDs are disclosed on the Company's website in the following link www.tvscredit.com. All the IDs have been registered with the databank of Independent Directors developed by the Indian Institute of Corporate Affairs in accordance with the provisions of Section 150 of the Act, 2013 and obtained ID registration certificates.

Declaration and Undertaking

During the year, the Board obtained necessary annual declaration and undertaking from the Directors in the format prescribed by RBI.

Separate Meeting of Independent Directors

During the year under review, a separate meeting of IDs was held on 3rd March 2026. All IDs were present, and they were enlightened about the objectives and process involved in evaluating the performance of the Board, Non-IDs, Chairman, and timeliness of the flow of information from management.

Based on the set of questionnaires, complete feedback on Non-Independent Directors and details of various activities undertaken by the Company were provided to IDs to facilitate their review/evaluation.

a) Non-Independent Directors (Non-IDs)

IDs used various criteria prescribed by the Nomination and Remuneration Committee (NRC) for performance evaluation of Non-IDs, namely, Mr. Sudarshan Venu (DIN: 03601690), Mr. Sanjiv Chadha (DIN: 08368448), Mr. K N Radhakrishnan (DIN: 02599393) and Mr. Ashish Sapra (DIN: 09805893).

IDs evaluated the performance of all Non-IDs individually through a set of questionnaires.

They reviewed the Non-IDs interaction during the Board/Committee meetings and thoughtful inputs given by them to improve risk management, internal controls, and contribution to the Company's growth. IDs were fully satisfied with the performance of all Non-IDs.

b) Chairman

The IDs reviewed the performance of the Chairman of the Board after taking into account his performance and benchmarked the achievement of the Company with industry under the stewardship of the Chairman.

The IDs also placed on record their appreciation of the Chairman's high level of integrity, trust, confidentiality, impartial and judicious approach, transparency, and commitment to governance, setting high standards for the Company; Outstanding ability to motivate the Board's involvement and stimulate discussions particularly during a year of diverse challenges, tough state of the economy and clear initiatives for staying ahead of the competition.

IDs also appreciated the growth story of the Company under the stewardship of the Chairman and the significant increase in turnover and profit.

c) Board

The IDs also evaluated the Board's composition, size, mix of skills and experience, its meeting sequence, the effectiveness of discussion, decision-making, and follow-up action to improve governance and enhance the personal effectiveness of Directors.

The evaluation process focused on Board dynamics. The Company has a Board with a wide range of expertise in all aspects of business and outstanding diversity of the Board with the presence of varied personalities from diverse fields, particularly from the banking and finance field. The Board, upon evaluation, concluded that it is well balanced in terms of diversity of experience with experts in each domain viz., Automotive, Leadership / Strategy, Technology, Finance, Legal and Regulatory, and Governance. The Company endeavours to have a diverse Board representing a range of experience at policy-making levels in business and technology.

IDs recorded that they were always kept involved through open and free discussions and provided additional inputs in emerging areas being forayed into by the Company, and high levels of Corporate Governance in all management discussions and decisions were maintained.

The IDs unanimously evaluated the prerequisites of the Board viz., formulation of strategy, acquisition, and allocation of overall resources, setting up policies, Directors' selection processes, and cohesiveness on key issues, and satisfied themselves that they were adequate.

They were satisfied with the Company's performance on all fronts and finally concluded that the Board operates with best practices.

d) Quality, Quantity, and Timeliness of the Flow of Information between the Company, Management, and the Board

All IDs have expressed their overall satisfaction with the support received from the management and the excellent work done by the management during the year under review and, the relationship between the top management and Board is smooth and seamless.

The information provided for the meetings was clear, concise, and comprehensive to facilitate detailed discussions and periodic external presentations on specific areas well supplemented the management inputs. The emerging technology was duly incorporated in the overall review of the Board.

e) Performance Evaluation of the Board

In terms of Section 134 of the Act, 2013, the Board has carried out an annual evaluation of its own performance and that of its Committees as well as the performance of the Directors individually (including Independent Directors).

The evaluation framework for assessing the performance of Directors comprises of various key areas such as attendance at Board and Committee Meetings, quality of contribution to Board discussions and decisions, strategic insights, or inputs regarding future growth of the Company and its performance, understanding of the industry and global trends, etc.

An evaluation framework based on well-defined and structured questionnaires covering various aspects of the Board's functioning such as adequacy of the composition of the Board and its Committees, Board culture, areas of responsibility, execution and performance of specific duties, obligations and governance, compliance, oversight of Company's subsidiaries, etc., and feedback by way of comments were sought from the Directors.

The performance evaluation of the Independent Directors was carried out by the entire Board, excluding the Director being evaluated.

Qualitative comments and suggestions of the Directors were taken into consideration by the Board. The Directors have expressed their satisfaction with the evaluation process.

Based on the report of performance evaluation of Directors, the Board noted and recorded that all the Directors should extend and continue their term of appointment as Directors / Independent Directors, as the case may be.

Key Managerial Personnel

Mr. Ashish Sapra, Director and Chief Executive Officer, Ms. Roopa Sampath Kumar, Chief Financial Officer and Mr. Chetan Nage, Company Secretary are the Key Managerial Personnel of the Company as on the date of this report.

There was no change in KMPs during the year under review.

10. STATUTORY AUDITORS

Pursuant to the Reserve Bank of India (RBI) Guidelines for Appointment of Statutory Central Auditors (SCAs)/Statutory Auditors (SAs) of Commercial Banks (excluding RRBs), Urban Co-operative Banks (UCBs) and NBFCs (including HFCs) dated 27th April 2021, and Frequently Asked Questions dated 11th June 2021 (RBI Guidelines), the statutory audit of Company, having asset size of ₹15,000 crore and above as at the end of previous year, be conducted under joint audit of a minimum of two audit firms.

In this regard, on the recommendation of the Board of Directors of the Company, members of the Company at the Annual General Meeting held on 07th August 2024, appointed M/s. Suri & Co., Chartered Accountants, Chennai having Firm Registration No. 004283S allotted by the Institute of Chartered Accountants of India as Statutory Auditors of the Company pursuant to Section 139 of the Act, 2013, at such remuneration in addition to applicable taxes, reimbursement of travelling and other expenses as may be mutually agreed between the Board of Directors of the Company and the Auditors.

During the year under review, the tenure of term of M/s. CNGSN & Associates LLP, Chartered Accountants expired at conclusion of the 17th Annual General Meeting of the Company held on 30th July 2025. On the recommendation of the Board of Directors of the Company, members of the Company had

at the Annual General Meeting held on 30th July 2025, appointed M/s. Brahmayya & Co., Chartered Accountants (ICAI Firm Registration No. 000511S) as Statutory Auditors of the Company for a term of 3 consecutive years from conclusion of 17th Annual General Meeting until the conclusion of 20th Annual General Meeting, pursuant to Section 139 of the Act, 2013, at such remuneration in addition to applicable taxes, reimbursement of travelling and other expenses as may be mutually agreed between the Board of Directors of the Company and the Auditors.

M/s. Suri & Co., Chartered Accountants and M/s. Brahmayya & Co., Chartered Accountants, have jointly conducted the statutory audit for the year ended 31st March 2026. The Company has obtained the necessary certificate under Section 141 of the Act, 2013, and as per the RBI Circular conveying their eligibility for being Statutory Auditors of the Company for the year 2025-26. The Auditors' Reports for the financial year 2025-26 do not contain any qualifications, reservations, or adverse remarks.

11. SECRETARIAL AUDITORS

On the recommendation of Audit Committee and Board, the members of the Company had, at the Annual General Meeting held on 30th July 2025, appointed B. Chandra & Associates, Company Secretaries (Peer Reviewed) (Firm Registration No. P2017TN065700), as Secretarial Auditor of the Company for a term of five consecutive years from 2025-26.

As required under Section 204 of the Act, 2013, the Secretarial Audit Report for the year 2025-26, given by them, is attached as Annexure VI to this report. The Secretarial Audit Report does not contain any qualifications, observations, or other remarks.

Secretarial Standards

The Company has complied with the applicable Secretarial Standards as amended from time to time.

12. DIRECTORS' RESPONSIBILITY STATEMENT

The financial statements are prepared in accordance with the Indian Accounting Standards (IndAS) under historical cost convention on accrual basis except for certain financial instruments, which are measured at fair value pursuant to the provisions of the Act, 2013 and guidelines issued by Securities Exchange Board of India (SEBI)/RBI. Accounting policies have been consistently applied except where

revision to an existing Accounting Standard requires a change in the accounting policy.

Pursuant to the requirement of Section 134(5) of the Act, 2013, with respect to Director's Responsibility Statement, it is hereby stated that:

- a. In the preparation of the annual accounts for the year ended 31st March 2026 the applicable accounting standards had been followed along with proper explanation relating to material departures, if any.
- b. The Directors had selected such accounting policies and applied them consistently and made judgments and estimates that were reasonable and prudent to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit of the Company for that period.
- c. The Directors had taken proper and sufficient care for the 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 fraud and other irregularities.
- d. The Directors had prepared the accounts for the financial year ended 31st March 2026 on a going concern basis.
- e. that the Directors, had laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and are operating effectively; and
- f. The Directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

13. ANNUAL RETURN

Pursuant to the provisions of Section 134(3) (a) and Section 92(3) of the Act, 2013, read with Rule 12(1) of the Companies (Management and Administration) Rules, 2014, an extract of the Annual Return in the prescribed form (Annexure I) is available on the Company's website (www.tvscredit.com).

14. CORPORATE GOVERNANCE

Good corporate governance, acting in accordance with the principles of responsible management aimed at increasing enterprise value on a sustainable basis, is an essential requirement for the TVS Group. The Company

has a strong legacy of fair, transparent, and ethical governance practices. The Company's philosophy on corporate governance is founded on the fundamental ideologies of the Group viz., Trust, Value, Exactness, and Passion for Customers.

The Company constantly endeavours to improve on these aspects. The Company ensures good governance through the implementation of effective policies and procedures, which are mandated and reviewed by the Board and Committees of the Board.

The Company has experts in the banking industry and a well-informed Board. The Board, along with the Corporate Governance mechanism in place, undertakes its fiduciary duties to all its stakeholders.

The Company has framed internal Corporate Governance guidelines in compliance with the Directions issued by RBI for NBFCs, to enable the adoption of best practices and greater transparency in business operations. A report on Corporate Governance regarding compliance with the conditions of Corporate Governance as stipulated under RBI guidelines forms part of the Report and is annexed herewith as **Annexure V**.

Board Meetings

During the year under review, the Board met six times on 28th April 2025, 17th June 2025, 30th July 2025, 27th October 2025, 27th January 2026 and 23rd March 2026 and the gap between the two meetings did not exceed one hundred and twenty days.

The Board Committees play a crucial role in the governance structure of the Company and have been constituted to deal with specific areas/activities in accordance with the requirements of the applicable provisions of the Act, 2013/ Reserve Bank of India (Non-Banking Financial Company – Governance) Directions, 2025, as amended.

The Board has established the following Committees viz., Audit Committee, Stakeholder Relationship and Customer Service Committee (SRCSC), Nomination and Remuneration Committee (NRC), Corporate Social Responsibility Committee (CSR), Asset Liability Management Committee (ALCO), Risk Management Committee (RMC), Information Technology Strategy Committee (ITSC), Credit Sanction Committee and Senior Management Committee (SMC).

Details of the Composition of Committees, roles and responsibilities and meetings, and the members' attendance are explained in the Corporate Governance Report attached with this report as Annexure-V.

Nomination and Remuneration Policy

In accordance with Section 178 of the Act, 2013 the NRC has formulated a Nomination and Remuneration Policy (NRC Policy) to ensure that Directors, Key Managerial Persons and other employees are sufficiently compensated for their performance. The policy inter-alia provides the criteria for appointment of Directors, KMPs and SMPs, their performance evaluation, principles on the remuneration and provides for risk alignment of compensation to ensure that there is a proper balance between fixed pay and variable pay for KMPs and SMPs, including for those in assurance functions. The NRC Policy of the Company can be accessed at <https://www.tvscredit.com/wp-content/uploads/2023/09/Nomination-and-Remuneration-Policy.pdf>.

Directors

NRC will recommend the remuneration for Executive and Non-Executive Directors. This will be then approved by the Board and Shareholders. The Non-Executive Independent Directors are appointed to the Board of the Company in terms of regulatory requirements.

The Board has approved the payment of remuneration by way of profit-related commission to the Non-Executive Independent Directors, for the financial year 2025-26, based on the recommendation of the NRC.

The Company benefits from the expertise, advice, and inputs provided by the IDs. The IDs devote their valuable time in deliberating on strategic and critical issues during the Board/ Committee meetings of the Company and give their valuable advice, suggestions, and guidance to the management of the Company from time to time hence IDs are being paid by way of commission.

The approval of the Shareholders by way of a special resolution was obtained at the Twelfth Annual General Meeting held on 27th July 2020 in terms of Sections 197 and 198 and any other applicable provisions of the Act, 2013.

Key Managerial Personnel

The remuneration of employees largely consists of basic salary, perquisites, allowances, and

performance incentives. Perquisites and retirement benefits are paid according to the Company's policy.

The components of the total remuneration vary for different grades and are governed by the industry pattern, qualification, and experience/ merits, and performance of each employee. The Company, while deciding the remuneration package, takes into consideration the current employment scenario and remuneration package of the industry.

Criteria for Board Membership

Directors

The Company will generally consider (i) Their relevant experience in Leadership/ Strategy / Finance/ Governance / Legal and Regulatory, Technology or other disciplines related to Company's business and (ii) Having the highest personal and professional ethics, integrity, and values.

Independent Directors

Independent Director shall meet all criteria specified in Section 149 of the Act, 2013, and the rules made thereunder.

Related Party Transactions

All contracts/arrangements entered by the Company during the period ended 31st March 2026, with related parties were in the ordinary course of business and at arm's length. Hence, no particulars are being provided in Form AOC-2 and it does not form part of this Report.

Related Party disclosures, as per IND-AS have been provided in Notes to the financial statement.

15. RISK MANAGEMENT

The Company, being in the business of financing two-wheelers, used cars, new tractors and used tractors, three-wheelers, consumer durables, used commercial vehicles, and business loans, has to manage various risks. These risks include credit risk, liquidity risk, interest rate risk, operational risk and information technology & cybersecurity risk. To strengthen risk management, the Company has developed and implemented a Risk Management Policy and has put in place Enterprise Risk Management Framework to promote a proactive approach to measuring, evaluating, mitigating, and reporting key risks associated with the business. The Company

has implemented Internal Capital Adequacy Assessment Process (ICAAP) for quantitative and qualitative assessments of these key risks and impact on capital and profitability under three stress scenarios like Base, Medium and Severe. Stress scenarios are identified basis historical data on shift in the key metrics in case of various economic cycles of last 10 years. ICAAP Assessment reports are periodically placed before the RMC and the ALCO for reviewing and monitoring the risks and capital planning at quarterly basis. The Company also has RMC approved Risk Appetite statement that covers key metrics on Risk, Earnings, Profitability, Liquidity and Capital Adequacy.

Liquidity risk and interest rate risk arising out of maturity mismatch of assets and liabilities are managed through regular monitoring of the maturity profiles and liquidity ratios like Liquidity Coverage Ratio and Stock Ratios against the Board approved limits.

Operational risks arising from inadequate or failed internal processes, people, and systems or from external events are adequately addressed by the internal control systems and are continuously reviewed and monitored. Operational Risk Register with all operational risks, control and residual risk is maintained with key risk indicators defined to measure, mitigate and report these risks. Standard Operating Procedures are well documented to ensure enhanced control over processes and regulatory compliance.

Compliance Risk arising from non-compliance with the guidelines and statutes from various regulatory bodies are addressed through a well-defined compliance risk framework approved by the Board. The company has implemented compliance tool that adequately captures all regulatory requirements and helps to meet various timelines.

Internal Audit department does annual review of all risk management frameworks from Board approved policies and regulatory requirement perspective as an assurance to the Board for compliance purposes.

The Company is categorised as Middle Layer NBFC as per the Scaled Based Regulations Framework guidelines applicable to all NBFCs from 1st October 2022.

16. INTERNAL CONTROL SYSTEMS

The Company's comprehensive and effective internal control system ensures smooth business

operations, meticulously recording all transaction details and ensuring regulatory compliance, and protecting the Company's assets from loss or misuse. The Board is accountable for evaluating and approving the effectiveness of the internal controls, including financial, operational, and compliance controls.

The internal control system is subject to continuous improvement, with system effectiveness assessed regularly. The internal control system is supported by an internal audit process for reviewing the adequacy and efficacy of the internal controls, including its system and processes and compliance with regulations and procedures. Information provided to management is reliable and timely. The Company ensures the reliability of financial reporting and compliance with laws and regulations.

The Company is strengthening the controls by leveraging technology and centralising processes, enhancing monitoring, and maintaining effective tax and treasury strategies.

The Audit Committee continues to monitor the effectiveness of internal control over the use of new technologies that impact the financial controls and reporting enterprise risk.

17. INTERNAL AUDIT

As part of the effort to evaluate the effectiveness of the internal control systems, the Company's Internal Audit function reviews all the control measures on a periodic basis as part of the Risk-based Internal Audit (RBIA) framework and recommends improvements, wherever appropriate. The Audit Committee regularly reviews the audit findings as well as the adequacy and effectiveness of the internal control measures.

The Company's Internal Audit function and structure are commensurate with its size, nature, and operations.

18. CORPORATE SOCIAL RESPONSIBILITY INITIATIVES

The Company recognises social responsibility as an integral and a crucial part of its value system. Srinivasan Services Trust (SST), the CSR arm of TVS Motor Company has been implementing various socio-economic development programs in thousands of villages across five states of India viz. Tamil Nadu, Karnataka, Andhra Pradesh, Maharashtra and Himachal Pradesh in the last 30 years.

SST follows an integrated, holistic and participatory approach to village development, working in close association with the communities and the Government. SST nudges communities to embrace practices towards a better quality of life by ensuring a participatory approach right from the stage of planning to execution of activities.

SST aim is to bring about sustainable development in villages through Total Community Involvement (TCI). SST focusses on society building through the development of women and children, conserving water, repairing and renovating government health and education infrastructure and preserving the environment in its 2500 working villages across the Country.

SST has so far facilitated in the formation of over 5000 Self-Help Groups (SHGs) consisting of more than 60,000 women, who have been empowered both socially and economically. More than ₹150 crore of annual income is being generated by the women in Self-Help Groups by engaging in livelihood activities. During the year 2025-26, three SHGs facilitated by SST have been honoured with the prestigious Manimegalai Award by the Government of Tamil Nadu for empowering women and fostering economic growth.

SST has so far renovated more than 2,300 government infrastructures, which includes anganwadis, schools, health centres, veterinary centres and other village community infrastructures. SST has partnered with organisations such as Gramalaya, Agastya International Foundation, Villmart Education and Solutions, Shreeja Mahila Milk Producer Company, NavSahyog Foundation, Agaram Foundation, Magic Bus India Foundation, Care Works Foundation, National Bank for Agriculture and Rural Development (NABARD) and Sankara Eye Foundation to enhance the impact for the community.

More than 25,000 farmers have been benefitted by its water conservation projects like repairing, renovating and rebuilding water conservation structures that include desilting of tanks, channels and creation of percolation ponds. Across the working villages over 500+ water conservation projects have been implemented. This has created an additional water storage capacity of 169 crore litres.

SST also ensures last mile connectivity for availing the government social security schemes and agriculture & livestock schemes to reach the

unreached population. Apart from renovating the government health centres and conducting regular medical camps, SST runs seven medical centres and four mobile medical vans in its working areas. Today, due to SST's interventions, annually more than two lakh villagers are receiving access to health care facilities.

SST has also afforested over 14,000 acres of barren areas including degraded forests, panchayat hillocks and plains in the last three decades. SST is working with Grassroots Research and Advocacy Movement (GRAAM) and Anna University to carry out social impact studies for the various projects undertaken by the Trust.

SST has won the following awards during the year 2025-26:

- 'Excellence in Domain Excellence Award in Corporate Social Responsibility' under the 20th CII ITC Sustainability Awards 2025;
- 8th ICC Social Impact Awards 2026 Rural Development was adjudged the Runners up;
- Gold Award under the category of 'Best HR Practices in CSR in Manufacturing and Process (Large)' in the 9th CII National HR Circle Competition; and
- Award for 'Best Water Conservation' from the Tamil Nadu Water Resources Department.

As required under Section 135 of the Act, 2013, read with Rule 8 of the Companies (Corporate Social Responsibility Policy) Rules, 2014, the Annual Report on CSR as prescribed under the Act, 2013, and approved by the Board for FY 2025-26 are furnished in Annexure III to this Report.

It may also be noted that the CSR Committee has approved the projects or programmes to be undertaken by SST and other eligible trusts for the year 2026-27, preferably in local areas including the manner of execution, modalities of utilisation of funds and implementation schedules and monitoring and reporting mechanism for the projects or programmes.

19. POLICY ON VIGIL MECHANISM

The Company has adopted a Whistle Blower Policy and has established an effective Vigil Mechanism in accordance with the provisions of the Act, 2013, which provides a formal framework for all Directors, Employees, and other Stakeholders of the Company, to report to the management their genuine concerns or

grievances about unethical behaviour, actual or suspected fraud and any violation of the Company's Code of Business Conduct or Ethics Policy.

The policy also provides direct access to the Chairperson of the Audit Committee to make protective disclosures to the management about grievances or violations of the Company's Code of Business Conduct and Ethics. The policy is disclosed on the Company's website in the following link www.tvscredit.com.

20. SEXUAL HARASSMENT POLICY

The Company has in place a Sexual Harassment Policy in line with the requirements of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) (POSH) Act, 2013. The Company has an Internal Complaints Committee as required under POSH. The number of Complaints received, disposed of, and pending during Financial Year 2025-26 is given in the Corporate Governance Report.

21. MATERNITY BENEFIT ACT, 1961

During the financial year 2025-26, Company was fully compliant with the provisions of Maternity Benefit Act, 1961.

22. EMPLOYEE STOCK OPTION

The Board at its meeting held on 14th October 2024, based on the recommendation of the NRC, approved the 'TVS Credit Employee Stock Option Plan' with a view to reward, attract, motivate and retain employees of the Company and the same was approved by the shareholders vide a special resolution on 11th November 2024.

The NRC has granted 2,97,408 employee stock options in accordance with the Plan to the identified employees of the Company (Eligible Employees) which would entitle such Eligible Employee to acquire equity shares of the Company at a predetermined price provided that the vesting conditions are fulfilled. The disclosure relating to Employees Stock Option Scheme in accordance with Rule 12(9) of the Companies (Share Capital and Debentures) Rules, 2014, forms part of this report as Annexure VII.

23. GENERAL DISCLOSURES

During the year, there were no transactions requiring disclosure or reporting in respect of matters relating to:

- (a) There are no significant and material orders passed by the regulators or courts or tribunals which would impact the going concern status of the Company and its future operations.
- (b) issue of equity shares with differential rights as to dividend, voting or otherwise.
- (c) pendency of any proceeding under the Insolvency and Bankruptcy Code, 2016 and
- (d) instance of one-time settlement with any bank or financial institution.

24. CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS, AND OUTGO

As a non-banking finance company, the Company's activities involve low energy consumption. Company is committed for optimizing its energy use and continuously seek opportunities to enhance its sustainability practices by applying a range of energy-saving measures at its different sites. There was no capital investment made on energy conservation equipment.

Regarding "Technology Absorption" please refer to the technology absorption initiatives detailed in Management Discussion and Analysis, being Point No. 2 of this report. No expenditure was incurred towards Research and Development during the year under review.

Foreign currency expenditure in Financial Year 2025-26 is ₹ 109.41 crore (previous year ₹ 62.42 crore). The Company did not have any foreign exchange earnings.

25. MATERIAL CHANGES AND COMMITMENTS

There have been no material changes and commitments affecting the financial position of the Company which have occurred between the end of the financial year of the Company to which the financial statements relate and to the date of the report.

26. EMPLOYEES' REMUNERATION

Disclosure of details of Employees' remuneration as prescribed under Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 are annexed as a statement and given in Annexure-II. In terms of the first proviso to Section 136(1) of the Act, 2013, the Annual Report, excluding the aforesaid

annexure, is being sent to the Shareholders of the Company. The annexure is available for inspection at the Registered Office of the Company as mentioned in the Notice of AGM, and any Shareholder interested in obtaining a copy of the said annexure may write to the Company Secretary at the Registered Office of the Company.

27. DETAILS OF LOANS / GUARANTEES / INVESTMENTS MADE

The details of investments made by the Company for the financial year 2025-26 is as per Note no. 09 of Notes to account.

In terms of Rule 11(2) of the Companies (Meetings of Board and its Powers) Rules, 2014, NBFCs are excluded from the applicability of Section 186 of the Act, 2013, where the loans, guarantees and securities are provided in the ordinary course of its business.

The interest on loans granted to employees is governed by the NRC Policy and is in compliance with Section 186 of the Act, 2013.

28. REPORTING OF FRAUD

The Auditors of the Company have not reported any fraud as specified under Section 143(12) of the Act, 2013.

29. MAINTENANCE OF COST RECORDS

The maintenance of cost records has not been specified by the Central Government under Section 148(1) of the Act, 2013 for the business activities carried out by the Company.

30. ADHERENCE TO RBI NORMS AND GUIDELINES

The Company has fulfilled the prudential norms and standards as laid down by RBI in respect of income recognition, provisioning of non-performing assets and capital adequacy. The capital adequacy ratio of the Company is 19.4% which is well above the prescribed minimum of 15% by RBI.

As a prudent practice, the Company's current provisioning standards (expected provisioning norms) are more stringent than the Reserve

Bank of India (RBI) prudential norms. In line with its conservative approach, the Company continues to strengthen its provisioning norms beyond the RBI regulations by accelerating the provisioning on an early stage of delinquencies based on experience and emerging trends.

The Fair Practices Code and KYC norms framed by RBI seek to promote good and fair practices by setting minimum standards in dealing with customers, increasing transparency so that customers have a better understanding of what they can reasonably expect of the services being offered, encouraging market forces through competition to achieve higher operating standards, promote fair and cordial relationships between customers and the Company and foster confidence in the NBFC system.

The Company has put in place all the Committees prescribed by RBI and has formulated a comprehensive Corporate Governance Policy. The Company has instituted a mechanism to monitor and review adherence to the Fair Practices Code, KYC norms, and relevant policies as approved by the Board of Directors.

31. ACKNOWLEDGEMENT

The Directors gratefully acknowledge the continued support and cooperation received from TVS Motor Company Limited, the Holding Company and other investors. The Directors thank the bankers, investing institutions, customers, dealers of TVS Motor Company Limited, and all channel partners for their valuable support and assistance.

The Directors wish to place on record their special appreciation for the employees of the Company for their dedication and commitment in delivering the highest quality of service to every one of our valued customers.

For and on behalf of the Board
of Directors

Sudarshan Venu
Chairman
DIN: 03601690

Place: Singapore
Date : 12-05-2026

Annexure - III to the Directors' Report

Particulars of Corporate Social Responsibility activities carried out by the Company in terms of Section 135 of the Companies Act, 2013

1. Brief outline of CSR Policy of the Company:

This policy encompasses the Company's philosophy for giving back to society as a corporate citizen and lays down the guidelines and mechanism for undertaking socially useful programs for the transformation and sustainable development of the rural communities at large.

2. Composition of CSR Committee:

S No.	Name of the Director (M/s.)	Designation	Number of meetings of CSR Committee held during the year	Number of meetings of CSR Committee attended during the year
1.	Venu Srinivasan*	Non-Independent Director	1	1
2.	Sudarshan Venu,# Chairman	Non-Independent Director	1	NA
3.	K N Radhakrishnan, Member	Non-Independent Director	1	1
4.	R Gopalan, Member	Independent Director	1	1

NA: Not Applicable

*Mr. Venu Srinivasan ceased to be a Member and Chairman of the CSR Committee with effect from 3rd February 2026.

#Mr. Sudarshan Venu was appointed as Member and Chairman of the CSR Committee with effect from 23rd March 2026.

3.	Provide the web-link(s) where Composition of CSR Committee, CSR Policy and CSR Projects approved by the board are disclosed on the website of the company.	https://www.tvscredit.com/investor-zone/corporate-social-responsibility/
4.	Provide the executive summary along with web-link(s) of Impact Assessment of CSR Projects carried out in pursuance of sub-rule (3) of rule 8, if applicable.	Not Applicable
5.	(a) Average net profit of the company as per section 135(5)	₹ 766.23 crore
	(b) Two percent of average net profit of the company as per section 135(5) of the Companies Act, 2013	₹ 15.32 crore
	(c) Surplus arising out of the CSR projects or programmes or activities of the previous financial years	Nil
	(d) Amount required to be set off for the financial year, if any	Nil
	(e) Total CSR obligation for the financial year (5b+5c- 5d).	₹ 15.32 crore

6. (a) Amount spent on CSR Projects (both Ongoing Project and other than Ongoing Project) : ₹ 16.00 crore
- (b) Amount spent in Administrative Overheads : Nil
- (c) Amount spent on Impact Assessment, if applicable : Not Applicable
- (d) Total amount spent for the Financial Year [(a)+(b)+(c)] : ₹ 16.00 crore

(e) CSR amount spent or unspent for the Financial Year:

Total Amount Spent for the Financial Year (In ₹)	Amount Unspent (in ₹)				
	Total Amount transferred to Unspent CSR Account as per section 135(6) of the Companies Act, 2013		Amount transferred to any fund specified under Schedule VII as per second proviso to section 135(5) of the Companies Act, 2013		
	Amount	Date of transfer	Name of the Fund	Amount	Date of transfer
16.00 crore	Not Applicable				

(f) Excess amount for set off, if any

S No.	Particulars	Amount (₹ in crore)
(i)	Two percent of average net profit of the Company as per Section 135(5)	15.32
(ii)	Total amount spent for the financial year	16.00
(iii)	Excess amount spent for the financial year [(ii)-(i)]	0.68
(iv)	Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any	NIL
(v)	Amount available for set off in succeeding financial years [(iii)-(iv)]	0.68

7. Details of Unspent Corporate Social Responsibility amount for the preceding three Financial Years:

1	2	3	4	5	6		7	8
S No.	Preceding Financial Year(s)	Amount transferred to Unspent CSR Account under sub-section (6) of section 135 (in ₹)	Balance Amount in Unspent CSR Account under sub-section (6) of section 135 (in ₹)	Amount Spent in the Financial Year (in Rs)	Amount transferred to a Fund as specified under Schedule VII as per second proviso to sub-section (5) of section 135, if any		Amount remaining to be spent in succeeding Financial Years (in Rs)	Deficiency, if any
					Amount (in Rs)	Date of Transfer		
Not Applicable								

8. Whether any capital assets have been created or acquired through Corporate Social Responsibility amount spent in the Financial Year: No
9. Specify the reason(s), if the company has failed to spend two per cent of the average net profit as per sub-section (5) of section 135 : Not Applicable

For and on behalf of the Board of Directors

Sudarshan Venu

Chairman of the CSR Committee
DIN: 03601690

Place : Singapore
Date : 12-05-2026

Annexure-IV to the Directors' Report Form AOC-I

(Pursuant to first proviso to Sub-Section (3) of Section 129 read with Rule 5 of Companies (Accounts) Rules, 2014)

Part "A"

Statement containing salient features of the financial statement of subsidiaries:- (Information in respect of each subsidiary to be presented with amounts ₹ in lakhs)

S No.	Particulars	Name of the Company			
1.	Name of the subsidiary	Harita Two Wheeler Mail Private Limited	TVS Housing Finance Private Limited	Harita ARC Private Limited	
2.	Reporting period for the subsidiary concerned, if different from the holding company's reporting period	01.04.2025 to 31.03.2026			
3.	Reporting currency and Exchange rate as on the last date of the relevant financial year in the case of foreign subsidiaries	INR	INR	INR	INR
4.	Share capital / Contribution	0.25	1,200.00	0.25	0.25
5.	Reserves & Surplus	(2.71)	503.98	(2.75)	(2.75)
6.	Total assets	0.24	1,751.15	0.24	0.24
7.	Total Liabilities	2.70	47.17	2.73	2.73
8.	Investments	-	-	-	-
9.	Turnover	-	106.43	-	-
10.	Profit/(Loss) before taxation	(0.90)	100.82	(0.82)	(0.82)
11.	Provision for taxation/ Current Year Taxes	-	26.79	-	-
12.	Profit/(Loss) after taxation	(0.90)	74.03	(0.82)	(0.82)
13.	Proposed Dividend	-	-	-	-
14.	% of shareholding	100.00	100.00	100.00	100.00

Part "B"

Statement containing salient features of the financial statement of Associates and joint Venture (Information in respect of each subsidiary to be presented with amounts ₹ in Lakhs)

Not applicable

As per our report annexed For Brahmayya & Co Chartered Accountants Firm Regn No.: 000511S	As per our report annexed For Suri & Co., Chartered Accountants Firm Regn No.: 004283S
K Jitendra Kumar Partner Membership No.: 201825 12 th May 2026 Chennai	Sanjeev Aditya. M Partner Membership No.: 229694 12 th May 2026 Bengaluru
	Sudarshan Venu Chairman DIN: 03601690
	Ashish Sapra Director & Chief Executive Officer DIN: 09805893
	Roopa Sampath Kumar Chief Financial Officer
	Chetan Nage Company Secretary

Annexure-V to the Directors' Report

Company's philosophy on Corporate Governance

The Company is anchored in a well established legacy of fair, transparent, ethical and responsible governance practices. The Company's philosophy on corporate governance is founded on the fundamental ideologies of the Group viz., Trust, Value, Exactness and Passion for Customers, which shape its conduct across all levels of the organisation.

The Company is committed to upholding highest standards of integrity, transparency, professionalism and propriety in all its operations. These principles form the foundation for attaining sustainable and responsible growth in an evolving and competitive business environment. Compliance with applicable laws and regulations, both in letter and in spirit, remain central to the Company's governance philosophy. The Company remains committed to continuously enhancing its governance standards in line with evolving regulatory expectations and global benchmarks.

The Company places strong emphasis on sustainability and long-term value creation for all stakeholders.

The Company ensures good governance through the implementation of effective policies and procedures, which is mandated and reviewed by the Board and the duly constituted Committees of the Board.

Board of Directors

- i) The Board of Directors along with its Committees provide leadership and guidance to the Company's management and directs, supervises and controls the activities of the Company.
- ii) The size of the Board is commensurate with the size and business of the Company. As on 31st March 2026, the board comprises of eight Directors, viz.,

Name of the Director (M/s.)	DIN	Initial Date of Appointment	Category	Number of Board Meetings		No of Other Directorships [#]	Remuneration (₹ In crore)			No. of shares held in the Company	Committee Memberships in other Companies ^{##}	
				Held	Attended		Salary [^]	Sitting Fee	Commission		Member ^{**}	Chairman
Sudarshan Venu	03601690	31 Jan 2013	NED & Chairperson	6	6	18	-	-	-	-	2	1
Venu Srinivasan ^{\$}	00051523	21 Jun 2010	NED	5	2	-	-	0.01	-	-	-	-
Ashish Sapra	09805893	22 Nov 2024	ED	6	6	-	8.02	-	-	-	-	-
K N Radhakrishnan	02599393	17 Feb 2010	NED	6	5	6	-	0.03	-	10*	1	-
R Gopalan	01624555	20 Jul 2019	ID	6	6	11	-	0.04	0.30	-	8	1
B Sriram	02993708	12 Oct 2019	ID	6	5	6	-	0.03	0.30	-	4	1
Kalpna Unadkat	02490816	28 Jul 2021	ID	6	6	4	-	0.03	0.30	-	6	3
T C Suseel Kumar	06453310	06 Aug 2024	ID	6	5	5	-	0.01	0.30	-	4	2
Sanjiv Chadha	08368448	22 Nov 2024	NED	6	6	4	-	-	-	-	1	-
Deepali Pant Joshi ^{\$\$}	07139051	06 Aug 2024	ID	4	4	-	-	0.01	0.18	-	-	-

NED: Non-Executive Director ID: Independent Director ED: Executive Director

includes private companies, Section 8 Companies and Companies incorporated outside India

*Held as nominee of TVS Motor Services Limited

[^]Salary includes salary and other compensation

^{**}includes committees where the director holds the position of chairman.

^{##}For the membership and chairpersonship in Committees, only Audit Committee and Stakeholder Relationship Committee have been considered as per the SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015 ("Listing Regulations"). Also, all public limited companies, whether listed or not, have been included and all other companies including private limited companies, foreign companies and companies under Section 8 of the Companies Act, 2013 have been excluded.

\$ Mr. Venu Srinivasan resigned from the Board w.e.f. 3rd February 2026

\$\$ Dr. Deepali Pant Joshi resigned from the Board w.e.f. 6th November 2025

Meetings of the Board

During the year, the Board met 6(Six) times on the following dates and the gap between two meetings did not exceed one hundred and twenty days.

FY 2025-26		Meeting date
April – June	(Q1)	28 th April 2025 17 th June 2025
July – September	(Q2)	30 th July 2025
October-December	(Q3)	27 th October 2025
January- March	(Q4)	27 th January 2026 23 rd March 2026

The necessary quorum was present at the meetings. In compliance with the applicable provisions of the Companies Act, 2013 (the Act) and the Rules made thereunder, the Company facilitates the participation of the Directors in Board/Committee meetings through video conferencing. The agenda for the meetings were circulated through a digital

application installed on iPads as an eco-friendly measure. All notes to agenda items for convening meetings of the Board / Committees are being uploaded in digital mode well in advance.

S. No	Name of Director (M/s.)	Board Meetings		Whether present at previous AGM held on 30 th July 2025
		Entitled to attend	Attended	
1.	Sudarshan Venu	6	6	No
2.	Venu Srinivasan	5	2	No
3.	K N Radhakrishnan	6	5	Yes
4.	R Gopalan	6	6	No
5.	B Sriram	6	5	No
6.	Kalpna Unadkat	6	6	No
7.	Deepali Pant Joshi	4	4	No
8.	T C Suseel Kumar	6	5	No
9.	Ashish Sapra	6	6	Yes
10.	Sanjiv Chadha	6	6	No

Listed entities in which the directors hold position as director and category of Directorship:

Name of the Director (M/s.)	Name of the company	Category of directorship
Sudarshan Venu	TVS Motor Company Limited	Executive Director- Chairman and Managing Director
	TVS Holdings Limited	Executive Director-Managing Director
	Coromandel International Limited	Independent Director
K N Radhakrishnan	TVS Motor Company Limited	Executive Director
R Gopalan	TVS Holdings Limited	Non-Executive Director
	Sundaram Clayton Limited	Independent Director
	Zee Entertainment Enterprises Limited	Independent Director – Chairman
	Vedanta Limited	Independent Director
B Sriram	ICICI Bank Limited	Independent Director
	Nippon Life India Asset Management Limited	Independent Director
	TVS Motor Company Limited	Independent Director
	TVS Supply Chain Solutions Limited	Independent Director
Kalpna Unadkat	Avenue Supermarts Limited	Independent Director
	Eris Lifesciences Limited	Independent Director
	TVS Motor Company Limited	Independent Director
T C Suseel Kumar	Manappuram Finance Limited	Independent Director
	FirstSource Solutions Limited	Independent Director
	PCBL Chemical Limited	Independent Director
	LIC Housing Finance Limited	Independent Director

Meetings of Independent Directors

As stipulated by the Code of Independent Directors under the Act and Rules made thereunder and Listing Regulations as amended from time to time, one meeting of Independent Directors was held during the year. The meeting was conducted on 3rd March 2026 to enable Independent Directors to discuss matters relating to Company's affairs and put forth their views without the presence of Non-Independent Directors and members of the Management.

In this meeting, the Independent Directors reviewed the performance of Non-Independent Directors and the Board as a whole.

Familiarisation program

Familiarisation program is made available to the Directors covering such topics on board's role, board's composition and conduct, board's risks and responsibilities, to ensure that they are fully informed on current governance issues.

The program also includes briefings on the culture, values and business model of the Company, the roles and responsibilities of senior executives and the Company's financial, strategic, operational and risk management position.

The familiarisation of Independent Directors majorly covered their roles, rights, responsibilities in the Company under Company Law and Economic Laws as well as under Listing Regulations, overall governance framework of the Company and specific governance requirements of NBFCs. The details of familiarisation programmes for the Financial Year 2025-26, in terms of the requirements of Listing Regulations are available on the website of the Company and can be accessed at <https://www.tvscredit.com>

Chart setting out the skills/expertise/competence of the Board of Directors

The following is the list of core skills / expertise / competencies identified by the Board of Directors as required in the context of the Company's business and that the said skills are available with the existing composition of the Board.

Name of directors	Brief description of special skills
Sudarshan Venu	Leadership, Industry Knowledge, Risk Management Business and Strategic Planning, Financial Sector experience, Governance, Ethics and Regulatory Oversight, Information Technology, Human Resource

Name of directors	Brief description of special skills
Ashish Sapra	Leadership, Industry Knowledge, Risk Management, Business and Strategic Planning, Financial Sector experience, Information Technology, Human Resource
K N Radhakrishnan	Risk Management, Business and Strategic Planning, Ethics and Regulatory Oversight, Information Technology, Human Resource
R Gopalan	Administration, Risk Management, Financial Sector experience, Governance, Ethics and Regulatory Oversight, Information Technology
B Sriram	Risk Management, Financial Sector experience, Governance, Ethics and Regulatory Oversight, Information Technology
Kalpana Unadkat	Risk Management, Business and Strategic Planning, Legal, Governance, Ethics and Regulatory Oversight, Human Resource
T C Suseel Kumar	Industry Knowledge, Risk Management, Business and Strategic Planning, Financial Sector experience, Governance, Ethics and Regulatory Oversight, Information Technology
Sanjiv Chadha	Industry Knowledge, Risk Management, Business and Strategic Planning, Financial Sector experience, Governance, Ethics and Regulatory Oversight, Information Technology

Code of Business Conduct and Ethics for Members of the Board and Senior Management Personnel:

The Company has in place a Code of Business Conduct and Ethics for Members of the Board and Senior Management Personnel (the Code) approved by the Board. The Company's Code of Conduct embodies its values and expectations to which its corporate standards and employee policies are aligned.

The Code has been communicated to Directors and the Senior Management Personnel. An updated

version of Code of Conduct, which is available on Company's website in the following link <https://www.tvscredit.com/wp-content/uploads/2023/09/Code-of-Business-Conduct-and-Ethics.pdf>.

All the Members of the Board and Senior Management Personnel have confirmed compliance with the Code for the year ended 31st March 2026.

Committees of the Board

The Board has constituted Committees with specific terms of reference to focus on specific issues and ensure expedient resolution of diverse matters. These are the Audit Committee, Corporate Social Responsibility Committee, Nomination and Remuneration Committee, Risk Management Committee, Asset Liability Management Committee, Information Technology (IT) Strategy Committee, Credit Sanction Committee, Senior Management Committee and Stakeholders Relationship and Customer Service Committee.

Composition of Committees

Name of Committee	Name of Committee members	Category	Chairperson/ Membership	Date of Appointment
Audit Committee	R Gopalan	Independent Director	Chairperson	20-Jul-2019
	Sanjiv Chadha	Non-executive Director	Member	27-Jan-2025
	Kalpana Unadkat	Independent Director	Member	27-Oct-2023
Nomination & Remuneration Committee	Kalpana Unadkat	Independent Director	Chairperson	04-Feb-2022
	Sanjiv Chadha	Non-executive Director	Member	14-July-2025
	B Sriram	Independent Director	Member	04-Feb-2022
Risk Management Committee	K N Radhakrishnan	Non-executive Director	Chairperson	22-Oct-2018
	R Gopalan	Independent Director	Member	11-Jan-2024
	Kalpana Unadkat	Independent Director	Member	28-Jul-2021
	Sanjiv Chadha	Non-executive Director	Member	28-Mar-2025
Stakeholders Relationship and Customer Service Committee	K N Radhakrishnan	Non-executive Director	Chairperson	04-Feb-2022
	R Gopalan	Independent Director	Member	04-Feb-2022
	Kalpana Unadkat	Independent Director	Member	04-Feb-2022
	Ashish Sapra	Director and Chief Executive Officer	Member	12-May-2026
Corporate Social Responsibility Committee	Sudarshan Venu	Non-executive Director	Chairperson	23-Mar-2026
	K N Radhakrishnan	Non-executive Director	Member	27-Mar-2015
	R Gopalan	Independent Director	Member	20-Jul-2019
IT Strategy Committee	B Sriram	Independent Director	Chairperson	28-Jul-2021
	Ashish Sapra	Director and Chief Executive Officer	Member	27-Jan-2025
	K N Radhakrishnan	Non-executive Director	Member	04-Jan-2018
	Sanjiv Chadha	Non-executive Director	Member	28-Mar-2025
Asset Liability Management Committee	Ashish Sapra	Director and Chief Executive Officer	Chairperson	01-Sep-2022
	Sudarshan Venu	Non-executive Director	Member	31-Jan-2013
	B Sriram	Independent Director	Member	12-Oct-2019
Credit Sanction Committee	B Sriram	Independent Director	Chairperson	10-Mar-2020
	Sudarshan Venu	Non-executive Director	Member	10-Mar-2020
	K Gopala Desikan	Group Chief Financial Officer	Member	10-Mar-2020
	Ashish Sapra	Director and Chief Executive Officer	Member	02-Nov-2022

a. Audit Committee:

The Company has constituted an Audit Committee in accordance with the provisions of Section 177 of the Act, Regulation 62F of the Listing Regulations and Reserve Bank of India (Non-Banking Financial Companies – Governance) Directions, 2025.

The primary objective of the Audit Committee is to monitor and provide effective supervision of the management's financial reporting process with a view to ensure accurate, timely and proper disclosure and transparency, integrity and quality of financial reporting.

Brief description of terms of reference:

The Audit Committee of the Company is entrusted with the responsibility to supervise the Company's internal control and financial reporting process and inter alia performs the following functions:

- The recommendation for appointment, remuneration and terms of appointment of auditors of the company;
- Review and monitor the auditor's independence and performance and effectiveness of audit process;
- Examination of the financial statement and the auditor's report thereon;
- Scrutiny of inter-corporate loans and investments;
- Valuation of undertakings of assets of the company, wherever it is necessary;
- Evaluation of internal financial controls and risk management systems;
- Monitoring the end use of funds raised through public offers and related matters; and
- Monitoring, reviewing, recommending and approving all related party transactions and its subsequent modifications, including granting omnibus approval for RPTs having value not exceeding ₹ 1 crore per transaction for a period of one year.

Roles and Responsibilities:

- Oversight of company's financial reporting process and disclosure of its financial information to ensure that the financial statements are fair and transparent, sufficient, and credible;
- The role of the Audit Committee would include the review and audit the working

of the management of the company in terms of the profitability, cost control and performance of credit exposures;

- Recommending the appointment of and removal of external and internal auditors, fixation of audit fee and approval for payment for any other services. Review and monitor the external auditor's independence and performance, and effectiveness of audit process;
- Approval of Annual Plans before it is placed before the Board;
- Approval or any subsequent modification of transactions of the company with related party;
- Reviewing with the management the quarterly and annual financial statements before submission to the Board, focusing, primarily on the following as may be applicable:
 1. Accounting policies and practices followed and any deviations or changes with reference to the earlier policies and practices.
 2. Major accounting entries based on exercise of judgment by management.
 3. Qualifications in draft audit report.
 4. Significant adjustments arising out of audit.
 5. The going concern assumption.
 6. Compliance with accounting standards.
 7. Compliance with the legal requirements concerning financial statements.
 8. Any related party transaction i.e. transactions of Company and its subsidiaries, of material nature, with promoters or the management, their subsidiaries or relatives etc. that may have potential conflict with the interest of Company at large and omnibus approval for related party transactions of the Company and its Subsidiaries.
- Reviewing with the management, reports of external and internal auditors, and the adequacy of internal control systems;
- Reviewing the adequacy of internal audit function, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure, coverage and frequency of internal audit, plan and scope of internal audit;

- Discussion with internal auditors any significant findings and follow up thereon;
- Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud, irregularity, or a failure of internal control systems of a material nature and reporting the matter to the Board;
- Discussion with external auditors before the audit commences including on nature and scope of audit and to have post audit discussion to ascertain any area of concern;
- Reviewing the Company's financial and risk management policies. Evaluation of internal financial controls and risk management systems;
- Review of inter-corporate loans and investments;
- Review of Company's asset position, realisability and other related matters in respect of collateral securities, sale of properties etc.;
- To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of dividends declared) and creditors;
- To review the quarterly and annual financial statements before submission to the Board and ensure compliance of internal control systems;
- Authority to investigate into any matter referred to it by the Board; and
- Performing such other activities as may be delegated by the Board and/or prescribed under the Companies Act, the Listing Regulations, RBI Master Directions and any other applicable rules, regulations, guidelines, clarifications, circulars and notifications issued by the Government of India including Securities and Exchange Board of India, Reserve Bank of India any other regulatory authority.

Audit Committee also ensures that an Information System Audit of the internal systems and processes is conducted every year to assess operational risks faced by the Company.

The particulars of meetings and attendance by the members of the Committee, during

the year under review, are given in the table below:

Date of the meetings	Members present (M/s)		
	R Gopalan (Chairman)	Kalpna Unadkat	Sanjiv Chadha
24 th April 2025	✓	✓	✓
17 th June 2025	✓	✓	✓
30 th July 2025	✓	✓	✓
27 th October 2025	✓	✓	✓
23 rd January 2026	✓	✓	✓
23 rd March 2026	✓	✓	✓

The matters reviewed and recommended by the Audit Committee were apprised to the Board by the Chairman of the Committee, for its approval. All the recommendations made by the Committee during the year under review were accepted by the Board.

b. Corporate Social Responsibility Committee:

In accordance with the provisions of Section 135 of the Act, read with Rules made thereunder, the Board of Directors of the Company have constituted the Corporate Social Responsibility Committee (CSR Committee). The Committee has formulated and recommended a CSR Policy to the Board and various recommendations of the Committee including the amount of expenditure to be incurred on CSR activities are submitted to the Board for its approval. The Committee has framed a transparent monitoring mechanism for implementation of CSR projects or programs or activities undertaken by the Company and also monitors CSR policy from time to time.

Roles and Responsibilities:

- To review, agree and establish the Company's corporate strategy to ensure that CSR is and remains an integral part of its business strategy;
- To review the standards, policies and conduct of the Company relating to the application of CSR principles;
- To review reports of CSR progress and audits of CSR performance against key performance indicators across programme areas;
- To review an annual budget for CSR activities approved by the Board, as part of the overall budget;
- To ensure that the Company's website communicates and reports its CSR

approach and performance in a timely, complete and coherent manner;

- To perform such other function related or incidental to the CSR Policy of the Company, at the request of the Board; and
- To perform all such actions as may be required under the relevant laws as prescribed by the Act, and rules/regulations as prescribed by various regulators.

Based on the recommendation of the CSR Committee, the Board has approved the projects /programs to be carried out as CSR activities by Srinivasan Services Trust (SST) in compliance with the CSR policy of the Company and contributed ₹16.00 crore constituting more than 2% of average net profits, for the immediate past three financial years, towards CSR spending for the financial year 2025-26.

SST, with over 30 years of service, has played a pivotal role in changing lives of people in many villages in rural India by creating self-reliant communities that are models of sustainable development.

The Company is eligible to spend on their ongoing projects / programmes, falling within the CSR activities specified under the Act, as mandated by the MCA for carrying out its CSR activities.

The particulars of meetings and attendance by the members of the Committee, during the year under review, are given in the table below:

Date of the meetings	Members present (M/s)			
	Venu Srinivasan* (Chairman)	R Gopalan	K N Radhakrishnan	Sudarshan Venu [#]
28 th April 2025	✓	✓	LOA	NA

LOA - Leave of Absence; NA- Not Applicable

* Mr Venu Srinivasan ceased to be a member of the Corporate Social Responsibility Committee with effect from 3rd February 2026

Mr Sudarshan Venu was appointed as a member and Chairman of the Corporate Social Responsibility Committee with effect from 23rd March 2026

The matters reviewed and recommended in the meetings of the CSR Committee were apprised to the Board by the Chairman of the Committee, for its approval. All the recommendations made by the Committee during the year under review were accepted by the Board.

c.

Nomination and Remuneration Committee:

The Company has in place the Nomination & Remuneration Committee (NRC) in line with the applicable provisions of Section 178 of the Act and Regulation 62G read with Part D of Schedule II of the Listing Regulations. It was constituted, *inter-alia* to formulate and recommend to the board of directors, the Company's policies relating to identification of directors, key managerial personnel (KMP) and senior management personnel (SMP), one level below the board and remuneration payable to them and the criteria for determining qualifications, positive attributes and independence of a director.

The NRC lays down the evaluation criteria for evaluating the performance of every director, committees of the board and the board as a whole and also the performance of KMP and SMP.

NRC prescribed a peer evaluation methodology by way of set of questionnaires to evaluate the performance of individual Directors, Committee(s) of the Board, Chairman and the Board as a whole. The Board carried out the performance evaluation as per the methodology specified above.

The performance evaluation of the Board as a whole is undertaken based on the criteria like its composition, size, mix of skills and experience, its meeting sequence, effectiveness of discussion, decision making, follow-up action, quality of information, governance issues and reporting by various Committees set up by the Board.

The performance evaluation of individual Director is carried out based on his / her commitment to the role and fiduciary responsibilities as a Board member, attendance and active participation, strategic and lateral thinking, contribution and recommendations given professionally, heading / acting as members of various sub-committees etc.

The performance of SMP was measured against the achievement of the business plans approved by the Board during and at the completion of the financial year and their annual at-risk remuneration reflects their business plan achievements.

The NRC has the overall responsibility for evaluating and approving the compensation plans, policies and programmes applicable

to the SMP. The NRC also ensures 'fit and proper' status of proposed and existing directors and on a continual basis and that there is no conflict of interest in appointment of directors, KMP and SMP.

Brief description of terms of reference:

- Guiding the Board of the Company to lay down the terms and conditions in relation to appointment and remuneration of Director(s), KMP and SMP;
- Evaluating the performance of the Director(s) and providing necessary report to the Board for its further evaluation and consideration;
- Oversee the framing, review and implementation of its Board-approved compensation policy;
- Work in close coordination with the Risk Management Committee to achieve effective alignment between compensation and risks;
- Ensure that compensation levels are supported by the need to retain earnings of the NBFC and the need to maintain adequate capital based on Internal Capital Adequacy Assessment Process (ICAAP);
- Recommending to the Board on remuneration payable to the Director(s), KMP and SMP of the Company based on (i) Company's structure and financial performance and (ii) remuneration trends and practices that prevail in peer companies across BFSI industry;
- Retaining, motivating and promoting talent among the employees and ensuring the long-term sustainability of talented SMP by the creation of competitive advantage through a structured talent review;
- Devise a policy on diversity in the Board;
- Develop a succession plan for the Board and SMP; and
- Performing such other activities as may be delegated by the Board and/or prescribed under the Act, the Listing Regulations, RBI Master Directions and any other applicable rules, regulations, guidelines, clarifications, circulars and notifications issued by the Government of India including Securities and Exchange Board of India, Reserve Bank of India and any other regulatory authority.

The particulars of meetings and attendance by the members of the Committee, during the year under review, are given in the table below:

Date of the meetings	Members present (M/s)			
	Kalpna Unadkat (Chairperson)	Sudarshan Venu*	B Sriram	Sanjiv Chadha#
28 th April 2025	✓	✓	✓	NA

NA-Not Applicable

* Mr. Sudarshan Venu ceased to be a member of NRC Committee with effect from 14th July 2025

Mr. Sanjiv Chadha was appointed as a member of NRC Committee with effect from 14th July 2025

The subjects reviewed and recommended in the meetings of the Committee were apprised to the Board by the Chairman of the Committee, for its approval. All the recommendations made by the Committee during the year under review, were accepted by the Board.

d. Risk Management Committee:

The Risk Management Committee has been constituted pursuant to the provisions of Regulation 62I of the Listing Regulations and RBI Master Directions, to frame, implement and monitor the Risk Management Plan of the Company.

The Company has laid down procedures to inform Board about the risk assessment and mitigation procedures, to ensure that Management controls risk through means of a properly defined framework.

This Committee ensures that the risks associated with the functioning of the Company are identified, controlled and mitigated and also lay procedures regarding managing and mitigating the risk through integrated risk management systems, strategies and mechanism.

Roles and Responsibilities:

- To review various risks measures adopted by the Company for identification, measurement, monitoring and mitigation of risks involved in various areas of functioning;
- To approve and review various credit policies including its amendments laid down by the Company and monitor performance levels;
- To review and discuss the issues reported in Asset Liability Management Committee in relation to risk aspects;

- Monitoring risk levels and also reviews of results and progress in implementation of decisions taken in earlier meetings;
- To approve and review Enterprise Risk Management framework inter alia approving Risk rating criteria and review of key risks along with mitigants and Risk register;
- To approve and review Risk management policy and its amendments; and
- All other roles/responsibilities of Risk Management Committee as specified by Listing Regulations, and Circulars/ Directions of Reserve Bank of India as applicable to NBFCs.

The particulars of meetings and attendance by the members of the Committee, during the year under review, are given in the table below:

Date of the meetings	Members present (M/s)			
	K N Radha-krishnan (Chairman)	R Gopalan	Kalpana Unadkat	Sanjiv Chadha
23 rd April 2025	✓	✓	✓	✓
24 th July 2025	✓	✓	LOA	✓
27 th October 2025	✓	✓	✓	✓
23 rd January 2026	✓	LOA	✓	✓

LOA - Leave of Absence

The matters reviewed and recommended in the meetings of the Risk Management Committee were apprised to the Board by the Chairman of the Committee, for its approval. All the recommendations made by the Committee during the year under review, were accepted by the Board.

e. Asset Liability Management Committee:

The Company constituted an Asset Liability Management Committee (ALCO), in terms of Guidelines issued by RBI to NBFCs in order to manage liquidity risk, market risks, and other funding /asset related risks for effective risk management in its portfolios.

The roles and responsibilities of the ALCO *inter-alia* include:

- Adherence to the financial and credit limits set by the Board in its operations;

- Deciding business strategy on the assets and liabilities side in line with the budget and risk management objectives of the Company;
- Responsible for balance sheet planning from risk return perspective and asset liability mix position;
- Strategic management of interest rate risks, liquidity risks and other market risks;
- Responsible for business issues like product pricing for its asset and liability products;
- To review funding plan, ALM coverage, Interest rate sensitivity statements, liquidity coverage ratios, fixation of limits and monitoring against limits;
- Approve credit facilities from various banks / financial institutions and to authorize directors / officials of the Company for this purpose subject to the limits delegated by the Board.
- Approve and review ALCO policy and its amendments; and
- All other roles and responsibilities of ALCO as specified by the Reserve Bank of India.

The particulars of meetings and attendance by the members of the Committee, during the year under review, are given in the table below:

Date of the meetings	Members present (M/s)		
	Ashish Sapra (Chairman)	Sudarshan Venu	B Sriram
28 th June 2025	✓	✓	✓
29 th September 2025	✓	✓	✓
22 nd December 2025	✓	LOA	✓
19 th March 2026	✓	✓	✓

LOA- Leave of Absence

The matters reviewed and recommended in the meetings of ALCO were apprised to the Board by the Chairman of the Committee, for its approval. All the recommendations made by ALCO during the year under review, were accepted by the Board.

f. Information Technology Strategy Committee:

In line with the Master Direction on Information Technology Governance, Risk,

Controls and Assurance Practices dated 7th November 2023, issued by Reserve Bank of India, NBFCs are required to establish as a Board-level committee with minimum three directors, who are technically competent as members and an independent director with substantial IT expertise as chairperson of the Committee.

The role and responsibilities of the Information Technology Strategy Committee *inter-alia* include:

- Approving IT strategy and policy documents and ensuring that the management has put an effective strategic planning process in place;
- Ascertaining that management has implemented processes and practices that ensure that the IT delivers value to the business;
- Ensuring IT investments represent a balance of risks and benefits and that budgets are acceptable;
- Reviewing the effectiveness of IT outsourced operations; and
- All other roles/responsibilities of Information Technology Strategy Committee as specified in Master Direction on Information Technology Governance, Risk, Controls and Assurance Practices and other circulars/directions issued by Reserve Bank of India and applicable to NBFCs.

The particulars of meetings and attendance by the members of the Committee, during the year under review, are given in the table below:

Date of the meetings	Members present (M/s)			
	B Sriram (Chairman)	Sanjiv Chadha	K N Radha-krishnan	Ashish Sapra
23 rd June 2025	✓	✓	✓	✓
29 th September 2025	✓	✓	✓	✓
26 th December 2025	✓	✓	✓	✓
20 th March 2026	✓	✓	✓	✓

The subjects reviewed and recommended in the meetings of the Committee were apprised to the Board by the Chairman of the Committee, for its approval. All the

recommendations made by the Committee during the year under review, were accepted by the Board.

g.

Credit Sanction Committee

The Company constituted the Credit Sanction Committee (CSC) to consider and approve credit proposals of material nature.

The Committee did not meet during the year under review as there was no requirement which necessitated holding of the meeting.

The Committee consists of the following directors and officials:

S.No.	Name (M/s.)	Status
1.	B Sriram	Chairman
2.	Sudarshan Venu	Member
3.	Ashish Sapra	Member
4.	K Gopala Desikan	Member

h.

Senior Management Committee

The Company had constituted the Senior Management Committee to ensure adherence and compliance by monitoring and controlling the outsourcing vendors engaged by the Company in accordance with the requirements of RBI guidelines issued on 9th November 2017 in this regard.

During the year under review, the Committee met four times on 27th June 2025, 27th September 2025, 19th December 2025 and 26th March 2026.

i.

Stakeholders Relationship and Customer Service Committee

In terms of Regulation 62H of Listing Regulations, the Company had constituted Stakeholders Relationship Committee. The Board of Directors at its meeting held on 12th May 2026, re-designated the Committee as 'Stakeholders Relationship and Customer Service Committee' and enhanced its terms of reference to include monitoring of customer grievances and customer service matters in addition to discharging the responsibilities of Stakeholders' Relationship Committee under Listing Regulations. The enhanced terms of reference for the Committee are as follows:

- To Resolve the grievances of the security holders of the listed entity including complaints related to transfer/transmission of shares, non-receipt of annual report, general meetings etc;

- To review measures taken for effective exercise of voting rights by shareholders;
- To review adherence to the service standards adopted by the listed entity in respect of various services being rendered by the Registrar & Share Transfer Agent;
- To review grievance redressal and issues bearing on the quality of services rendered by the Company to its customers;
- To review periodic reports submitted by Internal Ombudsman (IO), review the cases where decision of the IO was rejected by the Company;
- To review customer complaints and status of redressal of such complaints, along with root cause analysis, reviewing awareness/sensitisation programmes conducted;
- To review periodic reports on customer requests and their disposal across channels, turnaround times, ageing and pendency, assessing quality of resolution and customer satisfaction outcomes;
- To oversee and guide implementation of service enhancement initiatives across the Company;
- Customer Feedback including Net Promoter Score (NPS), its movement and periodic customer service feedback analysis including social media monitoring and review of turnaround time (TAT) for customer requests and complaints;
- To review and monitor key projects and strategic initiatives undertaken by the Company to enhance customer experience, including progress against defined milestones, impact on service quality, and alignment with overall customer service objectives;
- Consumer court cases, litigation related to customer service Audit observations (RBI, internal, statutory, etc.) linked to customer service;
- Review and renewal of customer-related policies and recommendation to the Board;
- Benchmarking with peers and best practices and process efficiencies observed in the market; and
- Performing such other activities as may be delegated by the Board and/or prescribed under the Act, the Listing Regulations, RBI Master Directions and any other applicable rules, regulations, guidelines, clarifications, circulars and

notifications issued by the Government of India including Securities and Exchange Board of India, Reserve Bank of India any other regulatory authority.

Mr. Ashish Sapra was appointed a member of the Committee effective 12th May 2026. Composition of the Stakeholders Relationship Committee and attendance of the members at Committee meetings are as follows:

Date of the meetings	Members present (M/s)			
	K N Radha-krishnan (Chairman)	Kalpana Unadkat	R Gopalan	Ashish Sapra
22 nd September 2025	✓	LOA	✓	NA

LOA- Leave of Absence; NA-Not Applicable

There were no investor complaints received during the year 2025-26.

iii)

General body meeting:

Location and time where AGMs were held during the last three years:

Year	Venue of the meeting	Date	Time
2022-23	Registered Office	17 th July 2023	10.00 AM
2023-24	Registered Office	7 th August 2024	04.00 PM
2024-25	Registered Office	30 th July 2025	04.00 PM

Special resolutions passed in the previous three AGMs:

Year	Subject Matter of Special Resolution	Date of AGM
2022-23	-	17 th July 2023
2023-24	-	7 th August 2024
2024-25	-	30 th July 2025

Special resolutions passed at the EGMs during the Financial Year:

Date	Place	Subject Matter of Special Resolution
29 th October 2025	Registered Office	1. Approval for issue of equity shares on a private placement basis 2. Approval for change of Registered Office from one State to Another

Date	Place	Subject Matter of Special Resolution
18 th February 2026	Registered Office	Approval for amendment to the object clause of the Memorandum of Association (MOA) of the Company

iv) Means of communication to shareholders

The Board believes that effective communication of information is an essential component of corporate governance. The Company regularly interacts with shareholders through multiple channels of communication such as results announcement, annual report, Company's website and specific communications to Stock Exchange, where the Company's securities are listed.

Quarterly results:

The Company's quarterly/half-yearly/annual financial results were sent to the Stock Exchange and were published in English newspaper. They are also available on the website of the Company.

Newspapers wherein results are normally published:

The results are normally published in Business Standard and are also available on the website of the Company.

Website:

The Company is maintaining a functional website www.tvscredit.com. This website contains all the information and other details as may be required under the Regulation 62 of Listing Regulations. The Company ensures that the contents of this website are periodically updated.

v) General shareholder information:

AGM Date and time	:	20 th July 2026 at 4.00 P.M
Financial year	:	1 st April to 31 st March
Financial calendar	:	2026-27
Financial reporting for the quarter ending		
30 th June 2026	:	On or before 14 th August 2026
30 th September 2026	:	On or before 14 th November 2026
31 st December 2026	:	On or before 14 th February 2027
31 st March 2027	:	On or before 30 th May 2027

Particulars of dividend payment:

The Company has not declared any dividend to its Shareholders.

vi) Listing on Stock Exchanges:

Name and address of the Stock Exchange	Stock Code / Symbol																
National Stock Exchange of India Limited (NSE) Exchange Plaza, Plot No. C/1, G-Block, Bandra Kurla Complex, Bandra (East), Mumbai 400051 Tel.: 91 22 2659 8100 Fax : 91 22 2659 8120	As only the Non-Convertible Debentures are listed and Equity Shares of the Company are not listed, the stock code is not applicable.																
ISIN allotted by Depositories (Company ID Number) for Non-Convertible Debentures (NCD) listed with NSE as on 31 st March 2026	<table> <tr> <td>1. INE729N08030</td><td>9. INE729N08105</td></tr> <tr> <td>2. INE729N08048</td><td>10. INE729N08113</td></tr> <tr> <td>3. INE729N08055</td><td>11. INE729N07065</td></tr> <tr> <td>4. INE729N08063</td><td>12. INE729N07073</td></tr> <tr> <td>5. INE729N08071</td><td>13. INE729N07081</td></tr> <tr> <td>6. INE729N08089</td><td>14. INE729N07099</td></tr> <tr> <td>7. INE729N08097</td><td>15. INE729N07107</td></tr> <tr> <td>8. INE729N07057</td><td></td></tr> </table>	1. INE729N08030	9. INE729N08105	2. INE729N08048	10. INE729N08113	3. INE729N08055	11. INE729N07065	4. INE729N08063	12. INE729N07073	5. INE729N08071	13. INE729N07081	6. INE729N08089	14. INE729N07099	7. INE729N08097	15. INE729N07107	8. INE729N07057	
1. INE729N08030	9. INE729N08105																
2. INE729N08048	10. INE729N08113																
3. INE729N08055	11. INE729N07065																
4. INE729N08063	12. INE729N07073																
5. INE729N08071	13. INE729N07081																
6. INE729N08089	14. INE729N07099																
7. INE729N08097	15. INE729N07107																
8. INE729N07057																	

(Note: Annual listing fees and custodial charges for the year 2025-26 were duly paid to the NSE and Depositories)

vii) Market price data and Share price performance in comparison to broad based indices - NSE Nifty and BSE Sensex:

Not applicable as the Equity Shares of the Company are not listed.

viii) Suspension of Securities from trading:

During the FY 2025-26, none of the securities of the Company were suspended from trading.

ix) Share Transfer Agents and Share Transfer System:

In terms of Regulation 7 Listing Regulations, the Company has appointed Integrated Registry Management Services Limited, as the Share Transfer Agent of the Company for Shares and Cameo Corporate Services Limited as Registrar and Transfer Agent for Debentures. They continue to be the Registrar and Share Transfer Agents and handle all relevant corporate registry services for the Company.

x) Distribution of Shareholding

Shareholding (Range)	No. of Members	%	No. of Equity Shares	%
Up to 5000	4*	21.05	40	0.00
5001-10000	1	5.26	8,516	0.00
10001-20000	1	5.26	17,032	0.01

Shareholding (Range)	No. of Members	%	No. of Equity Shares	%
20001-50000	3	15.79	1,16,332	0.05
50001-100000	2	10.53	1,02,190	0.04
100001 & above	8	42.11	23,94,23,375	99.90
Total	19	100.00	23,96,67,485	100.00

*The shares are held by 4 individuals as nominees of TVS Motor Services Limited.

Shareholding (Range)	No. of Members	%	No. of Compulsorily Convertible Preference Shares	%
Up to 5000	-	-	-	-
5001-10000	-	-	-	-
10001-20000	-	-	-	-
20001-50000	-	-	-	-
50001-100000	-	-	-	-
100001 & above	2	100	1,83,84,684	100.00
Total	2	100	1,83,84,684	100.00

xi) Dematerialization of shares and liquidity:

The Company has provided its Shareholders the option to hold their equity shares in dematerialised form and as on 31st March 2026 all the shares forming part of the paid-up capital of the Company are in dematerialised form.

xii) The Company has not issued any Global Depository Receipt / American Depository Receipt/ Warrant or any convertible instrument, which is likely to have impact on the Company's Equity Share Capital except 1,83,84,684 Compulsorily Convertible Preference Shares of ₹ 10/- each.

xiii) List of Credit Rating:

The credit rating details are disclosed in the Financial Statements forming part of this Annual Report.

xiv) Fees paid to Statutory Auditor on a consolidated basis:

During the year, the Company has paid ₹ 1 crore to the Statutory Auditors for all services received by the Company and its subsidiaries, on a consolidated basis.

xv) Sexual Harassment at workplace:

As per the requirement of The Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 (POSH), as amended, Company has a robust mechanism in place to redress

complaints reported under it. The details of case of sexual harassment reported during the financial year 2025-26 are as under:

No. of Complaints	-
No. of Complaints resolved	-
No. of Complaints pending for more than 90 days	-

In terms of the provisions of POSH, an Internal Complaints Committee is constituted by the Company to consider and resolve the sexual harassment complaints.

xvi) Non-mandatory disclosures

The non-mandatory requirements have been adopted to the extent and in the manner as stated under the appropriate headings detailed below:

a. The Board:

Mr K N Radhakrishnan, Non-Executive Director as on 31st March 2026, is liable to retire by rotation as per the provisions of the Act.

b. Shareholder rights:

The quarterly results of the Company are published in newspapers as soon as they are approved by the Board and are also uploaded on the Company's website namely www.tvscredit.com. The results are not sent to the shareholders individually.

c. Audit qualifications:

There were no audit qualifications during the financial year under review.

d. Reporting of internal auditor:

The reporting of internal auditor is in accordance with the RBI Circular on Risk based Internal Audit.

xvii) Disclosure on compliance with the issue of Debt securities for incremental borrowings by Large Corporates:

The Company has been considered as a Large Corporate (LC) as per the applicable SEBI guideline and is required to raise not less than 25% of its incremental borrowings made during the financial year (T), by way of issuance of debt securities within 3 years (T + 2 yrs).

During the year under review, the Company availed a sum of ₹ 6,100 crore as eligible incremental Long-Term Borrowings and has raised ₹ 1,075 crore through issuance of listed debt securities. The Company will raise

the remaining amount to be raised through listed debt securities within the regulatory timeline of 31st March 2028.

xviii) Other Disclosures

a. Materially significant related party transactions:

All transactions entered into with related parties, as defined under the Act and the Listing Regulations, during the financial year 2025-26 were in the ordinary course of business and at arm's length and do not attract the provisions of Section 188 of the Act and the rules made thereunder.

The transactions with the related parties, namely its promoters, its holding, subsidiary and associate companies etc., have been reported in the Annual Report, as per Indian Accounting Standard 24 (IND AS 24) notified vide the Companies (Indian Accounting Standard) Rules, 2015.

Related Party Transaction Policy

During the financial year, there were no materially significant related party transactions or pecuniary relationships between the Company and its Directors that could potentially conflict with the interest of the Company. Pursuant to the provisions of the Act and SEBI Listing Regulations, the Board has, on recommendation of its Audit Committee, adopted a policy for dealing with related party transactions and the said policy is available on the website of the Company at <https://www.tvscredit.com/wp-content/uploads/2025/05/Related-Party-Transactions-Policy.pdf>

All related party transactions are placed before the Audit Committee on quarterly basis. Transactions with related parties, as per the requirements of Ind-AS and Regulation 53(1)(f) of Listing Regulations, are disclosed in notes to accounts annexed to the Financial Statements.

All the related party transactions that were entered into during the financial year were on arm's length basis and in ordinary course of business. There were no materially significant transaction requiring approval of Shareholders during the year.

b. Pecuniary relationships or transactions with IDs vis-a-vis the Company during the year under review, do not exceed the threshold limit as laid down under the Listing Regulations.

c. There were no instances of non-compliance by the Company or penalty and stricture imposed on the Company by the Stock Exchanges or SEBI or any other statutory authorities on any matter related to the capital markets, during the last three years.

d. Loans and advances in the nature of loans to firms/companies in which Directors are interested in by name and amount- Nil.

e. The Company has complied with all applicable mandatory requirements in terms of the Listing Regulations. The non-mandatory requirements have been adopted to the extent and in the manner as stated under the appropriate headings detailed in this Report.

f. The Company does not engage in trading or dealing in commodities and hence is not exposed to commodity price risk.

However, during the financial year, the Company entered into derivative transactions with a counterparty to hedge its foreign exchange and interest rate risks arising out of External Commercial Borrowings (ECBs). These ECBs are fully hedged, thereby eliminating exposure to foreign exchange fluctuations.

g. Material Subsidiaries

The Board has duly formulated a policy for determining 'material subsidiaries'. As per the amended Listing Regulations 2015, material subsidiary means a subsidiary whose turnover or net worth exceeds 10% of the consolidated turnover or net worth respectively, of the listed entity and its subsidiaries in the immediately preceding accounting year.

As per the above definition, the Company does not have any subsidiary whose turnover or net worth exceeds 10% of the consolidated turnover or net worth respectively.

Copy of the Material Subsidiary policy is available on the Company's website at <https://www.tvscredit.com/wp-content/uploads/2023/08/14-Determination-of-Material-Subsidiary.pdf>.

h. Succession Planning

The Company has in place Succession Planning Policy for appointments to the Board and to the Senior Management.

xix) Branch Locations:

The Company has a PAN India presence with offices at 190 locations in the Country.

xx) Address for investor correspondence:

For transfer / dematerialisation of securities, payment of dividend/ interest on securities and any other query relating to the securities of the Company	:	Equity Shares: Integrated Registry Management Services Limited, Share Transfer Agent (STA) Unit: TVS Credit Services Limited Chennai – 600 006 Debentures: Cameo Corporate Services Limited 'Subramanian Building', No. 1, Club House Road, Chennai- 600 002
For non-receipt of annual report	:	Equity Shares: corpserve@integratedindia.in Debentures: investor1@cameoindia.com
For investors' grievance & general correspondence	:	Equity Shares: corpserve@integratedindia.in Debentures: investor1@cameoindia.com
Debenture Trustees	:	Beacon Trusteeship Limited Address: 5W, 5th Floor, The Metropolitan Building, E Block BKC, Bandra Kurla Complex, Bandra East, Mumbai, Maharashtra 400051 E-mail: compliance@beacontrustee.co.in IDBI Trusteeship Services Limited Address: Ground Floor, Universal Insurance Building, Sir Phirozshah Mehta Road, Fort, Mumbai, Maharashtra - 400001 E-mail: teamolive@idbitrustee.com

xxi) Pursuant to the guidelines on 'Fair Practices Code' issued by RBI, the Company has adopted a Fair Practices Code, which is posted on the website of the Company and a regular review on the implementation of the same is conducted by the Risk Management Committee.

xxii) The Company has adopted a Code of Conduct for employees of the Company and due care is taken that the employees adhere to it.

xxiii) The Company has fulfilled the prudential norms and standards as laid down by RBI pertaining to income recognition, provisioning of non-performing assets and capital adequacy.

The Capital Adequacy Ratio of the Company is in compliance with the limit prescribed by RBI. The Fair Practices Code and KYC norms framed by the Company seek to promote good and fair practices by setting minimum standards in dealing with customers, increase transparency so that customers have a better understanding of what they can reasonably expect of the services being offered, encourage market forces through competition to achieve

higher operating standards, promote fair and cordial relationships between customers and the Company and foster confidence in the finance system.

The Company has put in place a mechanism to monitor and review adherence to the Fair Practices Code, KYC norms and Credit policies as approved by the Board of Directors.

xxiv) The Board of Directors of the Company reviews, records and adopts the minutes of the meetings of various committees constituted by the Company.

xxv) Remuneration to Directors:

Criteria for remuneration to Directors:

The Non-Executive / Independent Director(s) receive remuneration by way of fees for attending meetings of Board or any Committee in which Director(s) is member.

In addition to the sitting fees, the Non-Executive Independent Director(s) shall be entitled to commission from the Company subject to the monetary limit approved by shareholders of the Company and aggregate commission amount would not exceed the limit as prescribed under the provisions of the Act.

Executive Directors:

The remuneration payable to Director and CEO is fixed by the Board and is within the limits approved by the Shareholders in terms of the relevant provisions of the Act read with the Listing Regulations.

Particulars of remuneration to Executive Director for the financial year 2025-26 has been disclosed under the section 'Board of Directors' in this report.

Non-Executive Directors:

Sitting fees

The Non-Executive Directors (NEDs) are paid sitting fees of ₹ 20,000/- for each meeting of Board and Committee thereof attended by them, which is within the limits, prescribed under the Act. The Board at its meeting held on 12th May 2026, based on the recommendation of the Nomination and Remuneration Committee, approved the payment of sitting fees of ₹50,000/- for each meeting of the Board and Committees thereof attended by NEDs.

Commission

The Company benefits from the expertise, advice and inputs provided by IDs. IDs devote their valuable time in deliberating on strategic and critical issues in the course of Board and Committee meetings of the Company and give their valuable advice, suggestions and guidance to the management of the Company, from time to time and hence IDs are being paid by way of sitting fees and commission.

The Board at its meeting held on 12th May 2026, based on the recommendation of the Nomination and Remuneration Committee, approved the payment of commission of ₹ 30,00,000/- each to the Non-Executive Independent Directors of the Company for the year ended 31st March 2026. The amount of commission for every financial year will be decided by the Board, as approved by the shareholders at General Meeting held on 27th July 2020, subject to the limit of 1% of net profits of the Company, in aggregate, as calculated pursuant to Section 198 of the Act. The above compensation structure is commensurate with the best practices in terms of remunerating IDs and adequately compensates for the time and contribution made by IDs.

None of the NEDs have been paid remuneration exceeding 50% of the total annual remuneration payable to all NEDs of the Company.

The Board at its meeting held on 14th October 2024, based on the recommendation of the Nomination and Remuneration Committee, approved the 'TVS Credit Employee Stock Option Plan' with a view to reward, attract, motivate and retain employees of the Company and the same was approved by the shareholders vide a special resolution on 11th November 2024.

xxvi) None of the NEDs, except Mr. K N Radhakrishnan who holds shares on behalf of TVS Motor Services Limited, holds equity shares of the Company. The details of remuneration paid to NEDs are included in the table under para no. ii.

xxvii) Detailed reasons for the resignation of an Independent Director who resigns before the expiry of his tenure:

Dr Deepali Pant Joshi, Independent Director resigned from the Company with effect from 6th November 2025 to pursue other interests. Her resignation letter confirms that there is no other material reason for her resignation.

xxviii) Details of non-compliance with requirements of Companies Act, 2013:

There has been no default in compliance with the requirements of Companies Act, 2013, including with respect to compliance with accounting and secretarial standards.

xxix) Vigil Mechanism and Whistle Blower Policy:

Over the years, the Company has established a reputation for doing business with integrity and displays zero tolerance for any form of unethical behaviour. Vigil mechanism has been instituted by the Company to report concerns about unethical behaviour in compliance with the requirements of the Act and the Listing Regulations. The Audit Committee oversees the functioning of this policy. Protected disclosures can be made by a whistle-blower through several channels to report actual or suspected frauds and violation of the Company's Code of Conduct.

Copy of the said Policy is available in the Company's website in the following link <https://www.tvscredit.com/wp-content/uploads/2025/02/Whistleblower-Policy.pdf>

xxx) Details of penalties and strictures:

There were no penalties or strictures imposed on the Company by the Reserve Bank of India or any other Statutory Authority.

xxxi) Breach of covenant:

There have been no instances of breach of covenant of loan availed or debt securities issued.

xxxii) Divergence in Asset Classification and Provisioning:

As per the last available RBI Supervisory Report for the Financial Year 2024-25, there

is no divergence in asset classification and provisioning assessed by RBI.

xxxiii) The certification from Mr. Ashish Sapra, Director and Chief Executive Officer and Ms. Roopa Sampath Kumar, Chief Financial Officer on the financial statements has been obtained.

xxxiv) For further clarification / information, stakeholders are requested to visit the Company's website at <https://www.tvscredit.com/>

Annexure - VI to the Directors' Report

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31st MARCH, 2026

[Pursuant to Section 204(1) of the Companies Act, 2013 and Rule No. 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To

The Members

TVS CREDIT SERVICES LIMITED

Jayalakshmi Estates, 29, Haddows Road,
Nungambakkam, Chennai – 600006

Dear Sirs

We have conducted the secretarial audit of the compliance of applicable statutory provisions and adherence to good corporate practice by TVS Credit Services Limited, (hereinafter called the Company).

Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliance and expressing our opinion thereon.

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorised representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on 31st March, 2026 complied with the statutory provisions listed hereunder and also that the Company has proper Board processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31st March, 2026 according to the provisions of:

- i) The Companies Act, 2013 (the Act) and the rules made thereunder;
- ii) The Depositories Act, 1996 and the regulations and bye-laws framed thereunder;
- iii) The provisions of The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- iv) SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 to the extent applicable to high value debt listed entities.

v) Securities and Exchange Board of India (Debtenture Trustees) Regulations, 1993;

vi) Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 to the extent applicable to debt listed companies;

Besides this, the following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act') are not applicable to the Company viz.,

- a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
- b) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;
- c) The Securities and Exchange Board of India (Share based employee Benefits and Sweat Equity) Regulations, 2021;
- d) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
- e) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021; and
- f) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018.

The Company has complied with the provisions of the other laws as applicable to the Company which inter alia includes:

- (a) Reserve Bank of India (Non-Banking Financial Company –Scale Based Regulation) Directions, 2023 effective from October 2023 and other directions/regulations issued by Reserve Bank of India applicable for Middle Layer NBFC;
- (b) Compliance under Prevention of Money Laundering Act, (PMLA) 2002 for the purpose of compliance with the obligations under Know your Customer Norms/ Anti-Money Laundering (AMC) standards & Fair Pricing Code (FPC) and Combating of Finance of Terrorism (CFT) obligations under PMLA,2002;

(c) Labour laws & Contract Labour (Regulations & Abolition) Act, 1970 as applicable;

(d) Indian Stamp Act and Rules;

(e) Motor Vehicles Act, 1938;

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above.

Further, during the year under review, the Company has listed its Non-Convertible Debentures with National Stock Exchange of India Ltd.

I have also examined compliance with the applicable clauses of the following:

- i) The Secretarial Standards with regard to Meetings of Board of Directors (SS-1) and General Meetings (SS-2) issued by the Institute of Company Secretaries of India in terms of Sub-Section (10) of Section 118 of the Companies Act, 2013, for the financial year under review;
- ii) The Company has listed its Commercial Papers with National Stock Exchange of India Ltd (NSE) pursuant to SEBI circular dated 22nd October, 2019. The Company has duly complied with the compliances as prescribed in the above-mentioned circular.

From the verification of records and as per the information and explanation furnished to us, during the period under review, the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above, wherever applicable.

We further report that: -

- 1) The Board of Directors of the Company is duly constituted with proper balance of Non-Executive Directors and Independent Directors.

2) Adequate notice is given to all Directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and in case where meeting was held on shorter notice, necessary compliances as per the act and standards have been complied with and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

3) Majority decisions are carried through while passing all the resolutions of the Board/ Committees. However, on perusal of the minutes of the Board or Audit Committee or Nomination & Remuneration Committee, or Asset Liability Management Committee, or Corporate Social Responsibility Committee meetings or Risk Management Committee, it was observed that there was no dissenting note made by any of the members.

We further report that there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

Place : Chennai
Date : 12th May 2026

Name of the Company
Secretary:

B CHANDRA
Certificate of Practice No. 7859
Partner
B Chandra & Associates
Firm Regn No P2017TN065700
UDIN: A020879H000332938
PEER REVIEW NUMBER 1711/2022

To
The Members
TVS CREDIT SERVICES LIMITED
Jayalakshmi Estates, 29, Haddows Road,
Nungambakkam, Chennai – 600006

Our Report of even date is to be read along with this letter.

1. Maintenance of secretarial record is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and books of accounts of the Company.
4. Wherever required, We have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.

5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. My examination was limited to the verification of procedures on test basis.
6. The Secretarial Audit Report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.
7. Due to the inherent limitations of an audit including internal, financial and operating controls, there is an unavoidable risk that some misstatements or material non-compliances may not be detected, even though the audit is properly planned and performed in accordance with the Standards.

Place : Chennai
Date : 12th May 2026

Name of the Company
Secretary:

B CHANDRA
Certificate of Practice No. 7859
Partner
B Chandra & Associates
Firm Regn No P2017TN065700
UDIN: A020879H000332938
PEER REVIEW NUMBER 1711/2022

Annexure VII to the Directors' Report

Statement of Disclosure relating to Employees Stock Option Scheme in accordance with Rule 12(9) of the Companies (Share Capital and Debentures) Rules, 2014 as on 31st March 2026

(a)	Options granted	2,97,408
(b)	Options vested	33,022
(c)	Options exercised	Nil
(d)	The total number of shares arising as a result of exercise of option	Not Applicable
(e)	Options lapsed	Not Applicable
(f)	The exercise price	Not Applicable
(g)	Variation of terms of options	Not Applicable
(h)	Money realized by exercise of options	Not Applicable
(i)	Total number of options in force	2,97,408
(j)	Employee wise details of options granted to:	
	(i) key managerial personnel;	2,97,408
	(ii) any other employee who receives a grant of options in any one year of option amounting to five percent or more of options granted during that year;	Nil
	(iii) identified employees who were granted option, during any one year, equal to or exceeding one percent of the issued capital (excluding outstanding warrants and conversions) of the company at the time of grant.	Nil

To the Members of TVS Credit Services Limited

Report on the Standalone Financial Statements

Opinion

We have audited the accompanying Standalone Financial Statements of TVS Credit Services Limited ("the Company"), which comprise the Standalone Balance Sheet as at 31st March 2026, the Standalone Statement of Profit and Loss (including Other Comprehensive Income), the Standalone Statement of Changes in Equity and the Standalone Statement of Cash Flows for the year then ended and notes to the Standalone Financial Statements, and a summary of the material accounting policies and other explanatory information (hereinafter referred to as the "Standalone Financial Statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Standalone Financial Statements give the information required by the Companies Act 2013 ("The Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the act, read with the Companies (Indian Accounting Standards) Rules 2015 as amended ("Ind AS"), and other accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March 2026, and its profit and total comprehensive income, changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing ("SA") specified under Section 143(10) of the Act. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Standalone 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 independence requirements that are relevant to our audit of the Standalone 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 we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Standalone Financial Statements.

Key Audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the Standalone Financial Statements of the current period. These matters were addressed in the context of our audit of the Standalone Financial Statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report.

Key Audit matters	How our audit addressed the Key matters
Impairment Allowance Loss Management's judgements in the calculation of impairment allowances have significant impact on the Standalone Financial Statements. The estimates regarding impairment allowances are complex and require a significant degree of judgement, which increased with implementation of Expected Credit Loss ("ECL") approach as required by Ind AS 109 relating to "Financial instruments." Management is required to determine the expected credit loss that may occur over either a 12-month period or the remaining life of an asset, depending on the categorization of the individual asset.	We obtained an understanding of management's assessment of impairment of loans and advances including the internal model, impairment allowance policy and ECL modelling methodology. We verified the appropriateness of the methodology and models used by the Company and assessed reasonableness of the assumptions used within the computation process to determine the impairment loss allowance as per the requirements of Ind AS 109 'Financial Instruments' and ECL policy of the Company. We tested, on a sample basis, the completeness and accuracy of the source data used.

Key Audit matters	How our audit addressed the Key matters	Key Audit matters	How our audit addressed the Key matters
The key areas of judgement include: 1. Categorization of loans in Stage I, II and III based on identification of: (a) exposures with significant increase in credit risk since their origination and (b) Individually impaired / default exposures. 2. Techniques used to determine Loss Given Default ('LGD') and Probability of Default ('PD') to calculate an ECL based on experience. 3. The impact of different future macroeconomic conditions in the determination of ECL. Quantitative factors like days past due, behaviour of the loan portfolio, historical losses incurred on defaults, macro-economic data points and qualitative factors like nature of the underlying loan, deterioration in credit quality, correlation of macro-economic variables to determine expected losses, probability weights applied to reflect future economic conditions, judgement in relation to Management overlays and related Reserve Bank of India ('RBI') guidelines, to the extent applicable, etc. are also taken into account in the ECL computation.	We recomputed the impairment loss allowance for a sample of loans spread across the portfolios, to check the arithmetical accuracy and compliance with the ECL methodology approved by the Board of Directors of the Company; We also assessed the approach of the Company for categorization of the loans in various stages reflecting the inherent risk in the respective loans. As a result of the above audit procedures no material differences were noted. We confirm the adequacy of disclosures made in the financial statements.	Management has made several interpretations and assumptions when designing and implementing models that are compliant with the standard. The accuracy of data flows and the implementation of related controls is critical for the integrity of the estimated impairment provisions. Given the significance of judgements and the high complexity related particularly to the calculation of ECL we considered this area as a Key Audit Matter. IT Systems and Controls The Company's key financial accounting and reporting processes are highly dependent on the automated controls in information systems. Any control lapses, Validation failures, incorrect input data and wrong extraction of data may result in the financial accounting and reporting records being misstated. Given the complexity of the IT systems and high level of dependency on these systems for processing of financial transactions and their impact on the financial reporting process, we considered this area as a Key Audit Matter.	We tested a sample of key controls operating over the information technology in relation to key financial accounting and reporting systems including system reconciliation and system application controls. Reliance was also placed on the System Audit report of the Company covering user access management which includes granting access right, new user creation, removal of user rights and preventative controls designed to enforce segregation of duties. Based on our review no material weakness was found in the IT Systems and Controls.

Information Other than the Standalone Financial Statements and Auditor's Report Thereon

The Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Management Discussion and Analysis, Board's Report including Annexures to Board's Report, Business Responsibility Report, Corporate Governance and Shareholder's Information, but does not include the Standalone Financial Statements and our auditor's report thereon.

Our opinion on the Standalone Financial Statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the Standalone Financial Statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the Standalone Financial Statements, or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and those charged with Governance for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Act with respect to the preparation of these Standalone Financial Statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, the relevant circulars, guidelines and directions issued by the Reserve Bank of India ("RBI") from time to time including the Indian Accounting Standards specified under Section 133 of the Act, read with the Companies (Indian Accounting Standards) Rules, 2015. 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 Standalone Financial Statements that give a true and fair view and are free from material

misstatement, whether due to fraud or error.

In preparing the Standalone Financial Statements, management 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 management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors are also responsible for overseeing the company's financial reporting process.

Auditor's Responsibility for the Audit of Standalone Financial Statements

Our objectives are to obtain reasonable assurance about whether the Standalone 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 Standalone Financial Statements.

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

- Identify and assess the risks of material misstatement of the Standalone 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 controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls with reference to Standalone Financial Statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of 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 Standalone 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 Standalone Financial Statements, including the disclosures, and whether the Standalone Financial Statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the Standalone Financial Statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the Standalone 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 Standalone 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, including any significant deficiencies in internal control 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.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the Standalone Financial Statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report

because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Other Matters

One of the joint statutory auditors has not audited the comparative Standalone Financial Statements for the year ended 31st March 2025. The comparative Standalone Financial Statements for the year ended 31st March 2025 were audited by the previous joint statutory auditors whose report dated 28th April 2025 expressed an unmodified opinion on those Standalone Financial Statements.

Our opinion on the Standalone Financial Statements is not modified in respect of the above matter.

Report on Other Legal and Regulatory Requirements

- 1) As required by the Companies (Auditor's Report) Order, 2020 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in "Annexure A" to this Report, a statement on the matters specified in para 3 and 4 of the said Order.
- 2) As required by Section 143 (3) of the Act, we report that:
 - (a) we have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
 - (b) in our opinion, proper books of accounts as required by law have been kept by the Company so far as it appears from our examination of those books;
 - (c) the Standalone Balance Sheet, the Standalone Statement of Profit and Loss (including Other Comprehensive Income), the Standalone Statement of Changes in Equity and the Standalone Statement of Cash Flows dealt with by this report are in agreement with the books of accounts;
 - (d) in our opinion, the aforesaid Standalone Financial Statements comply with the Indian Accounting Standards specified under Section 133 of the Act, read with the Companies (Indian Accounting Standards) Rules, 2015;
 - (e) On the basis of the written representations received from the directors as on 31st March 2026 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March 2026 from being appointed as a director in terms of Section 164 (2) of the Act;
 - (f) With respect to the adequacy of the internal financial controls with reference Standalone Financial Statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure

B". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of internal financial controls with reference to Standalone Financial Statements.;

- (g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended: In our opinion and to the best of our information and according to the explanation given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of Section 197 of the Act.
- (h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Company has disclosed the impact of pending litigations on its financial position in its Standalone Financial Statements in Note no.43.
 - ii. The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts. The derivative contracts being in the nature of the hedge contracts, the company does not anticipate any material losses from the same.
 - iii. There were no amounts which were required to be transferred to the Investor Education and Protection fund by the Company.
 - iv a) The management has represented that, to the best of its knowledge and belief, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person(s) or entity (ies), including foreign entities ("Intermediaries"), with

the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

b) The management has represented, that, to the best of its knowledge and belief, no funds have been received by the company from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the company shall, whether, 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; and

c) Based on the audit procedures that has been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e) contain any material misstatement.

- (i) The Company has not declared or paid any Dividend during the year.
- (j) With respect to Rule 11(g) of Companies (Audit & Auditors) Rules, 2014, on maintenance of audit trail, transaction and edit log, based on our examination which included test checks, the company has used multiple accounting software for maintaining its books of accounts which has the feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the software. Further, during the course of our audit we did not come across any instance of audit trail feature being tampered with and the audit trail has been preserved by the Company as per the statutory requirements for record retention.

For **Brahmayya & Co.,**
Chartered Accountants
Firm Registration No. 000511S

K Jitendra Kumar
Partner
Membership No. 201825

Date: 12.05.2026
Place: Chennai

UDIN: 26201825XQIISH4272

For **Suri & Co.,**
Chartered Accountants
Firm Registration No. 004283S

Sanjeev Aditya M
Partner
Membership No. 229694

Date: 12.05.2026
Place: Chennai

UDIN: 26229694MPZEMR6407

With reference to the Annexure A referred to in paragraph 1 under the heading "Report on other Legal and Regulatory Requirements" of the Independent Auditor's report to the members of TVS Credit Services Limited on the Standalone Financial Statements for the year ended 31st March 2026, we report that:

- (i) (a) (A) The Company is maintaining proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment and relevant details of Right-to-use assets.
(B) The company is maintaining proper records showing full particulars of Intangible Assets.
- (b) Property, Plant and Equipment and Right-to-use assets have been physically verified by the management at reasonable intervals and no material discrepancies were noticed.
- (c) The title deeds of immovable properties (other than properties where the company is the lessee and the lease agreements are duly executed in favor of the lessee) are held in the name of the Company.
- (d) The Company has not revalued any of its Property Plant and Equipment (including Right-to-use assets) and Intangible assets during the year.
- (e) Based on our examination of the books of accounts and other records of the company and based on the information and explanation provided by the management, no proceedings has been initiated or pending against the company for holding any benami property under Benami Transactions (Prohibition) Act, 1988 and rules made thereunder. Hence reporting under this clause is not applicable.
- (ii) (a) The company does not have any inventory and hence reporting under this clause is not applicable.
- (b) During the year, the company had availed working capital limits in excess of Rs.5 Crores from banks and financial institutions on the basis of security of current assets. The quarterly returns and the statements submitted to lenders are in agreement with the books of

accounts of the respective quarters and no material discrepancies have been observed.

- (iii) The Company has not provided any guarantee or security but has made investments and granted loans or advances in the nature of loans, secured, to companies, firms, Limited Liability Partnerships or any other parties. The reporting as required under this clause is given below:
 - a) Clause 3(iii)(a) is not applicable to the company since the company's principal business is to give loans.
 - b) Based on our examination of the books of accounts and other records of the company and based on the information and explanation provided by the management, the investments made and the terms and conditions of the grant of all loans and advances in the nature of loans and guarantees provided are not prima facie prejudicial to the company's interest.
 - c) In respect of loans granted by the Company, the schedule of repayment of principal and payment of interest has been stipulated and the repayments of principal amounts and receipts of interest are generally been regular except for the instances where there are delays or defaults in repayment of principal and/ or interest. In respect of such cases, the Company has recognized necessary provisions in accordance with the principles of Indian Accounting Standards (Ind AS) and the guidelines issued by the Reserve Bank of India ("RBI") for Income Recognition and Asset Classification.
 - d) The amounts overdue for more than 90 days aggregating principal repayment and interest payments is Rs. 353.48 Crores. In our opinion reasonable steps have been taken by the company for recovery of principal and interest.
 - e) The Company is a NBFC, whose principal business is to provide loans. Hence, reporting under clause 3(iii) (e) is not applicable.
 - f) The company has not given loans

- or advances in the nature of loans repayable on demand or without specifying the terms or period of repayment. Hence, reporting under clause 3(iii)(f) is not applicable.
- (iv) The company has complied with the provisions of Section 186(1) of the Act in respect of the investments made. The company has not made investment through investment companies. There are no loans, guarantees given and securities provided in respect of which provisions of Section 185 and 186 of the Companies Act, 2013 are applicable.
- (v) The Company has not accepted any deposits within the meaning of sections 73 to 76, or any other relevant provisions of the Act and the rules framed thereunder.
- (vi) The Central Government has not specified the maintenance of cost records under section 148(1) of the Act for the business activities carried out by the Company. Therefore, the provisions

of clause (vi) of paragraph 3 of the Order are not applicable to the Company.

- (vii) a) In our opinion, the Company is regular in depositing undisputed statutory dues including Goods and Services Tax, Provident fund, Employees' State Insurance, Income Tax, Cess and any other statutory dues applicable to it during the year with appropriate authorities. There were no undisputed amounts payable in respect of Goods and Services tax, Provident Fund, Employees' State Insurance, Income Tax, Sales Tax, Service Tax, duty of Custom, duty of Excise, Value Added Tax, Cess and other material statutory dues in arrears as at 31st March, 2026 for a period of more than six months from the date they became payable.

b) According to the information and explanations given to us there are no dues referred to in sub-clause (a) above which have not been deposited with the appropriate authorities on account of disputes except for:

Name of Statute	Nature of dues	Amount disputed (Rs. In crores)	Amount unpaid* (Rs. In crores)	Period to which the amount relates	Forum where the dispute is pending
Goods and Service Act, 2017	Goods and Service Act Dues	0.66	0.59	2017-18	Commissioner (Appeals)
Goods and Service Act, 2017	Goods and Service Act Dues	1.32	1.23	2018-19	Commissioner (Appeals)
Goods and Service Act, 2017	Goods and Service Act Dues	0.22	0.20	2019-20	Commissioner (Appeals)
Goods and Service Act, 2017	Goods and Service Act Dues	2.09	1.95	2020-21	Commissioner (Appeals)
Goods and Service Act, 2017	Goods and Service Act Dues	0.10	0.09	2021-22	Commissioner (Appeals)
Finance Act, 1994	Service Tax Dues	4.08	3.93	2011-12 to 2014-15	Customs Excise and Service Tax Appellate Tribunal
Finance Act, 1994	Service Tax Dues	1.45	1.32	2015-16	Customs Excise and Service Tax Appellate Tribunal
Finance Act, 1994	Service Tax Dues	0.24	0.21	2016-17	Customs Excise and Service Tax Appellate Tribunal

Name of Statute	Nature of dues	Amount disputed (Rs. In crores)	Amount unpaid* (Rs. In crores)	Period to which the amount relates	Forum where the dispute is pending
Finance Act, 1994	Service Tax Dues	0.84	0.76	2016-17 to 2017-18	Customs Excise and Service Tax Appellate Tribunal
Income Tax Act, 1961	Income Tax Dues	1.44	-	2017-18	CIT (Appeals)
Income Tax Act, 1961	Income Tax Dues	15.76	-	2019-20	CIT (Appeals)

*Net of amount paid under protest

- (viii) There was no transactions which were not recorded in the books of accounts or surrendered as Income during the year in the tax assessments under Income Tax Act.
- (ix) a) Based on our examination of the books of accounts and other records of the company, The Company has not defaulted in repayment of loans or other borrowings or in the payment of interest thereon to any lender.
- b) Based on our examination of the books of accounts and other records of the company and based on the information and explanation provided by the management, the company has not been declared as a willful defaulter by any bank, financial institution, or any other lender.
- c) Based on our examination of the books of accounts and other records of the company and based on the information and explanation provided by the management, term loans obtained were applied for the purposes which it was obtained.
- d) Based on our examination of the books of accounts and other records of the company and based on the information and explanation provided by the management. No funds raised on short term basis have been utilised for long term purposes.
- e) Based on our examination of the books of accounts and other records of the company and based on the information and explanation provided by the management, the company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries.
- f) The company has not raised loans during the year on pledge of securities held in its subsidiaries companies.
- (x) a) According to the information and explanations given to us, the Company has not raised monies by way of initial public offer or further public offer during the year.
- b) The Company has made preferential allotment of equity shares. The Requirements of Section 42 and 62 of the Companies Act have been duly complied with by the Company. Based on our examination of the books of accounts and other records of the Company and according to the information and explanations provided by the management, the funds raised have been used for the purposes for which the funds were raised.
- (xi) a) No fraud by the company or no material fraud on the company has been noticed or reported during the year other than the instances of fraud noticed and reported by the management to the regulator.
- b) No report under sub section (12) of Section 143 of the Companies Act in form ADT-4 was filed as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government.
- c) During the course of our examination of the books and records of the Company carried out in accordance with the generally accepted auditing practices in India, the Company has received whistle-blower complaints during the year, which have been considered by us for any bearing on our audit and reporting under this clause.

- (xii) The Company is not a Nidhi Company. Hence, clauses 3(xii)(a),(b),(c) of the Order are not applicable.
- (xiii) The transactions with the related parties are in compliance with Sections 177 and 188 of the Companies Act, 2013, where applicable and the details have been disclosed in the Standalone Financial Statements as required by the applicable accounting standards.
- (xiv) a) The company has an internal audit system commensurate with the size and nature of its business.
b) We have considered, the internal audit reports for the year under audit, issued to the Company during the year and till date, in determining the nature, timing and extent of our audit procedures.
- (xv) According to the information and explanations given to us by the management, the Company has not entered into any non-cash transactions with directors or persons connected with the directors during the year.
- (xvi) a) The Company is required to be registered under section 45-IA of the Reserve Bank of India Act, 1934 and has obtained registration.
b) During the year, the Company has not conducted any non-banking financial activities or housing financial activities without a valid Certificate of Registration ('CoR') from the RBI as per the RBI Act, 1934.
c) The company is not a Core Investment Company, hence reporting under clause 3(xvi)(c) is not applicable.
- d) The Group does not have more than one Core Investment Companies as a part of the group.
- (xvii) The company has not incurred cash losses during the year and the immediately preceding financial year.
- (xviii) There was no resignation of statutory auditors during the year.
- (xix) On the basis of our evaluation of financial ratios, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the Standalone Financial Statements and our knowledge of Board of Directors and Management plans, we are of the opinion that, no material uncertainty exists as on the date of audit report that company is capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the Balance Sheet date, will get discharged by the Company as and when they fall due.
- (xx) a) There is no unspent amount of Corporate Social Responsibility expenditure which requires to be transferred to a fund specified in schedule VII to the Companies Act, 2013.
b) The company does not have any ongoing project for CSR. Hence reporting under this clause is not applicable.

For **Brahmayya & Co.,**
Chartered Accountants
Firm Registration No. 000511S

K Jitendra Kumar
Partner
Membership No. 201825

Date: 12.05.2026
Place: Chennai

UDIN: 26201825XQIISH4272

For **Suri & Co.,**
Chartered Accountants
Firm Registration No. 004283S

Sanjeev Aditya M
Partner
Membership No. 229694

Date: 12.05.2026
Place: Chennai

UDIN: 26229694MPZEMR6407

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls with reference to Standalone Financial Statements of TVS Credit Services Limited ("the Company") as of 31st March 2026 in conjunction with our audit of the Standalone Financial Statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control with reference to Standalone Financial Statements criteria established by the Company considering the essential components of internal controls stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls with reference to Standalone Financial Statements based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls with reference to Standalone Financial Statements, both applicable to an audit of Internal Financial Controls and both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to Standalone Financial Statements were established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system with reference to Standalone Financial Statements and their operating effectiveness. Our audit of internal financial controls with reference to Standalone

Financial Statements includes obtaining an understanding of internal financial controls with reference to Standalone Financial Statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the Standalone Financial Statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system with reference to Standalone Financial Statements.

Meaning of Internal Financial Controls with reference to Standalone Financial Statements

A company's internal financial control with reference to Standalone Financial Statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of Standalone Financial Statements for external purposes in accordance with generally accepted accounting principles. A Company's internal financial control with reference to Standalone Financial Statements includes those policies and procedures that:

- (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company;
- (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of Standalone Financial Statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with authorizations of management and directors of the company; and
- (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the Company's assets that could have a material effect on the Standalone Financial Statements.

Inherent Limitations of Internal Financial controls with reference to Standalone Financial Statements

Because of the inherent limitations of internal financial controls with reference to Standalone Financial Statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also,

projections of any evaluation of the internal financial controls with reference to Standalone Financial Statements to future periods are subject to the risk that the internal financial controls with reference to Standalone Financial Statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the company has, in all material respects, an adequate internal financial controls

system with reference to Standalone Financial Statements and such internal financial controls with reference to Standalone Financial Statements were operating effectively as at 31st March 2026, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For **Brahmayya & Co.,**
Chartered Accountants
Firm Registration No. 000511S

K Jitendra Kumar
Partner
Membership No. 201825

Date: 12.05.2026
Place: Chennai

UDIN: 26201825XQIISH4272

For **Suri & Co.,**
Chartered Accountants
Firm Registration No. 004283S

Sanjeev Aditya M
Partner
Membership No. 229694

Date: 12.05.2026
Place: Chennai

UDIN: 26229694MPZEMR6407

STANDALONE BALANCE SHEET AS AT 31ST MARCH 2026



(All amounts in ₹ crores, unless otherwise stated)

S. No.	Particulars	Note No.	As at 31 st March 2026	As at 31 st March 2025
1	ASSETS			
	Financial assets			
(a)	Cash and cash equivalents	4	3,327.50	3,590.32
(b)	Bank balance other than (a) above	5	0.21	5.95
(c)	Derivative financial instruments	6	103.43	-
(d)	Receivables			
i)	Trade receivables	7	214.66	141.25
(e)	Loans	8	30,285.47	26,298.84
(f)	Investments	9	313.37	299.75
(g)	Other financial assets	10	29.56	28.28
	Total		34,274.20	30,364.39
2	Non-financial assets			
(a)	Current tax assets (net)	11	8.20	11.03
(b)	Deferred tax assets (net)	12	482.01	408.64
(c)	Investment property	13	83.58	85.16
(d)	Property, plant and equipment	14A	72.14	45.07
(e)	Right-to-use asset	14A	70.33	65.19
(f)	Capital work-in-progress	14B	0.63	2.40
(g)	Intangible assets under development	14B	1.90	10.96
(h)	Other intangible assets	14A	47.00	2.53
(i)	Other non-financial assets	15	28.10	48.33
	Total		793.89	679.31
	Total assets		35,068.09	31,043.70
	LIABILITIES AND EQUITY			
	LIABILITIES			
1	Financial liabilities			
(a)	Derivative financial instruments	6	-	2.24
(b)	Payables			
i)	Trade payables			
ii)	total outstanding dues of micro enterprises and small enterprises	16	29.60	26.08
iii)	total outstanding dues of creditors other than Micro enterprises and small enterprises	16	979.89	1,061.22
(c)	Debt securities	17	3,309.86	2,625.39
(d)	Borrowings (other than debt securities)	18	22,088.05	19,792.47
(e)	Subordinated liabilities	19	2,269.96	2,269.31
(f)	Other financial liabilities	20	209.85	221.34
	Total		28,887.21	25,998.05
2	Non-Financial Liabilities			
(a)	Provisions	21	75.15	59.58
(b)	Other non-financial liabilities	22	38.10	38.15
	Total		113.25	97.73
3	EQUITY			
(a)	Equity share capital	23	239.67	236.27
(b)	Instruments entirely equity in nature	23	18.38	18.38
(c)	Other equity	24	5,809.58	4,693.27
	Total		6,067.63	4,947.92
	Total liabilities and equity		35,068.09	31,043.70
See accompanying notes to the standalone financial statements				
Material accounting policies forming part of standalone financial statements		3		
Additional Notes forming part of standalone financial statements		43		

As per our report of even date

For and on behalf of the Board of Directors of
TVS Credit Services Limited

For Brahmayya & Co.,
Chartered Accountants
ICAI Regn. No. FRN 000511S

K Jitendra Kumar
Partner
Membership No. 201825

Place : Chennai
Date : 12th May 2026

For Suri & Co.,
Chartered Accountants
ICAI Regn. No. FRN 004283S

Sanjeev Aditya M
Partner
Membership No. 229694

Sudarshan Venu
Chairman
DIN-03601690

Roopa Sampath Kumar
Chief Financial Officer

Place : Bengaluru
Date : 12th May 2026

Ashish Sapra
Director and Chief Executive Officer
DIN-09805893

Chetan Nage
Company Secretary

STANDALONE STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH 2026



(All amounts in ₹ crores, unless otherwise stated)

S. No.	Particulars	Note No.	Year ended 31 st March 2026	Year ended 31 st March 2025
	Revenue from operations			
i)	Interest income	25	6,213.35	5,775.97
ii)	Fees and commission income	26	823.77	736.46
iii)	Net gain on fair value changes	27	154.02	92.32
I)	Total revenue from operations		7,191.14	6,604.75
II)	Other income	28	4.86	3.93
III)	Total income (I + II)		7,196.00	6,608.68
	Expenses			
i)	Finance costs	29	1,934.29	1,863.32
ii)	Fees and commission expenses		473.14	527.16
iii)	Impairment of financial instruments (net)	30	1,156.59	1,295.36
iv)	Employee benefits expenses	31	1,274.23	1,135.58
v)	Depreciation and amortization expenses	32	56.12	46.20
vi)	Other expenses	33	1,054.70	715.62
IV)	Total expenses		5,949.07	5,583.24
V)	Profit before exceptional items and tax (III-IV)		1,246.93	1,025.44
VI)	Exceptional items	43(4)	8.61	-
VII)	Profit before tax (V-VI)		1,238.32	1,025.44
VIII)	Tax expense	34		
	(1) Current tax		400.49	323.80
	(2) Deferred tax		(75.34)	(65.61)
IX)	Profit for the year (VII-VIII)		913.17	767.25
X)	Other comprehensive income			
A.	(i) Items that will not be reclassified to profit or loss			
	- Remeasurements of the defined benefit plans		(10.80)	(10.64)
	- Fair value gain/(loss) on financial instruments through other comprehensive income		4.76	(0.62)
	(ii) Income tax relating to items that will not be reclassified to profit or loss		1.52	2.83
	Subtotal (A)		(4.52)	(8.43)
B.	(i) Items that will be reclassified to profit or loss			
	-Fair value change on cash flow hedge		13.85	(8.89)
	(ii) Income tax relating to items that will be reclassified to profit or loss		(3.48)	2.24
	Subtotal (B)		10.37	(6.65)
	Other comprehensive income (A+B)		5.85	(15.08)
XI)	Total comprehensive income for the year (IX + X) (Comprising Profit/(Loss) and other comprehensive income for the year)		919.02	752.17
XII)	Earnings per equity share (Face value of Rs. 10/- each)	35		
	Basic (Rs.)		35.66	30.36
	Diluted (Rs.)		35.66	30.36
See accompanying notes to the standalone financial statements				
Material accounting policies forming part of standalone financial statements			3	
Additional Notes forming part of standalone financial statements			43	

As per our report of even date

For and on behalf of the Board of Directors of
TVS Credit Services Limited

For Brahmayya & Co.,
Chartered Accountants
ICAI Regn. No. FRN 000511S

K Jitendra Kumar
Partner
Membership No. 201825

Place : Chennai
Date : 12th May 2026

For Suri & Co.,
Chartered Accountants
ICAI Regn. No. FRN 004283S

Sanjeev Aditya M
Partner
Membership No. 229694

Sudarshan Venu
Chairman
DIN-03601690

Roopa Sampath Kumar
Chief Financial Officer

Place : Bengaluru
Date : 12th May 2026

Ashish Sapra
Director and Chief Executive Officer
DIN-09805893

Chetan Nage
Company Secretary

STANDALONE STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31ST MARCH 2026



(All amounts in ₹ crores, unless otherwise stated)

I) Equity share capital

Particulars	Note No.	Amounts
Balance as at 1st April 2024		228.22
Changes in equity share capital during the year	23	8.05
Balance as at 31st March 2025		236.27
Changes in equity share capital during the year	23	3.39
Balance as at 31st March 2026		239.67

II) Instruments entirely equity in nature

Particulars	Note No.	Amounts
Balance as at 1st April 2024		18.38
Changes in compulsorily convertible preference shares during the year	23	-
Balance as at 31st March 2025		18.38
Changes in compulsorily convertible preference shares during the year	23	-
Balance as at 31st March 2026		18.38

III) Other equity

Particulars	Note No.	Reserves and surplus				Other comprehensive income (OCI)		Total
		Securities premium account	Statutory reserve	Share based payment reserve	Retained earnings	Financial instruments through OCI	Cashflow Hedge reserve	
Balance as at 1st April 2024		1,874.19	356.40	-	1,382.40	-	5.89	3,618.88
Profit for the year	24	-	-	-	767.25	-	-	767.25
Fair valuation gain/ (loss) of financial instrument (net)	24	-	-	-	-	(0.47)	(6.65)	(7.12)
Remeasurement of defined benefit plans (net)	24	-	-	-	(7.96)	-	-	(7.96)
Transfer to Statutory reserve	24	-	153.45	-	(153.45)	-	-	-
Issuance of equity shares	24	321.95	-	-	-	-	-	321.95
Share-based payment expenses	24	-	-	0.27	-	-	-	0.27
Balance as at 31st March 2025		2,196.14	509.85	0.27	1,988.24	(0.47)	(0.76)	4,693.27
Profit for the year	24	-	-	-	913.17	-	-	913.17
Fair valuation gain/ (loss) on financial instrument (net)	24	-	-	-	-	3.55	10.37	13.92
Remeasurement of defined benefit plans (net)	24	-	-	-	(8.08)	-	-	(8.08)
Transfer to Statutory reserve	24	-	182.63	-	(182.63)	-	-	-
Issuance of equity shares	24	196.61	-	-	-	-	-	196.61
Share-based payment expenses	24	-	-	0.69	-	-	-	0.69
Balance as at 31st March 2026		2,392.75	692.48	0.96	2,710.70	3.08	9.61	5,809.58

As per our report of even date

For and on behalf of the Board of Directors of
TVS Credit Services Limited

For Brahmayya & Co.,
Chartered Accountants
ICAI Regn. No. FRN 000511S

K Jitendra Kumar
Partner
Membership No. 201825

Place : Chennai
Date : 12th May 2026

For Suri & Co.,
Chartered Accountants
ICAI Regn. No. FRN 004283S

Sanjeev Aditya M
Partner
Membership No. 229694

Sudarshan Venu
Chairman
DIN-03601690

Roopa Sampath Kumar
Chief Financial Officer

Place : Bengaluru
Date : 12th May 2026

Ashish Sapra
Director and Chief Executive Officer
DIN-09805893

Chetan Nage
Company Secretary

STANDALONE STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31ST MARCH 2026



(All amounts in ₹ crores, unless otherwise stated)

Particulars	Year ended 31 st March 2026	Year ended 31 st March 2025
Cash flows from operating activities		
Profit before tax	1,238.32	1,025.44
Adjustment for:-		
Depreciation and amortization	56.12	46.20
Impairment of financial instruments	41.02	(56.00)
Profit on disposal of property, plant and equipment	(0.71)	(0.20)
Finance costs	1,934.29	1,863.32
Unwinding of discount on security deposits	(1.14)	(0.97)
Remeasurements of defined benefit plans	(10.80)	(10.64)
Share-based payment expenses	0.69	0.27
Cash outflow towards finance costs	(1,928.20)	(1,858.87)
Cash generated/(used) from operations before working capital changes	91.27	(16.89)
Changes in working capital		
(Increase)/Decrease in Trade receivables	(72.84)	(25.26)
(Increase)/Decrease in Loans	(4,028.22)	(771.40)
(Increase)/Decrease in Other financial assets and other bank balances	5.61	(3.53)
(Increase)/Decrease in Other non-financial assets	20.23	10.21
Increase/(Decrease) in Trade payables	(77.81)	31.11
Increase/(Decrease) in Other financial liabilities	(17.58)	(153.35)
Increase/(Decrease) in Provisions and other non-financial liabilities	15.51	(22.70)
Net cash generated/(used) in operating activities before income tax	(2,825.51)	73.63
Income taxes paid (net of refund)	(397.66)	(315.03)
Net cash used in operating activities (I)	(3,223.17)	(241.40)
Cash flows from investing activities		
Investment in Property, plant and equipment	(52.02)	(32.50)
Proceeds from sale of Property, plant and equipment	0.72	0.23
Investment in intangible assets	(41.20)	(9.07)
Investment in Government securities	(6.86)	(188.66)
Investment in Alternate investment fund	(2.00)	(2.00)
Net cash used in investing activities (II)	(101.36)	(232.00)
Cash flows from financing activities		
Proceeds from issue of Equity shares	200.00	330.00
Proceeds from Issue/(Repayment) of Debt securities (net)	684.47	1,114.40
Proceeds/(Repayment) of Borrowings other than debt securities (net)	2,204.70	834.47
Proceeds/(Repayment) of Subordinated liabilities (net)	0.65	56.35
Payments of Lease liabilities	(28.08)	(24.33)
Net cash generated from financing activities (III)	3,061.74	2,310.89
Net increase/(decrease) in Cash and cash equivalents (I+II+III)	(262.79)	1,837.49
Cash and cash equivalents at the beginning of the year	3,590.29	1,752.80
Cash and cash equivalents at the end of the year	3,327.50	3,590.29
Components of cash and cash equivalents for the purpose of Statement of Cash Flows:		
Description	As at 31st March 2026	As at 31st March 2025
Cash and cash equivalents as per Balance Sheet	3,327.50	3,590.32
Less: Overdrafts utilised (Grouped under Borrowings (other than debt securities) - Note 18)	-	0.03
Cash and Cash Equivalents for the purpose of Statement of Cash Flows	3,327.50	3,590.29

As per our report of even date

For and on behalf of the Board of Directors of
TVS Credit Services Limited

For Brahmayya & Co.,
Chartered Accountants
ICAI Regn. No. FRN 000511S

K Jitendra Kumar
Partner
Membership No. 201825

Place : Chennai
Date : 12th May 2026

For Suri & Co.,
Chartered Accountants
ICAI Regn. No. FRN 004283S

Sanjeev Aditya M
Partner
Membership No. 229694

Sudarshan Venu
Chairman
DIN-03601690

Roopa Sampath Kumar
Chief Financial Officer

Place : Bengaluru
Date : 12th May 2026

Ashish Sapra
Director and Chief Executive Officer
DIN-09805893

Chetan Nage
Company Secretary

(All amounts in ₹ crores, unless otherwise stated)

1 Corporate information

TVS Credit Services Limited ('the Company') (CIN U65920KA2008PLC218369) is a public limited company incorporated and domiciled in India. The registered office is located at TVR Pride, No. 383, 16th Main, 3rd Block, Koramangala, Bengaluru-560034, Karnataka, India. The Company is a subsidiary of TVS Motor Company Limited.

The Company received Certificate of Registration (No. N-07-00783) dated 13th April, 2010 from Reserve Bank of India (RBI) and commenced Non-Banking financial activity there on. The Company is a Systemically Important Non-Deposit taking Non-Banking Finance Company, as defined under Section 45-IA of Reserve Bank of India (RBI) Act, 1934. The Company offers diverse lending products like automobile finance, consumer durable loans and small business loans. The Company is categorised as "NBFC - Investment and Credit Company (NBFC-ICC)" pursuant to RBI circular DNBR (PD) CC.No.097/03.10.001/2018-19 dated February 22, 2019 and as defined in Para 6(12) of Reserve Bank of India (Non-Banking Financial Companies – Registration, Exemptions and Framework for Scale Based Regulation) Directions, 2025, dated November 28, 2025. Effective 1st October 2022, the Company has been categorised as NBFC-Middle Layer under the RBI Scale Based Regulation.

2 Basis of preparation

2.1 Statement of compliance

The financial statements have been prepared in accordance with Indian Accounting Standards (Ind AS) as prescribed in the Companies (Indian Accounting Standards) Rules, 2015 as amended from time to time and notified under Section 133 of the Companies Act, 2013 (the Act), the guidelines issued by the RBI as applicable to Non-Banking Finance Companies (NBFCs), including the Reserve Bank of India (Non-Banking Financial Companies – Registration, Exemptions and Framework for Scale Based Regulation) Directions, 2025 and in accordance with Division III of Schedule III of Companies Act 2013 notified by MCA on 11th October 2018. Further, the Company follows applicable guidance, clarifications, circulars and directions issued by the Reserve Bank of India (RBI) for Non-Banking Financial Companies (NBFC), MCA or other regulators, as and when they are issued and applicable.

The financial statements have been prepared on a historical cost basis, except for certain financial instruments and employee benefit

plans that are measured at fair value.

The financial statements are prepared on going concern basis based on the ability of the Company to continue its business for the foreseeable future and no material uncertainty exists that may cause significant doubt on the going concern assumption. In making this assessment, the Company has considered wide range of information relating to present & likely future conditions including projections of cash flows & profitability.

The financial statements have been approved and authorized for issue by the Board of Directors of the Company at its meeting held on 12th May 2026.

2.2 Presentation of financial statements

The Company prepares and presents its Balance Sheet, the Statement of Profit and Loss and the Statement of Changes in Equity in the format prescribed by Division III of Schedule III of the Companies Act, 2013. The Statement of Cash Flows has been prepared and presented under the indirect method as per the requirements of Ind AS 7 'Statement of Cash Flows'.

The Company generally reports financial assets and financial liabilities on a gross basis in the Balance Sheet. They are offset and reported net only where it has legally enforceable right to offset the recognised amounts and the Company intends to either settle on a net basis or to realise the asset and settle the liability simultaneously as permitted by Ind AS. Similarly, the Company offsets incomes and expenses and reports the same on a net basis where the netting off reflects the substance of the transaction or other events as permitted by Ind AS.

2.3 Significant estimates and judgements

The preparation of financial statements requires management to make certain estimates and assumptions that affect the amounts reported in the financial statements and notes thereto. The management believes that these estimates and assumptions are reasonable and prudent. However, actual results could differ from these estimates. Any revision to accounting estimates is recognised prospectively in the current and future period. This note provides an overview of the areas that involved a higher degree of judgment or complexity, and of items which are more likely to be materially adjusted due to estimates and assumptions turning out to be different than those originally assessed. Detailed information about each of these estimates and judgments is included in the relevant notes

(All amounts in ₹ crores, unless otherwise stated)

together with information about the basis of calculation for each affected line item in the financial statements.

3 Material accounting policies

3.1 Property, plant and equipment (PPE)

Items of property, plant & equipment are stated at cost of acquisition or construction less accumulated depreciation and impairment, if any. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. All repairs and maintenance are charged to the Statement of Profit and Loss during the reporting period in which they are incurred.

Property, plant and equipment are derecognised on disposal or when no future economic benefits are expected from their use. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included under other income/ expenses in the Statement of Profit and Loss when the asset is derecognised.

3.2 Depreciation

Depreciation is provided on straight-line basis over the useful life of assets assuming no residual value at the end of useful life of the asset. The useful life estimated by the Company is in line with the useful life prescribed under Part C of Schedule II of the Companies Act, 2013.

Useful life as used by the Company and as indicated in Schedule II are listed below:

Nature of Asset	Useful life adopted by the Company
Computers	3 years
Furniture & fixtures	10 years
Office equipments	5 years
Vehicles (Motor cycle)	10 years
Vehicles (Motor car)	8 years
Leasehold improvements	As per lease tenure
Building	48 years

Depreciation on PPE individually costing Rs.5,000/- or less is provided 100% in the year of acquisition.

An asset's carrying amount is written down immediately to its estimated recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount. Gain and losses on disposals are determined by comparing proceeds with carrying amount. These are included in the Statement of Profit and Loss.

Depreciation on fixed assets added/disposed off during the year is calculated on pro-rata basis with reference to the date of addition/ disposal.

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

3.3 Intangible assets

Intangible assets are recognised when it is probable that the future economic benefits that are attributable to the asset will flow to the enterprise and the cost of the asset can be measured reliably. Intangible assets are stated at original cost net of tax/duty credits availed, if any, less accumulated amortisation.

Subsequent expenditure related to an item of intangible asset are added to its gross value only if it increases the future benefits of the existing asset, if it is probable that future economic benefit will flow to the Company from that expenditure and cost can be measured reliably. Other repairs and maintenance costs are expensed off as and when incurred.

Intangible assets representing computer software are amortised using the straight-line method over a period of 3 to 5 years, based on Management's estimate of their useful lives.

Intangible assets not ready for the intended use on the date of Balance Sheet are disclosed as "Intangible assets under development".

3.4 Investment property

Property that is held for long-term rental yields or for capital appreciation or both, and that is not occupied by the Company, is classified as investment property. Investment property is measured initially at its cost, including related transaction costs and where applicable borrowing costs. Subsequent expenditure is capitalized to the assets carrying amount only when it is probable that future economic benefits associated with the expenditure will flow to the Company and the cost of the item can be measured reliably. All other repairs and maintenance costs are expensed when incurred.

(All amounts in ₹ crores, unless otherwise stated)

3.5 Financial instruments

A financial instrument is defined as any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

Financial instruments are measured at amortised cost, unless otherwise specified.

All financial instruments are recognised on the date when the Company becomes party to the contractual provisions of the financial instruments along with the certainty of ultimate collection in case of financial assets. For tradable securities, the Company recognises the financial instruments on settlement date.

3.5.1 Financial assets

Financial assets include cash, or an equity instrument of another entity, or a contractual right to receive cash or another financial asset from another entity.

3.5.1A Classification

The Company classifies its financial assets in the following categories, those to be measured subsequently at

- (a) Amortized cost,
- (b) Fair value through Other Comprehensive Income (FVOCI), and
- (c) Fair value through Profit or Loss (FVTPL)

The classification depends on the entity's business model for managing the financial assets and the contractual terms of the cash flows. For assets measured at fair value, gains and losses will either be recorded in profit or loss or other comprehensive income. For investments in debt instruments, this will depend on the business model in which the investment is held. For investments in equity instruments, this will depend on whether the Company has made an irrevocable election at the time of initial recognition to account for the equity investment at fair value through other comprehensive income.

Business model assessment

The Company makes an assessment of the objective of a business model in which an asset is held at a portfolio level because it reflects the best way the business is managed, and information is provided to the management.

Assessment of whether contractual cash flows are solely payments of principal and interest (SPPI)

For the purpose of this assessment, 'principal' is defined as the fair value of the financial asset on initial recognition. 'Interest' is defined as consideration for the time value of money and for the credit risk associated with the principal amount outstanding during a particular period of time and for other basic lending risks and costs, as well as profit margin.

In assessing whether the contractual cash flows are SPPI, the Company considers the contractual terms of the instrument. This includes assessing whether the financial asset contains a contractual term that could change the timing or amount of contractual cash flows such that it would not meet this condition.

3.5.1B Measurement

At initial recognition, the Company measures financial assets, except those at FVTPL, at their fair value adjusted for transaction costs or origination income directly attributable to the acquisition. Transaction costs for financial assets measured at FVTPL are expensed in profit or loss.

i. Debt instruments carried at amortized cost (AC):

- (a) The business model of the Company for assets subsequently measured at amortised cost category is to hold and collect contractual cash flows. However, considering the economic viability of carrying the delinquent portfolios on the books of the Company, it may enter into immaterial and infrequent transactions to sell these portfolios to banks and/or asset reconstruction companies without affecting the business model of the Company.
- (b) After initial measurement, such financial assets are subsequently measured at amortised cost on Effective Interest Rate (EIR). Refer note 3.5.5A for further details."

ii. Debt instruments at fair value through other comprehensive income (FVTOCI):

- (a) A financial asset is measured at FVTOCI if it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and the contractual terms of the

(All amounts in ₹ crores, unless otherwise stated)

financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. Since, the loans are held to sale and collect contractual cash flows, they are measured at FVTOCI.

(b) Financial assets included within the FVTOCI category are measured at each reporting date at fair value with such changes being recognised in other comprehensive income (OCI). The interest income on these assets is recognised in profit or loss.

iii. Debt instruments at fair value through profit or loss (FVTPL):

Financial assets which do not meet the criteria for categorisation as at amortised cost or as FVTOCI, are measured at FVTPL. Subsequent changes in fair value are recognised in the Statement of Profit and Loss."

iv. Equity instruments at cost:

Investments in subsidiary and associate are measured at cost as per Ind AS 27 – Separate Financial Statements.

v. Investment in Government securities:

Investment in Government securities are measured in the financial statements at amortised cost. The Company intends to hold these instruments till maturity and any sale of these instruments, if any necessitated by requirements or events are likely to be infrequent.

vi. Equity instruments at fair value through other comprehensive income (FVTOCI):

Investments in equity instruments other than in subsidiaries and associates are measured at fair value.

The Company has strategic investments in equity for which it has elected to present subsequent changes in fair value in other comprehensive income. The classification is made on initial recognition and is irrevocable.

All fair value changes of the aforesaid equity instruments are recognised in OCI and are not reclassified to the Statement of Profit and Loss subsequently, even on sale of those investments.

a. Investment in compulsory Convertible debenture

Investment in compulsorily convertible debentures are classified and measured

in the financial statements at fair value through other comprehensive income.

b. Investment in Alternate investment fund

Investment in alternative investment fund is classified and measured at fair value through other comprehensive income. Any gain/losses on disposal or subsequent re-measurement is recognised in the other comprehensive income.

3.5.2 Financial liabilities

A financial liability is a contractual obligation to deliver cash or another financial asset or to exchange financial assets or financial liabilities with another entity under conditions that are potentially unfavourable to the Company or a contract that will or may be settled in the Company's own equity instruments and is a non derivative contract for which the Company is or may be obliged to deliver a variable number of its own equity instruments, or a derivative contract over own equity that will or may be settled other than by the exchange of a fixed amount of cash (or another financial asset) for a fixed number of the Company's own equity instruments

3.5.2A Initial recognition and measurement

All financial liabilities are initially recognized at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial liability, which are not at fair value through profit or loss, are adjusted to the fair value on initial recognition.

3.5.2B Subsequent measurement

Financial liabilities are carried at amortized cost using the effective interest method.

3.5.3 Reclassification of financial assets and liabilities

The Company does not reclassify its financial assets subsequent to their initial recognition, apart from the exceptional circumstances in which the Company acquires, disposes of, or terminates a business line. Financial liabilities are never reclassified. The Company did not reclassify any of its financial assets or liabilities in the year ended 31st March 2025 and 31st March 2026.

3.5.4 Derecognition of financial assets & liabilities

i) Derecognition of financial assets due to substantial modification of terms and conditions

The Company derecognises a financial asset, such as a loan to a customer, when the terms and conditions have been renegotiated to

(All amounts in ₹ crores, unless otherwise stated)

the extent that, substantially, it becomes a new loan, with the difference recognised as a derecognition gain or loss, to the extent that an impairment loss has not already been recorded. The newly recognised loans are classified as Stage 1 for ECL measurement purposes.

ii) Derecognition of financial assets other than due to substantial modification of terms and conditions

- (a) A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is derecognised when the contractual rights to the cash flows from the financial asset expires or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Company neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control of the financial asset. On derecognition of a financial asset in its entirety, the difference between the carrying amount (measured at the date of derecognition) and the consideration received (including any new asset obtained less any new liability assumed) is recognised in the Statement of Profit and Loss.
- (b) The Company enters into securitisation transactions where financial assets are transferred to a special purpose vehicle for a purchase consideration. The credit enhancement is provided in the form of cash collateral and investment in equity tranche PTCs, pursuant to the transfer of financial assets under securitisation. Basis this, the Company concluded that securitisation transactions entered by the Company does not qualify for derecognition since substantial risk and rewards of the ownership has not been transferred. The transactions are treated as financing arrangements and the sale consideration received is treated as borrowings.

iii) Derecognition of financial liabilities

A financial liability is derecognised when the obligation under the liability is discharged, cancelled or expires. Where 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 a derecognition of the original liability and the recognition of a new liability. The difference between the carrying value of the

original financial liability and the consideration paid is recognised in the statement of profit and loss.

3.5.5 Revenue recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured and there exists reasonable certainty of its recovery.

A) Interest income:

(1) Interest income is recognized using the effective interest rate (EIR) method for all financial assets measured at amortized cost. The EIR is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset, to its gross carrying amount. The calculation of the effective interest rate includes transaction costs and transaction income that are directly attributable to the acquisition of a financial asset.

(2) Income by way of additional interest on account of delayed payment by the customers is recognized on realization basis, due to uncertainty in collection.

(3) Interest on Government securities is recognised as interest income in profit & loss statement

B) Dividend income:

Dividend income is recognised when the Company's right to receive the payment is established, it is probable that the economic benefits associated with the dividend will flow to the Company and the amount of the dividend can be measured reliably.

C) Fees and commission income:

(1) Fees and commission income that are not integral part of the effective interest rate on the financial asset are recognized as the performance obligations are performed and there is no significant financing component of the consideration.

(2) Income in the nature of bounce and related charges are recognized on realization, due to uncertainty in collection.

(3) The Company recognises revenue from contract with customers based on five step model as set out in Ind AS 115, Revenue from Contracts with Customers to determine when to recognise revenue and at what amount. Revenue is measured based on

(All amounts in ₹ crores, unless otherwise stated)

the consideration specified in the contract with a customers. Revenue from contracts with customers is recognised when services are provided and it is highly probable that a significant reversal of revenue is not expected to occur.

D) Net gain on fair value changes:

Investments in financial instruments are measured at fair value through profit or loss (FVTPL) in accordance with Ind AS 109. Gains or losses on sale/redemption are recognised in the Statement of Profit and Loss.

E) Other income:

Other Income represents income earned from the activities incidental to the business and is recognised when the right to receive the income is established as per the terms of the contract.

3.5.6 Impairment of financial assets

The Company recognizes loss allowance for Expected Credit Loss "ECL" on the following financial assets that are not measured at FVTPL:

- i. Loans
- ii. Trade receivables and other financial assets

i. Loans

Expected credit losses are measured through a loss allowance at an amount equal to:

- 1) The 12-months expected credit losses (expected credit losses that result from those default events on the financial instrument that are possible within 12 months after the reporting date); or
- 2) Lifetime expected credit losses (expected credit losses that result from all possible default events over the expected life of the financial instrument).

Both Life Time ECLs (LTECL) and 12 months ECLs are calculated on collective basis.

Based on the above, the Company categorises its loans into Stage 1, Stage 2 and Stage 3, as described below:

Stage	Days Past due	ECL	Risk
Stage 1	Upto 30 days	12 Month ECL	Low Credit Risk
Stage 2	31-90 days	Life-time ECL	Significant increase in credit risk
Stage 3	More than 90 days	Life-time ECL	Impaired assets

Stage 1:

When loans are first recognised, the Company recognises an allowance based on 12 months ECL. Stage 1 loans includes those loans where there is no significant credit risk observed and also includes facilities where the credit risk has been improved and the loan has been reclassified from Stage 2 or Stage 3. (If completely regularised to zero DPD for Stage 3)

Stage 2:

When a loan has shown a significant increase in credit risk since origination, the Company records an allowance for life time ECL. Stage 2 loans also include where the loans have been re-structured as per extent RBI Regulations.

Significant increase in credit risk: The Company monitors all financial assets that are subject to the impairment requirements to assess whether there has been a significant increase in credit risk since initial recognition. If there has been a significant increase in credit risk the Company will measure the loss allowance based on lifetime ECLs rather than 12 month ECLs. In assessing whether the credit risk on a financial instrument has increased significantly since initial recognition, the Company compares the risk of a default occurring on the financial instrument at the reporting date based on the remaining maturity of the instrument with the risk of a default occurring that was anticipated for the remaining maturity at the current reporting date when the financial instrument was first recognised. In making this assessment, the Company considers both quantitative and qualitative information that is reasonable and supportable, including historical experience and forward-looking information that is available with.

Stage 3:

Credit-impaired financial assets: A financial asset is 'credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred. Credit-impaired financial assets are referred to as Stage 3 assets. Evidence of credit-impairment includes observable data about the following events:

- significant financial difficulty of the borrower;
- a breach of contract such as a default or past due event;

(All amounts in ₹ crores, unless otherwise stated)

- the disappearance of an active market for a security because of financial difficulties; or
- the purchase of a financial asset at a deep discount that reflects the incurred credit losses

Loans are considered credit-impaired when they are past due for more than 90 days and have not been completely regularised to zero days past due (DPD). Credit-impaired loans also include restructured loan contracts under the Reserve Bank of India (Non-Banking Financial Companies – Resolution of Stressed Assets) Directions, 2025 dated 28th November, 2025, irrespective of the number of days past due as at the reporting date. Loan accounts where principal and/or interest are overdue for more than 90 days, together with all other loan exposures of the same borrower, continue to be classified as Stage 3 until all overdues across such accounts are fully cleared. The Company recognises a lifetime expected credit loss (ECL) allowance on such loans.

Measurement of ECLs

The assessment of credit risk and estimation of ECL are unbiased and probability weighted. It incorporates all information that is relevant including past events, current conditions and current profile of customers. Additionally, forecasts of future macro situations and economic conditions are considered as part of the ECL model. Forward looking economic scenarios determined with reference to external forecasts of economic parameters that have demonstrated a linkage to the performance of our portfolios over a period of time have been applied to determine impact of macro-economic factors.

The Company has calculated ECL using three main components: Probability of Default (PD), Exposure At Default (EAD) and Loss Given Default (LGD). ECL is calculated by multiplying the PD, EAD and and LGD.

Probability of default ('PD'):

PD is an estimate of the likelihood of default over a given time horizon. A default may only happen at a certain time over the assessed period, if the facility has not been previously derecognised and is still in the portfolio.

Exposure at default ('EAD'):

EAD is an estimate of the exposure at a future default date, taking into account expected changes in the exposure after the reporting date, including repayments of principal and interest.

Loss given default ('LGD'):

LGD is an estimate of the loss arising in the case where a default occurs at a given time. It is based on the difference between the contractual cash flows due and those that the lender would expect to receive, including from the realisation of any collateral. It is usually expressed as a percentage of the EAD. The Company has calculated PD, EAD and LGD to determine impairment loss on the portfolio of loans and discounted at an approximation to the EIR. At every reporting date, the above calculated PDs, EAD and LGDs are reviewed and changes in the forward looking estimates are analysed."

Mechanics of ECLs

The Company applies a three-stage approach to measure ECL on financial assets that are not measured at fair value through profit or loss:

Stage 1: 12 month ECL

At initial recognition and for financial instruments where there has not been a significant increase in credit risk since initial recognition, the Company recognizes an allowance based on the 12-month ECL. The 12-month ECL represents the portion of lifetime ECL that result from default events that are possible within the 12 months after the reporting date. The Company calculates this allowance based on the expectation of a default occurring within 12 months following the reporting date. These expected 12-month default probabilities are applied to a forecasted Exposure at Default (EAD) and multiplied by the expected Loss Given Default (LGD).

Stage 2: Lifetime ECL-not credit impaired

When a financial asset shows a significant increase in credit risk since origination but is not considered credit-impaired, the Company records an allowance for lifetime ECL.

The mechanics are similar to Stage 1 but the Probability of Default (PD) and LGD are estimated over the remaining lifetime of the instrument.

Stage 3: Lifetime ECL-credit impaired

For financial assets that are credit-impaired, the Company recognizes the lifetime ECL. The methodology is similar to Stage 2, but with the PD set at 100% to reflect that the asset is already credit impaired.

Forward looking information:

In its ECL models, the Company relies on a broad range of forward looking macro parameters and estimated the impact on the default at a given point of time.

(All amounts in ₹ crores, unless otherwise stated)

ii. Trade receivables and other financial assets

The Company follows 'simplified approach' for recognition of impairment loss allowance on trade receivable and other financial assets. The application of simplified approach does not require the Company to track changes in credit risk and calculated on case by case approach, taking into consideration different recovery scenarios.

Presentation of allowance for ECL in the statement of financial position

Loss allowances for ECL are presented in the statement of financial position for financial assets measured at amortized cost as a deduction from the gross carrying amount of the assets.

Collateral repossessed:

The Company does the regular repossession of collateral provided against the loans in case of default in agreed payments. The Company generally sells the asset repossessed to recover the underlying loan and does not use for internal operation. Any surplus funds are returned to the borrower and accordingly collateral repossessed are not recorded on the balance sheet and not treated as assets held for sale.

Write-off:

Loans are written off when there is no reasonable expectation of recovering in its entirety or a portion thereof. This is generally the case when the Company determines that the borrower does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off. This assessment is carried out at the individual asset level. Financial assets that are written off could still be subject to enforcement activities in order to comply with the Company's procedures for recovery of amounts due.

3.5.7 Derivatives

The Company enters into derivative transactions to manage its exposure to interest rate risk and foreign exchange rate risk. Derivatives are initially recognized at fair value on the date a derivative contract is entered into and are subsequently re-measured to their fair value at the end of each reporting period. The accounting for subsequent changes in fair value depends on whether the derivative is designated as a hedging instrument, and if so, the nature of the item being hedged.

The Company designates derivatives taken on External Commercial Borrowings (ECB) as Cashflow Hedges (hedges of a particular risk

associated with the cash flows of recognized assets and liabilities and highly probable forecast transactions).

The Company documents at the inception of the hedging transaction the relationship between hedging instruments and hedged items, as well as its risk management objective and strategy for undertaking various hedge transactions.

The Company also documents its assessment, both at hedge inception and on an ongoing basis, of whether the derivatives that are used in hedging transactions have been and will continue to be highly effective in offsetting changes in cash flows of hedged items.

The fair values of various derivative financial instruments used for hedging purposes are disclosed in Note 38. Movements in the hedging reserve in shareholders' equity are shown in Note 24.

The effective portion of changes in the fair value of derivatives that are designated and qualify as cash flow hedges is recognized in the "other comprehensive income". The gain or loss relating to the ineffective portion is recognized immediately in profit or loss.

When a hedging instrument expires, is sold, terminated, exercised, or when a hedge no longer meets the criteria for hedge accounting, any cumulative gain or loss recognised in OCI is subsequently transferred to the Statement of Profit and Loss on ultimate recognition of the underlying hedged forecast transaction. When a forecast transaction is no longer expected to occur, the cumulative gain or loss that was reported in OCI is immediately transferred to the Statement of Profit and Loss.

3.5.8 Offsetting financial instruments

Financial assets and liabilities are offset and the net amount is reported in the balance sheet where there is a legally enforceable right to offset the recognized amounts and there is an intention to settle on a net basis or realize the asset and settle the liability simultaneously.

3.6 Cash and cash equivalents

For the purpose of presentation in the statement of cash flows, Cash and Cash equivalents includes cash on hand, 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, and positive balance in bank cash credit. Bank cash credit with negative balances are shown within borrowings in the balance sheet.

(All amounts in ₹ crores, unless otherwise stated)

3.7 Taxation

The income tax expense or credit for the period is the tax payable on the current period's taxable income based on the applicable income tax rate adjusted by the changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses. The current income tax charge is calculated in accordance with the Income Tax Act, 1961 and the Income Computation and Disclosure Standards (ICDS) prescribed therein. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

- (i) Deferred income tax provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. However, deferred tax liabilities are not recognized if they arise from the initial recognition of goodwill. Deferred income tax is also not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting profit nor taxable profit or loss. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the end of the reporting period and are expected to apply when the related deferred income tax asset is realized or the deferred income tax liability is settled.
- (ii) Deferred tax assets are recognized only if it is probable that future taxable amounts will be available to utilize those temporary differences and losses.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realize the asset and settle the liability simultaneously.

Current and deferred tax is recognized in the Statement of Profit and Loss, except to the extent that it relates to items recognized in other

comprehensive income or directly in equity. In this case, the tax is also recognized in other comprehensive income or directly in equity, respectively.

A deferred tax asset is recognized for unclaimed tax credits that are carried forward as deferred tax assets.

3.8 Employee benefits

(a) Short term employee benefits

Liabilities for wages and salaries, including non-monetary benefits that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are recognized in respect of employees' services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled.

(b) Long term employee benefits

The liabilities for earned leave are not expected to be settled wholly within 12 months after the end of the period in which the employees render the related service. They are therefore measured as the present value of the expected future payments to be made in respect of services provided by employee up to the end of reporting period using the projected unit credit method. The benefits are discounted using the market yields at the end of the reporting period that have terms approximating to the terms of the related obligation. Re-measurements as a result of experience adjustments and changes in actuarial assumptions are recognized in profit or loss.

(c) Post-employment obligation:

The Company operates the following post-employment schemes:

- Defined benefit plans such as gratuity for its eligible employees, pension plan for its senior managers; and
- Defined contribution plans such as provident fund.

(i) Pension and gratuity obligation:

The liability or asset recognized in the balance sheet in respect of defined benefit pension and gratuity plan is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets. The defined benefit obligation is calculated annually by actuaries using the projected unit credit method.

The present value of the defined benefit obligation denominated in INR is determined by

(All amounts in ₹ crores, unless otherwise stated)

discounting the estimated future cash outflows by reference to market yields at the end of the reporting period on the government bonds that have terms approximating to the terms of the related obligation.

The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets. This cost is included in employee benefit expense in the Statement of Profit and Loss.

Re-measurement gains and losses arising from experience adjustments and changes in actuarial assumptions are recognized in the period in which they occur, directly in other comprehensive income. They are included in retained earnings in the Statement of Changes in Equity and in the balance sheet.

Changes in the present value of the defined benefit obligation resulting from plan amendments or curtailments are recognized immediately in profit or loss as past service cost.

(ii) Provident fund:

Contributions to Provident Fund made to Regional Provident Fund Commissioner in respect of Employees' Provident Fund based on the statutory provisions are charged to Statement of Profit and Loss on accrual basis.

(d) Share based payment

The Company operates an equity settled share-based payment arrangement for its employees. The Company determines the fair value of the employee stock options on the grant date using the Black Scholes model. The total cost of the share option is accounted for on a straight-line basis over the vesting period of the grant. The cost attributable to the services rendered by employees is recognised as employee benefits expenses in the Statement of Profit and Loss.

(e) Other employee benefits

The Company contributes to Employees State Insurance Scheme and recognizes such contribution as an expense in the Statement of Profit and Loss in the period when services are rendered by the employees.

3.9 Functional currency

3.9.1 Functional and presentation currencies:

Items included in the financial statements are measured using the currency of the primary economic environment in which the Company operates ('the functional currency'). i.e., in

Indian rupees (INR) and all values are rounded off to nearest lakhs except where otherwise indicated.

3.9.2 Transactions and balances:

- Foreign currency transactions are translated into functional currency using exchange rates at the date of transaction.
- Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at year end exchange rates are generally recognized in profit or loss.

3.10 Borrowing cost

Borrowing costs are expensed in the period in which they are incurred.

3.11 Cash flow statement

Cash flows are reported using the indirect method, whereby profit / (loss) before tax is adjusted for the effects of the transactions of non-cash nature as permitted by Ind AS 7.

3.12 Earnings per share

In accordance with Ind AS 33 the basic earnings per share is computed by dividing the net profit / loss attributable to the equity shareholders for the period by the weighted average number of equity shares outstanding during the reporting period. The number of shares used in computing diluted earnings per share comprises the weighted average number of shares considered for deriving earnings per share, and also the weighted average number of equity shares, which could have been issued on the conversion of all dilutive potential shares. In computing diluted earnings per share, only potential equity shares that are dilutive and that reduce profit per share are included.

3.13 Impairment of non-financial assets

Assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognized for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or groups of assets (cash-generating

(All amounts in ₹ crores, unless otherwise stated)

units). Non-financial assets other than goodwill that suffered impairment are reviewed for possible reversal of the impairment at the end of each reporting period.

3.14 Lease

The Company evaluates each contract or arrangement, whether it qualifies as lease as defined under Ind AS 116. The Company as a lessee, assesses, whether the contract is, or contains a lease. A contract is, or contains a lease if the contract involves:-

- (a) the use of an identified asset,
- (b) the right to obtain substantially all the economic benefits from use of the identified asset,
- (c) the right to direct the use of the identified asset.

The Company at the inception of the lease contract recognizes a Right-of-Use (RoU) asset at cost and corresponding lease liability, except for leases with term of less than twelve months (short term) and low-value assets.

The cost of the right-of-use assets comprises the amount of the initial measurement of the lease liability, any lease payments made at or before the inception date of the lease plus any initial direct costs, less any lease incentives received. Subsequently, the right-of-use assets are measured at cost less any accumulated depreciation and accumulated impairment losses, if any. The right-of-use assets are depreciated using the straight-line method from the commencement date over the shorter of lease term or useful life of right-of-use assets.

For lease liabilities at inception, the Company measures the lease liability at the present value of the lease payments that are not paid at that date.

The lease payments are discounted using the incremental borrowing rate.

For short-term leases and low value assets (assets of less than INR 500,000 in value) the Company recognizes the lease payments as an operating expense on a straight-line basis over the lease term.

Lease payments have been classified as Cash flow used in financing activities.

3.15 Segment reporting

There is no separate reportable segment as per Ind AS 108 on 'Operating Segments' in respect of the Company.

3.16 Provisions

A provision is recorded when the Company has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation and the amount can be reasonably estimated.

3.17 Contingent liabilities

Wherever there is a possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity or a present obligation that arises from past events but is not recognized because (a) it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation; or (b) the amount of the obligation cannot be measured with sufficient reliability are considered as contingent liabilities. Show cause notices are not considered as Contingent Liabilities unless converted into demand.

3.18 Equity

Equity shares are classified as equity. Distributions to holders of an equity instrument are recognized by the entity directly in equity. Transaction costs of an equity transaction shall be accounted for as a deduction from equity.

(All amounts in ₹ crores, unless otherwise stated)

NOTE 4 Cash and cash equivalents

S No	Description	As at 31 st March 2026	As at 31 st March 2025
a)	Cash on hand*	0.49	0.33
b)	Balances with banks		
	-Current accounts	3,327.01	3,589.99
	Total	3,327.50	3,590.32

* Includes cash collected from borrowers as on Balance Sheet date subsequently deposited with bank.

NOTE 5 Bank balance other than cash and cash equivalents*

S.No.	Description	As at 31 st March 2026	As at 31 st March 2025
a)	Balances with banks to the extent held as margin money or security against borrowings, guarantees, other commitments	0.21	5.95
	Total	0.21	5.95

* Balance maintained in fixed deposits with original maturity more than 3 months as cash collateral towards cash credit (CC) facilities.

NOTE 6 Derivative financial instruments

S.No.	Description	As at 31 st March 2026		
		Notional amounts	Fair value - Assets	Fair value - Liabilities
a)	Part I - Currency derivatives- Cross currency interest rate swaps	854.83	103.43	-
	Part II - Derivatives included in above are derivatives held for hedging and risk management purposes as cash flow hedges	854.83	103.43	-
	Total	854.83	103.43	-

S.No.	Description	As at 31 st March 2025		
		Notional amounts	Fair value - Assets	Fair value - Liabilities
a)	Part I - Currency derivatives- Cross currency interest rate swaps	300.13	-	2.24
	Part II - Derivatives included in above are derivatives held for hedging and risk management purposes as cash flow hedges	300.13	-	2.24
	Total	300.13	-	2.24

The Company does not undertake derivative transactions for trading purposes.

During the financial year, the Company entered into derivative contracts (cross-currency interest rate swaps) solely for hedging foreign exchange and interest rate exposures arising from its External Commercial Borrowings (ECBs). In line with the Company's Asset Liability Management Policy approved by Board, all foreign currency borrowings are fully hedged at the time of drawdown and remain fully hedged until repayment. The front office and back-office role is defined and segregated. All the derivatives transactions is quarterly monitored and reviewed.

The notional amount for CCIRS represents underlying foreign currency borrowings for which the Company has entered to hedge the variable interest rate and foreign exchange risks. Refer Note 38 for foreign currency risk management and interest rate sensitivity on derivative financial instruments respectively.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2026



(All amounts in ₹ crores, unless otherwise stated)

NOTE 7 Trade receivables

S.No.	Particulars	As at 31 st March 2026	As at 31 st March 2025
(i)	Receivables considered good - secured	-	-
(ii)	Receivables considered good - unsecured*	214.66	141.25
(iii)	Receivables which have significant increase in credit risk	-	-
(iv)	Receivables - credit impaired	0.98	1.73
	Total (A)	215.64	142.98
	Less: Allowance for impairment loss (B)	0.98	1.73
	Net (C) = (A-B)	214.66	141.25

Notes:

1 *Includes dues from related parties (Refer note 41)

2 There are no dues by Directors or other officers of the Company or any of them either severally or jointly with any other person or debts due by firms or private companies respectively in which any director is a partner or a director or a member.

NOTE 7.1 Trade receivables (Ageing schedule)

S No.	Particulars	Unbilled	Outstanding for following periods from date of transaction as at 31 st March 2026					Total
			Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	
(i)	Undisputed trade receivables – considered good	138.90	75.76	-	-	-	-	214.66
(ii)	Undisputed trade receivables – which have significant increase in credit risk	-	-	-	-	-	-	-
(iii)	Undisputed trade receivables – credit impaired	-	-	0.75	0.23	-	-	0.98
(iv)	Disputed trade receivables–considered good	-	-	-	-	-	-	-
(v)	Disputed trade receivables – which have significant increase in credit risk	-	-	-	-	-	-	-
(vi)	Disputed trade receivables – credit impaired	-	-	-	-	-	-	-
	Total (A)	138.90	75.76	0.75	0.23	-	-	215.64
	Less: Allowance for impairment loss (B)	-	-	0.75	0.23	-	-	0.98
	Net (C) = (A-B)	138.90	75.76	-	-	-	-	214.66

S No.	Particulars	Unbilled	Outstanding for following periods from date of transaction as at 31 st March 2025					Total
			Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	
(i)	Undisputed trade receivables – considered good	61.09	80.16	-	-	-	-	141.25
(ii)	Undisputed trade receivables – which have significant increase in credit risk	-	-	-	-	-	-	-
(iii)	Undisputed trade receivables – credit impaired	-	-	1.60	0.13	-	-	1.73
(iv)	Disputed trade receivables–considered good	-	-	-	-	-	-	-
(v)	Disputed trade receivables – which have significant increase in credit risk	-	-	-	-	-	-	-
(vi)	Disputed trade receivables – credit impaired	-	-	-	-	-	-	-
	Total (A)	61.09	80.16	1.60	0.13	-	-	142.98
	Less: Allowance for impairment loss (B)	-	-	1.60	0.13	-	-	1.73
	Net (C) = (A-B)	61.09	80.16	-	-	-	-	141.25

(All amounts in ₹ crores, unless otherwise stated)

NOTE 8 Loans

S No	Description	As at 31 st March 2026	As at 31 st March 2025
		Amortised Cost	
(A)	Term loans		
	i) Automobile financing	19,055.84	18,130.65
	ii) Consumer lending	11,559.30	8,428.23
	iii) Small business lending	600.87	620.54
	Total loans - Gross	31,216.01	27,179.42
	Less: Impairment loss allowance	930.54	880.58
	Total loans - Net	30,285.47	26,298.84
(B)	Nature		
	a) Secured by tangible assets	25,377.17	21,918.72
	b) Unsecured loans	5,838.84	5,260.70
	c) Total loans - Gross (a) + (b)	31,216.01	27,179.42
	d) Less: Impairment loss allowance	930.54	880.58
e)	Total loans - Net (c) - (d)	30,285.47	26,298.84
i)	Loans in India		
	Public sector	-	-
	Others	31,216.01	27,179.42
	Total loans - Gross	31,216.01	27,179.42
	Less: Impairment loss allowance	930.54	880.58
	Total loans- Net	30,285.47	26,298.84
ii)	Loans outside India	-	-
iii)	Total Loans (i) +(ii)	30,285.47	26,298.84

- Secured indicates loans secured, wholly or partly, by way of hypothecation of automobile assets and / or equitable mortgage of property and / or equipment.
- The stock of loan (automobile finance) includes 3,380 nos repossessed vehicles as at Balance Sheet date. (31st March 2025: 6,266 nos).
- The term loans include loans given to related parties (refer note 41) and these loans which have been granted to related parties are specified with terms or period of repayment. These loans have been classified under Stage 1 category at the various reporting periods and related impairment provision as per the Company's accounting policy has been created.
- No loans and advances in the nature of loans are granted to promoters, directors, KMPs that are repayable on demand or without specifying any terms or period of repayment.
- Gold loans constitute 0.37% of the total assets of the Company as at 31st March 2026 (31st March 2025: 0.07%).
- Refer note 43 for additional disclosures.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2026



(All amounts in ₹ crores, unless otherwise stated)

NOTE 9 Investments

S No	Description	As at 31 st March 2026	As at 31 st March 2025
A	At cost:		
a)	Investment in equity instruments of subsidiaries:		
i)	TVS Housing Finance Private Limited (1,20,00,000 (31 st March 2025: 1,20,00,000) shares of Rs. 10 each fully paid up)	12.00	12.00
ii)	Harita Two Wheeler Mall Private Ltd (2,500 (31 st March 2025: 2,500) shares of Rs. 10 each fully paid up)*	0.00	0.00
iii)	Harita ARC Private Limited (2,500 (31 st March 2025: 2,500) shares of Rs. 10 each fully paid up)*	0.00	0.00
B	At amortised cost:		
a)	Investment in Government securities	288.98	282.12
C	At fair value through other comprehensive income:		
a)	Investment in Alternative instrument fund:		
	80,000 units of Eight Innovate fund II (31 st March 2025: 60,000)	12.14	5.38
b)	Investment in Compulsory convertible debentures		
	25 (31 st March 2025 : 25) 0.001% compulsorily convertible debentures of Rs.1,00,000 each in Hyper Grocers Private Limited	0.25	0.25
	Total – Gross (A)	313.37	299.75
	(i) Investments outside India	-	-
	(ii) Investments in India	313.37	299.75
	Total	313.37	299.75
	Less: Allowance for impairment loss (B)	-	-
	Total - Net = (A) - (B)	313.37	299.75

* Represents amount less than rounding off norm adopted by the company

NOTE 10 Other financial assets

S No	Description	As at 31 st March 2026	As at 31 st March 2025
	Unsecured - considered good		
	At amortised cost		
a)	Employees related receivables	17.65	18.06
b)	Security deposit for leased premises	15.51	13.29
c)	Other financial assets - Related parties *	3.03	2.70
d)	Other financial assets - Non related parties	5.34	5.34
e)	Deposit with service providers	2.39	2.12
	Total - Gross	43.92	41.50
	Less: Impairment loss allowance	14.36	13.22
	Total - Net	29.56	28.28

*Includes dues from related parties (Refer note 41)

(All amounts in ₹ crores, unless otherwise stated)

NOTE 11 Current tax assets (Net)

S No	Description	As at 31 st March 2026	As at 31 st March 2025
a)	Opening balance	11.03	19.80
b)	Add: Taxes paid	397.66	315.03
c)	Less: Taxes payable	(400.49)	(323.80)
	Total - Net	8.20	11.03

NOTE 12 Movement in Deferred tax asset /(liability)

S. No	Description	Balance as at 31 st March 2024	Recognised in profit and loss	Recognised in OCI	Balance as at 31 st March 2025	Recognised in profit and loss	Recognised in OCI	Balance as at 31 st March 2026
a)	Deferred tax asset							
	Remeasurement of defined benefit plans	18.04	(5.72)	2.68	15.00	0.90	2.72	18.62
	Expected credit loss	205.61	16.90	-	222.51	10.19	-	232.70
	Property, plant and equipment and intangible assets	4.88	1.43	-	6.31	(0.88)	-	5.43
	Right-to-use assets	1.20	0.22	-	1.42	0.39	-	1.81
	Impact of effective interest rate adjustment on financial assets/ liabilities	66.79	35.84	-	102.63	60.67	-	163.30
	Other temporary differences	43.42	16.78	-	60.20	4.07	-	64.27
	Deferred tax assets (a)	339.94	65.45	2.68	408.07	75.34	2.72	486.13
b)	Deferred tax liabilities							
	Fair value on equity instruments designated under FVOCI	-	(0.16)	-	(0.16)	-	1.20	1.05
	Cash flow hedge reserve	1.98	-	(2.39)	(0.41)	-	3.48	3.07
	Deferred tax liabilities (b)	1.98	(0.16)	(2.39)	(0.57)	-	4.68	4.12
c)	Deferred tax assets/ (liabilities), Net (a-b)	337.96	65.61	5.07	408.64	75.34	(1.96)	482.01

(All amounts in ₹ crores, unless otherwise stated)

NOTE 13 Investment property

Description	Land
As at 31st March 2026	
Gross carrying amount as at 1st April 2025	85.16
Additions	-
Sub-total	85.16
Disposals	-
Closing gross carrying amount (A)	85.16
Depreciation and amortisation	
Opening accumulated depreciation	-
Depreciation for the year	1.58
Sub-total	1.58
Disposals	-
Closing accumulated depreciation and amortisation(B)	1.58
Net carrying value as at 31st March 2026 (A)-(B)	83.58
Net carrying value as at 31st March 2025	85.16

Description	Land
As at 31st March 2025	
Gross carrying amount as at 1st April 2024	85.16
Additions	-
Sub-total	85.16
Disposals	-
Closing gross carrying amount (A)	85.16
Depreciation and amortisation	
Opening accumulated depreciation	-
Depreciation for the year	-
Sub-total	-
Disposals	-
Closing accumulated depreciation and amortisation(B)	-
Net carrying value as at 31st March 2025 (A)-(B)	85.16

(i) Fair value

Description	As at 31 st March 2026	As at 31 st March 2025
Investment property	443.22	422.11

- a) The fair value of the investment property is based on the independent valuation obtained by the Company.
b) The title deed of the investment property is in the name of the Company.

(ii) Sensitivity analysis

Particulars	Significant unobservable inputs	Range (Weighted Avg)	Sensitivity of the input to fair value	Fair Value (Rs. In crore)	Sensitivity (Rs. In crore)
As at 31st March 2026	Per/Acre	16,17,00,000 per acre	5%	16.17	16.98
As at 31st March 2025	Per/Acre	15,40,00,000 per acre	5%	15.40	16.17

(All amounts in ₹ crores, unless otherwise stated)

NOTE 14A Property, plant and equipment and intangible assets

Description	Property, plant and equipment								Right-to-use asset	Other intangible assets (Computer software)*
	Computers	Furniture & fixtures	Office equipments	Vehicles	Leasehold improvements	Building	Land	Total		
As at 31st March 2026										
Gross carrying amount as at 1st April 2025	70.90	24.18	29.34	1.49	6.00	-	-	131.91	122.44	21.80
Additions and adjustments on account of modification	17.38	3.10	9.86	0.05	7.98	5.39	8.45	52.21	28.84	50.26
Adjustment due to revaluation and acquisitions through business combinations	-	-	-	-	-	-	-	-	-	-
Sub-total	88.28	27.28	39.20	1.54	13.98	5.39	8.45	184.12	151.28	72.06
Disposals	6.92	0.46	1.06	-	-	-	-	8.45	-	-
Closing gross carrying amount (A)	81.36	26.82	38.14	1.54	13.98	5.39	8.45	175.67	151.28	72.06
Depreciation and amortisation										
Opening accumulated depreciation	53.09	14.22	18.26	0.48	0.78	-	-	86.84	57.25	19.27
Depreciation/amortisation charge for the year	14.63	2.56	5.36	0.19	2.26	0.07	-	25.06	23.70	5.78
Sub-total	67.72	16.78	23.62	0.67	3.04	0.07	-	111.90	80.95	25.05
Disposals	6.93	0.43	1.01	-	-	-	-	8.37	-	-
Closing accumulated depreciation and amortisation (B)	60.79	16.35	22.61	0.67	3.04	0.07	-	103.53	80.95	25.05
Net carrying value as at 31st March 2026(A)-(B)	20.57	10.47	15.53	0.87	10.94	5.32	8.45	72.14	70.33	47.00
Net carrying value as at 31st March 2025	17.81	9.96	11.08	1.01	5.22	-	-	45.07	65.19	2.53

* Intangible assets included in the above schedule represent assets acquired/purchased during the year

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2026



(All amounts in ₹ crores, unless otherwise stated)

NOTE 14A Property, plant and equipment and intangible assets (Cont.)

Description	Property, plant and equipment								Right-to-use asset	Other intangible assets (Computer software)*
	Computers	Furniture & fixtures	Office equipments	Vehicles	Leasehold improvements	Building	Land	Total		
As at 31st March 2025										
Gross carrying amount as at 1st April 2024	59.16	20.79	18.64	1.49	-	-	-	100.08	62.96	20.51
Additions and adjustments on account of modification	12.00	3.58	11.25	-	6.00	-	-	32.83	59.48	1.29
Adjustment due to revaluation and acquisitions through business combinations	-	-	-	-	-	-	-	-	-	-
Sub-total	71.16	24.37	29.89	1.49	6.00	-	-	132.91	122.44	21.80
Disposals	0.26	0.19	0.55	-	-	-	-	1.00	-	-
Closing gross carrying amount (A)	70.90	24.18	29.34	1.49	6.00	-	-	131.92	122.44	21.80
Depreciation and amortisation										
Opening accumulated depreciation	38.63	11.81	13.44	0.29	-	-	-	64.16	36.38	17.57
Depreciation/amortisation charge for the year	14.72	2.59	5.35	0.19	0.78	-	-	23.63	20.87	1.70
Sub-total	53.34	14.40	18.79	0.48	0.78	-	-	87.79	57.25	19.27
Disposals	0.25	0.18	0.53	-	-	-	-	0.96	-	-
Closing accumulated depreciation and amortisation (B)	53.09	14.22	18.26	0.48	0.78	-	-	86.84	57.25	19.27
Net carrying value as at 31st March 2025 (A)-(B)	17.81	9.96	11.08	1.01	5.21	-	-	45.07	65.19	2.53

* Intangible assets included in the above schedule represent assets acquired/purchased during the year

(a) The Company follows cost model as per Ind AS 16 and the Company has not carried out any revaluation of property, plant and equipment (including Right-to-use asset) during the year ended 31st March, 2026 and year ended 31st March, 2025.

(b) The title deeds of immovable property (other than properties where the Company is the lessee and the lease agreements are duly executed in favour of lessee) are held in the name of the Company.

NOTE 14B Capital work-in-progress and intangible assets under development

The Company discloses property, plant and equipment that are not ready for use as capital work-in-progress. These are carried at cost, comprising direct cost and related incidental expenses. Intangible assets not ready for their intended use on the date of Balance Sheet are disclosed as 'Intangible assets under development'.

Capital work-in-progress

Particulars	As at 31 st March 2026	As at 31 st March 2025
Opening Balance	2.40	2.73
Additions	10.29	6.93
Deductions	(12.06)	(7.26)
Closing Balance	0.63	2.40

Ageing for capital work-in-progress

As at	Amount in CWIP for a period of				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
31st March 2026	0.63	-	-	-	0.63
31st March 2025	2.40	-	-	-	2.40

The Company does not have any project temporarily suspended or any CWIP which is overdue or has exceeded its cost compared to its original plan and hence CWIP completion schedule is not applicable.

(All amounts in ₹ crores, unless otherwise stated)

Intangible Assets Under Development (ITUD)

Particulars	As at 31 st March 2026	As at 31 st March 2025
Opening Balance	10.96	3.18
Additions	3.85	8.32
Deductions	(12.91)	(0.54)
Closing Balance	1.90	10.96

Ageing for intangible assets under development

As at	Amount in ITUD for a period of				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
31 st March 2026	1.90	-	-	-	1.90
31 st March 2025	8.04	2.92	-	-	10.96

The Company does not have any project temporarily suspended or any intangible asset under development which is overdue or has exceeded its cost compared to its original plan and hence intangible asset under development completion schedule is not applicable.

NOTE 15 Other non-financial assets

S No	Description	As at 31 st March 2026	As at 31 st March 2025
a)	Advances to dealers	0.18	0.17
b)	Prepaid expenses	20.92	33.00
c)	Vendor advances	4.40	12.93
d)	Balances with GST/ Service tax department	1.68	1.59
e)	Amount paid under protest	0.92	0.64
	Total	28.10	48.33

Impairment loss allowance recognised on other non-financial assets is Nil (31st March 2025: Nil).

NOTE 16 Trade payables

S No	Description	As at 31 st March 2026	As at 31 st March 2025
(a)	Total outstanding dues of micro enterprises and small enterprises	29.60	26.08
(b)	Total outstanding dues of creditors other than micro enterprises and small enterprises	979.89	1,061.22
	Total	1,009.49	1,087.30

(All amounts in ₹ crores, unless otherwise stated)

16.1 Trade payables (Ageing Schedule)

The following schedules reflect ageing of trade payables with respect to the date of transaction

S No	Description	Outstanding for following periods from date of transaction as at 31 st March 2026				
		<1 Year	1-2 years	2-3 years	>3 years	Total
	Undisputed:					
(i)	MSME	29.60	-	-	-	29.60
(ii)	Others	979.89	-	-	-	979.89
	Disputed:					
(i)	MSME	-	-	-	-	-
(ii)	Others	-	-	-	-	-
	Total	1,009.49	-	-	-	1,009.49

S No	Description	Outstanding for following periods from date of transaction as at 31 st March 2025				
		<1 Year	1-2 years	2-3 years	>3 years	Total
	Undisputed:					
(i)	MSME	26.08	-	-	-	26.08
(ii)	Others	1,061.05	0.09	0.08	-	1,061.22
	Disputed:					
(i)	MSME	-	-	-	-	-
(ii)	Others	-	-	-	-	-
	Total	1,087.13	0.09	0.08	-	1,087.30

Notes:

- Includes dues to related parties (Refer note 41)
- Dues to micro, medium and small enterprises have been determined to the extent such parties have been identified on the basis of information received by the management. The entire closing balance represents the principal amount payable to these enterprises. There are no interests due or outstanding on the same in terms of Section 16 of the Micro, Small and Medium Enterprises Development Act, 2006.

16.2 Disclosure under Micro, Small and Medium Enterprises Development Act, 2006

Under Micro, Small and Medium Enterprises Development Act, 2006, (MSMED) certain disclosures are required to be made relating to micro, medium and small enterprises. Based on and to the extent of the information received by the Company from the suppliers during the year regarding their status under the Micro, Small and Medium Enterprises Development Act, 2006 (MSMED Act), the relevant particulars are furnished below:

Particulars	As at 31 st March 2026	As at 31 st March 2025
Principal amount due to suppliers under MSMED Act, as at the year end (since paid)	29.60	26.08
Interest accrued and due to suppliers under MSMED Act, on the above amount as at the year end	-	-
Payment made to suppliers (other than interest) beyond the appointed day, during the year	-	-
Interest paid to suppliers under MSMED Act (Section 16)	-	-
Interest due and payable to suppliers under MSMED Act, for payments already made	-	-
Interest accrued and remaining unpaid at the year end to suppliers under MSMED Act (since paid)	-	-

(All amounts in ₹ crores, unless otherwise stated)

NOTE 17 Debt securities

Description	As at 31 st March 2026	As at 31 st March 2025
At amortised cost:		
Commercial paper (Unsecured)	398.27	-
Non convertible debentures (Secured)	2,911.59	2,625.39
Total (A)	3,309.86	2,625.39
Debt securities in India	3,309.86	2,625.39
Debt securities outside India	-	-
Total (B)	3,309.86	2,625.39

NOTE 18 Borrowings (Other than debt securities)

Description	As at 31 st March 2026	As at 31 st March 2025
At amortised cost:		
(a) Term loans (Secured)		
i) from banks	15,879.42	16,757.81
ii) from other parties	523.91	943.06
iii) External commercial borrowings	948.88	299.22
(b) Loans repayable on demand		
i) cash credit from banks (secured)	-	0.03
ii) working capital demand loan (secured)	4,735.84	1,792.35
Total (A)	22,088.05	19,792.47
Borrowings in India	21,139.17	19,493.25
Borrowings outside India	948.88	299.22
Total (B)	22,088.05	19,792.47

Period and amount of default: NIL (31st March 2025: NIL)

NOTE 19 Subordinated liabilities

Description	As at 31 st March 2026	As at 31 st March 2025
At amortised cost-Unsecured		
(a) Perpetual debt instruments to the extent that do not qualify as equity	103.58	103.57
(b) Other subordinated liabilities		
From banks	-	-
From others	2,166.38	2,165.74
Total (A)	2,269.96	2,269.31
Subordinated liabilities in India	2,269.96	2,269.31
Subordinated liabilities outside India	-	-
Total (B)	2,269.96	2,269.31

Period and amount of default: NIL (31st March 2025: NIL)

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2026



(All amounts in ₹ crores, unless otherwise stated)

- Refer Annexure for the terms of the debt securities, borrowings and subordinated liabilities.
- The Company has utilised the borrowed funds for the purposes for which the fund is obtained.
- The Company has not been declared willful defaulter by any Bank, financial Institution or other lender.
- There are no charges or satisfaction yet to be registered with ROC beyond the statutory time period.
- Change in liabilities arising from financing activities

Particulars	As at 1 st April 2025	Cash flows	Exchange differences	Other*	As at 31 st March 2026
Debt securities	2,625.39	675.00	-	9.47	3,309.86
Borrowings other than debt securities	19,792.47	2,211.69	91.43	(7.55)	22,088.05
Subordinated liabilities	2,269.31	-	-	0.66	2,269.96
Total	24,687.17	2,886.69	91.43	2.58	27,667.87

Particulars	As at 1 st April 2024	Cash flows	Exchange differences	Other*	As at 31 st March 2025
Debt securities	1,510.99	1,100.00	-	14.40	2,625.39
Borrowings other than debt securities	19,043.77	821.98	(82.64)	9.36	19,792.47
Subordinated liabilities	2,212.96	50.00	-	6.34	2,269.31
Total	22,767.72	1,971.98	(82.64)	30.10	24,687.17

- * (i) Other column represents the amortisation of processing fees and movement in interest accrued but not due
(ii) Liabilities represents Debt securities, borrowings (Other than debt securities) and subordinated liabilities

Annexure

Institution	Amount Outstanding as on 31 st March 2026	Type of Security	Interest Rate	Total Installment	No of installments remaining	Frequency	Repayable from	Repayable to
Debt Securities								
Commercial Paper	199.29	Unsecured	6.55%	1	1	Bullet	21/04/2026	21/04/2026
Commercial Paper	198.97	Unsecured	6.60%	1	1	Bullet	30/04/2026	30/04/2026
Non Convertible Debentures	236.21	Secured	7.15%	1	1	Bullet	26/06/2026	26/06/2026
Non Convertible Debentures	516.08	Secured	8.35%	2	2	Bullet	29/10/2026	29/10/2027
Non Convertible Debentures	534.77	Secured	8.25%	2	2	Bullet	31/12/2026	31/12/2027
Non Convertible Debentures	502.95	Secured	8.25%	3	3	Bullet	03/03/2027	03/03/2028
Non Convertible Debentures	578.28	Secured	7.50%	3	3	Bullet	26/04/2028	27/06/2028
Non Convertible Debentures	543.31	Secured	7.55%	3	3	Bullet	19/07/2028	19/09/2028
	3,309.86							
Loan repayable on demand	4,735.84	Secured	6.35% to 7.32%				Repayable on demand	
	4,735.84							
Term Loan								
Bank	39.75	Secured	6.83%	15	6	Quarterly	31/03/2024	01/10/2027
Bank	120.00	Secured	6.83%	15	6	Quarterly	31/03/2024	01/10/2027
Bank	120.00	Secured	6.83%	15	6	Quarterly	31/03/2024	01/10/2027
Bank	40.00	Secured	6.83%	15	6	Quarterly	31/03/2024	01/10/2027

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2026



(All amounts in ₹ crores, unless otherwise stated)

Institution	Amount Outstanding as on 31st March 2026	Type of Security	Interest Rate	Total Installment	No of installments remaining	Frequency	Repayable from	Repayable to
Bank	45.82	Secured	6.45%	39	18	Monthly	31/07/2024	30/09/2027
Bank	92.31	Secured	6.45%	39	18	Monthly	31/07/2024	30/09/2027
Bank	46.15	Secured	6.45%	39	18	Monthly	31/07/2024	30/09/2027
Bank	215.38	Secured	6.45%	39	21	Monthly	15/10/2024	15/12/2027
Bank	72.88	Secured	6.95%	15	11	Quarterly	30/06/2025	31/12/2028
Bank	146.67	Secured	6.95%	15	11	Quarterly	30/06/2025	31/12/2028
Bank	146.67	Secured	6.95%	15	11	Quarterly	30/06/2025	31/12/2028
Bank	230.51	Secured	5.30%	13	12	Quarterly	28/02/2026	28/02/2029
Bank	230.66	Secured	5.30%	13	12	Quarterly	31/03/2026	31/03/2029
Bank	249.80	Secured	5.30%	13	13	Quarterly	30/06/2026	30/06/2029
Bank	181.80	Secured	7.00%	11	4	Quarterly	01/10/2024	01/04/2027
Bank	131.26	Secured	7.80%	16	7	Quarterly	29/03/2024	29/12/2027
Bank	174.99	Secured	7.80%	12	6	Quarterly	30/12/2024	30/09/2027
Bank	75.02	Secured	7.80%	12	6	Quarterly	30/12/2024	30/09/2027
Bank	75.86	Secured	7.00%	21	15	Monthly	31/10/2025	30/06/2027
Bank	303.60	Secured	7.00%	21	15	Monthly	31/10/2025	30/06/2027
Bank	750.10	Secured	7.25%	36	36	Monthly	30/04/2026	31/03/2029
Bank	25.00	Secured	6.64%	6	1	Half Yearly	29/02/2024	31/08/2026
Bank	166.67	Secured	7.18%	6	5	Half Yearly	29/03/2026	29/09/2028
Bank	31.42	Secured	7.25%	12	1	Quarterly	30/06/2023	28/04/2026
Bank	176.69	Secured	7.10%	16	5	Quarterly	30/09/2023	29/06/2027
Bank	58.86	Secured	7.10%	16	5	Quarterly	30/09/2023	29/06/2027
Bank	144.86	Secured	7.10%	16	6	Quarterly	27/12/2023	26/09/2027
Bank	43.35	Secured	5.85%	16	6	Quarterly	27/12/2023	26/09/2027
Bank	125.59	Secured	7.15%	13	4	Quarterly	29/02/2024	01/03/2027
Bank	31.38	Secured	5.95%	13	4	Quarterly	26/03/2024	27/03/2027
Bank	70.60	Secured	5.47%	26	7	Monthly	30/06/2024	30/10/2026
Bank	154.27	Secured	5.47%	10	5	Quarterly	30/03/2025	30/06/2027
Bank	68.00	Secured	5.79%	27	10	Monthly	29/09/2024	30/01/2027
Bank	138.90	Secured	5.79%	11	6	Quarterly	29/03/2025	29/09/2027
Bank	92.74	Secured	5.97%	27	13	Monthly	30/12/2024	27/04/2027
Bank	162.33	Secured	5.97%	13	7	Quarterly	30/12/2024	27/12/2027
Bank	243.46	Secured	5.60%	13	9	Quarterly	31/05/2025	29/05/2028
Bank	87.53	Secured	5.60%	31	18	Monthly	31/03/2025	27/09/2027
Bank	85.01	Secured	5.55%	13	11	Quarterly	28/10/2025	28/10/2028
Bank	145.54	Secured	5.55%	29	21	Monthly	28/08/2025	28/12/2027
Bank	127.52	Secured	5.55%	13	11	Quarterly	05/11/2025	28/10/2028
Bank	38.11	Secured	5.55%	29	22	Monthly	05/09/2025	28/12/2027
Bank	85.05	Secured	5.55%	13	11	Quarterly	30/12/2025	30/12/2028
Bank	119.55	Secured	5.55%	29	23	Monthly	30/10/2025	29/02/2028
Bank	216.56	Secured	5.55%	29	25	Monthly	19/12/2025	17/04/2028
Bank	100.46	Secured	5.40%	13	13	Quarterly	27/05/2026	26/05/2029
Bank	145.51	Secured	5.40%	29	28	Monthly	27/03/2026	26/07/2028
Bank	249.99	Secured	7.00%	1	1	Bullet	30/06/2026	30/06/2026
Bank	299.95	Secured	7.10%	1	1	Bullet	26/09/2027	26/09/2027
Bank	349.71	Secured	7.00%	10	10	Quarterly	01/07/2026	01/10/2028
Bank	100.77	Secured	8.00%	10	5	Quarterly	29/03/2025	29/06/2027
Bank	352.60	Secured	7.90%	10	7	Quarterly	30/09/2025	30/12/2027
Bank	30.11	Secured	6.61%	10	2	Quarterly	29/04/2024	29/07/2026
Bank	20.07	Secured	6.61%	10	2	Quarterly	29/04/2024	29/07/2026
Bank	75.28	Secured	6.48%	10	3	Quarterly	20/07/2024	20/10/2026
Bank	92.33	Secured	6.68%	11	5	Quarterly	26/11/2024	26/05/2027
Bank	225.80	Secured	7.08%	10	9	Quarterly	24/01/2026	24/04/2028
Bank	38.46	Secured	5.85%	13	5	Quarterly	30/06/2024	30/06/2027
Bank	126.85	Secured	5.60%	13	11	Quarterly	17/10/2025	17/10/2028
Bank	112.50	Secured	6.55%	8	3	Quarterly	11/03/2025	08/12/2026
Bank	400.18	Secured	8.10%	1	1	Bullet	29/05/2026	29/05/2026

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2026



(All amounts in ₹ crores, unless otherwise stated)

Institution	Amount Outstanding as on 31st March 2026	Type of Security	Interest Rate	Total Installment	No of installments remaining	Frequency	Repayable from	Repayable to
Bank	350.14	Secured	7.12%	1	1	Bullet	21/05/2027	21/05/2027
Bank	350.14	Secured	7.13%	1	1	Bullet	14/07/2027	14/07/2027
Bank	300.12	Secured	7.09%	1	1	Bullet	26/08/2027	26/08/2027
Bank	16.65	Secured	7.80%	12	4	Quarterly	30/06/2024	31/03/2027
Bank	50.00	Secured	7.80%	12	4	Quarterly	30/06/2024	31/03/2027
Bank	49.99	Secured	7.95%	10	1	Quarterly	31/03/2024	30/06/2026
Bank	40.01	Secured	7.95%	10	2	Quarterly	30/04/2024	31/07/2026
Bank	10.00	Secured	7.95%	10	1	Quarterly	31/03/2024	30/06/2026
Bank	20.00	Secured	7.95%	10	1	Quarterly	31/03/2024	30/06/2026
Bank	125.00	Secured	7.95%	12	3	Quarterly	29/02/2024	30/11/2026
Bank	250.00	Secured	7.95%	12	6	Quarterly	31/12/2024	30/09/2027
Bank	145.87	Secured	7.95%	12	7	Quarterly	28/02/2025	30/11/2027
Bank	145.87	Secured	7.95%	12	7	Quarterly	31/03/2025	31/12/2027
Bank	551.72	Secured	7.95%	15	11	Quarterly	29/05/2025	29/11/2028
Bank	184.57	Secured	7.95%	15	11	Quarterly	29/05/2025	29/11/2028
Bank	738.28	Secured	7.95%	15	11	Quarterly	29/05/2025	29/11/2028
Bank	738.28	Secured	7.95%	15	11	Quarterly	29/05/2025	29/11/2028
Bank	999.73	Secured	6.76%	7	7	Monthly	27/06/2026	27/12/2026
Bank	33.41	Secured	6.73%	12	4	Quarterly	27/06/2024	27/03/2027
Bank	33.59	Secured	6.73%	12	4	Quarterly	27/06/2024	27/03/2027
Bank	33.59	Secured	6.73%	12	4	Quarterly	27/06/2024	27/03/2027
Bank	167.77	Secured	6.73%	12	4	Quarterly	27/06/2024	27/03/2027
Bank	67.11	Secured	6.73%	12	4	Quarterly	27/06/2024	27/03/2027
Bank	136.35	Secured	7.75%	11	5	Quarterly	26/12/2024	26/06/2027
Bank	163.67	Secured	7.75%	11	6	Quarterly	30/01/2025	30/07/2027
Bank	218.23	Secured	7.75%	11	6	Quarterly	28/02/2025	31/08/2027
Bank	318.18	Secured	7.05%	11	7	Quarterly	30/06/2025	31/12/2027
Bank	363.71	Secured	7.05%	11	8	Quarterly	30/09/2025	31/03/2028
Bank	428.61	Secured	7.00%	21	18	Monthly	31/01/2026	30/09/2027
Others	147.27	Secured	7.19%	43	21	Monthly	10/06/2024	10/12/2027
Others	167.40	Secured	7.24%	12	4	Quarterly	10/06/2024	10/03/2027
Others	209.25	Secured	6.90%	12	5	Quarterly	10/08/2024	10/05/2027
Bank-ECB	331.42	Secured	7.77%	1	1	Bullet	27/03/2028	27/03/2028
Bank-ECB	285.62	Secured	7.50%	1	1	Bullet	15/05/2028	15/05/2028
Bank-ECB	331.84	Secured	7.59%	1	1	Bullet	19/06/2028	19/06/2028
	17,352.21							
Subordinated Liabilities								
Perpetual Debt	103.58	Unsecured	11.50%	1	1	Bullet	24/11/2027	24/11/2027
Other Subordinated Liabilities:								
Others	154.11	Unsecured	9.40%	1	1	Bullet	10/06/2026	10/06/2026
Others	151.14	Unsecured	9.40%	1	1	Bullet	26/08/2026	26/08/2026
Others	101.82	Unsecured	8.85%	1	1	Bullet	02/06/2027	02/06/2027
Others	359.29	Unsecured	8.85%	1	1	Bullet	11/06/2027	11/06/2027
Others	101.45	Unsecured	9.50%	1	1	Bullet	18/01/2028	18/01/2028
Others	324.77	Unsecured	9.50%	1	1	Bullet	31/01/2028	31/01/2028
Others	201.84	Unsecured	9.35%	1	1	Bullet	29/08/2028	29/08/2028
Others	512.18	Unsecured	9.30%	1	1	Bullet	27/06/2029	27/06/2029
Others	157.56	Unsecured	9.38%	1	1	Bullet	24/04/2030	24/04/2030
Others	102.22	Unsecured	10.00%	1	1	Bullet	01/07/2026	01/07/2026
Total	2,166.38							
Subordinated Liabilities Total	2,269.96							

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2026



(All amounts in ₹ crores, unless otherwise stated)

Institution	Amount Outstanding as on 31st March 2025	Type of Security	Interest Rate	Total Installment	No of installments remaining	Frequency	Repayable from	Repayable to
Debt Securities								
Non convertible debentures	833.78	Secured	8.30%	2	2	Bullet	14/08/2025	12/09/2025
Non convertible debentures	237.83	Secured	8.15%	1	1	Bullet	26/06/2026	26/06/2026
Non convertible debentures	516.09	Secured	8.35%	2	2	Bullet	29/10/2026	29/10/2027
Non convertible debentures	534.75	Secured	8.25%	2	2	Bullet	31/12/2026	31/12/2027
Non convertible debentures	502.94	Secured	8.25%	3	3	Bullet	03/03/2027	03/03/2028
	2,625.39							
Loan repayable on demand	1,792.38	Secured	7.50% - 7.82%	Repayable on demand				
	1,792.38							
Term Loan								
Bank	66.26	Secured	7.74%	15	10	Quarterly	31/03/2024	01/10/2027
Bank	200.00	Secured	7.74%	15	10	Quarterly	31/03/2024	01/10/2027
Bank	200.00	Secured	7.74%	15	10	Quarterly	31/03/2024	01/10/2027
Bank	66.67	Secured	7.74%	15	10	Quarterly	31/03/2024	01/10/2027
Bank	59.67	Secured	7.59%	10	3	Quarterly	30/09/2023	31/12/2025
Bank	90.00	Secured	7.59%	10	3	Quarterly	30/09/2023	31/12/2025
Bank	60.00	Secured	7.59%	10	3	Quarterly	30/09/2023	31/12/2025
Bank	99.99	Secured	7.00%	10	2	Quarterly	30/04/2023	30/07/2025
Bank	99.38	Secured	7.95%	15	15	Quarterly	30/06/2025	31/12/2028
Bank	76.92	Secured	7.45%	39	30	Monthly	31/07/2024	30/09/2027
Bank	153.85	Secured	7.45%	39	30	Monthly	31/07/2024	30/09/2027
Bank	76.92	Secured	7.45%	39	30	Monthly	31/07/2024	30/09/2027
Bank	337.91	Secured	7.45%	39	33	Monthly	15/10/2024	15/12/2027
Bank	411.93	Secured	8.25%	11	9	Quarterly	01/10/2024	01/04/2027
Bank	206.28	Secured	8.35%	16	11	Quarterly	29/03/2024	29/12/2027
Bank	291.73	Secured	8.35%	12	10	Quarterly	30/12/2024	30/09/2027
Bank	124.95	Secured	8.35%	12	10	Quarterly	30/12/2024	30/09/2027
Bank	75.00	Secured	7.87%	6	3	Half Yearly	29/02/2024	31/08/2026
Bank	72.33	Secured	7.10%	16	10	Quarterly	27/12/2023	26/09/2027
Bank	62.84	Secured	7.25%	13	8	Quarterly	26/03/2024	27/03/2027
Bank	278.05	Secured	6.39%	10	9	Quarterly	30/03/2025	30/06/2027
Bank	219.44	Secured	6.39%	26	19	Monthly	30/06/2024	30/10/2026
Bank	232.19	Secured	6.71%	11	10	Quarterly	29/03/2025	29/09/2027
Bank	149.42	Secured	6.71%	27	22	Monthly	29/09/2024	30/01/2027
Bank	255.45	Secured	6.89%	13	11	Quarterly	30/12/2024	27/12/2027
Bank	178.58	Secured	6.89%	27	25	Monthly	30/12/2024	27/04/2027
Bank	351.96	Secured	6.60%	13	13	Quarterly	31/05/2025	29/05/2028
Bank	146.00	Secured	6.60%	31	30	Monthly	31/03/2025	27/09/2027
Bank	125.70	Secured	7.25%	12	3	Quarterly	23/03/2023	21/01/2026
Bank	27.19	Secured	7.60%	37	10	Monthly	02/02/2023	21/01/2026
Bank	20.13	Secured	7.75%	12	4	Quarterly	20/05/2023	21/03/2026

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2026



(All amounts in ₹ crores, unless otherwise stated)

Institution	Amount Outstanding as on 31st March 2025	Type of Security	Interest Rate	Total Installment	No of installments remaining	Frequency	Repayable from	Repayable to
Bank	29.39	Secured	7.75%	37	12	Monthly	20/03/2023	21/03/2026
Bank	125.67	Secured	7.25%	12	4	Quarterly	30/06/2023	28/04/2026
Bank	317.88	Secured	7.10%	16	9	Quarterly	30/09/2023	29/06/2027
Bank	105.89	Secured	7.10%	16	9	Quarterly	30/09/2023	29/06/2027
Bank	241.35	Secured	7.10%	16	10	Quarterly	27/12/2023	26/09/2027
Bank	251.25	Secured	7.15%	13	8	Quarterly	29/02/2024	01/03/2027
Bank	13.64	Secured	5.60%	37	1	Monthly	30/04/2022	29/04/2025
Bank	81.61	Secured	6.35%	37	4	Monthly	29/07/2022	28/07/2025
Bank	249.99	Secured	8.00%	1	1	Bullet	29/09/2025	29/09/2025
Bank	249.96	Secured	8.00%	1	1	Bullet	30/06/2026	30/06/2026
Bank	299.92	Secured	8.10%	1	1	Bullet	26/09/2027	26/09/2027
Bank	100.70	Secured	8.40%	10	2	Quarterly	02/06/2023	02/09/2025
Bank	20.19	Secured	8.40%	10	2	Quarterly	29/06/2023	29/09/2025
Bank	80.83	Secured	8.40%	10	2	Quarterly	01/07/2023	01/10/2025
Bank	181.37	Secured	8.40%	10	9	Quarterly	29/03/2025	29/06/2027
Bank	503.44	Secured	8.30%	10	10	Quarterly	30/09/2025	30/12/2027
Bank	90.39	Secured	7.52%	10	6	Quarterly	29/04/2024	29/07/2026
Bank	60.27	Secured	7.52%	10	6	Quarterly	29/04/2024	29/07/2026
Bank	164.71	Secured	7.76%	11	9	Quarterly	26/11/2024	26/05/2027
Bank	175.76	Secured	7.65%	10	7	Quarterly	20/07/2024	20/10/2026
Bank	69.23	Secured	6.85%	13	9	Quarterly	30/06/2024	30/06/2027
Bank	262.50	Secured	7.72%	8	7	Quarterly	11/03/2025	08/12/2026
Bank	400.36	Secured	8.10%	1	1	Bullet	29/05/2026	29/05/2026
Bank	33.30	Secured	8.30%	12	8	Quarterly	30/06/2024	31/03/2027
Bank	100.00	Secured	8.30%	12	8	Quarterly	30/06/2024	31/03/2027
Bank	150.01	Secured	8.30%	10	7	Quarterly	30/09/2023	31/12/2025
Bank	249.97	Secured	8.50%	10	5	Quarterly	31/03/2024	30/06/2026
Bank	120.03	Secured	8.50%	10	6	Quarterly	30/04/2024	31/07/2026
Bank	50.01	Secured	8.50%	10	5	Quarterly	31/03/2024	30/06/2026
Bank	100.02	Secured	8.50%	10	5	Quarterly	31/03/2024	30/06/2026
Bank	291.67	Secured	8.50%	12	7	Quarterly	29/02/2024	30/11/2026
Bank	416.68	Secured	8.50%	12	10	Quarterly	31/12/2024	30/09/2027
Bank	229.22	Secured	8.50%	12	11	Quarterly	28/02/2025	30/11/2027
Bank	229.22	Secured	8.50%	12	11	Quarterly	31/03/2025	31/12/2027
Bank	39.99	Secured	8.00%	10	2	Quarterly	30/06/2023	30/09/2025
Bank	90.02	Secured	8.05%	10	3	Quarterly	31/07/2023	31/10/2025
Bank	31.46	Secured	7.84%	8	1	Quarterly	20/07/2023	20/04/2025
Bank	167.72	Secured	7.84%	12	4	Quarterly	10/05/2023	10/02/2026
Bank	66.81	Secured	7.69%	12	8	Quarterly	27/06/2024	27/03/2027
Bank	67.17	Secured	7.69%	12	8	Quarterly	27/06/2024	27/03/2027
Bank	67.17	Secured	7.69%	12	8	Quarterly	27/06/2024	27/03/2027
Bank	335.79	Secured	7.69%	12	8	Quarterly	27/06/2024	27/03/2027
Bank	134.31	Secured	7.69%	12	8	Quarterly	27/06/2024	27/03/2027
Bank	752.57	Secured	8.30%	15	15	Quarterly	29/05/2025	29/11/2028
Bank	251.77	Secured	8.30%	15	15	Quarterly	29/05/2025	29/11/2028
Bank	1,007.09	Secured	8.30%	15	15	Quarterly	29/05/2025	29/11/2028
Bank	1,000.69	Secured	8.30%	15	15	Quarterly	29/05/2025	29/11/2028
Bank	245.44	Secured	8.45%	11	9	Quarterly	26/12/2024	26/06/2027
Bank	272.79	Secured	8.45%	11	10	Quarterly	30/01/2025	30/07/2027
Bank	363.72	Secured	8.45%	11	10	Quarterly	28/02/2025	31/08/2027
Bank	500.02	Secured	8.05%	11	11	Quarterly	30/06/2025	31/12/2027

(All amounts in ₹ crores, unless otherwise stated)

Institution	Amount Outstanding as on 31st March 2025	Type of Security	Interest Rate	Total Installment	No of installments remaining	Frequency	Repayable from	Repayable to
Bank	500.11	Secured	8.05%	11	11	Quarterly	30/09/2025	31/03/2028
Others	231.41	Secured	8.32%	43	33	Monthly	10/06/2024	10/12/2027
Others	334.87	Secured	8.07%	12	9	Quarterly	10/06/2024	10/03/2027
Others	376.78	Secured	7.78%	12	9	Quarterly	10/08/2024	10/05/2027
Bank-ECB	299.22	Secured	7.77%	1	1	Bullet	27/03/2028	27/03/2028
	18,000.09							
Subordinated Liabilities								
Perpetual Debt	103.57	Unsecured	11.50%	1	1	Bullet	24/11/2027	24/11/2027
Other Subordinated Liabilities:								
Others	154.27	Unsecured	9.40%	1	1	Bullet	10/06/2026	10/06/2026
Others	151.35	Unsecured	9.40%	1	1	Bullet	26/08/2026	26/08/2026
Others	101.91	Unsecured	8.85%	1	1	Bullet	02/06/2027	02/06/2027
Others	359.39	Unsecured	8.85%	1	1	Bullet	11/06/2027	11/06/2027
Others	101.46	Unsecured	9.50%	1	1	Bullet	18/01/2028	18/01/2028
Others	324.01	Unsecured	9.50%	1	1	Bullet	31/01/2028	31/01/2028
Others	201.19	Unsecured	9.35%	1	1	Bullet	29/08/2028	29/08/2028
Others	512.31	Unsecured	9.30%	1	1	Bullet	27/06/2029	27/06/2029
Others	157.63	Unsecured	9.38%	1	1	Bullet	24/04/2030	24/04/2030
Others	102.22	Unsecured	10.00%	1	1	Bullet	01/07/2026	01/07/2026
Total	2,165.74							
Subordinated Liabilities Total	2,269.31							

Details of Security

i) Non convertible debentures of Rs. 2912 Crores inclusive of current and non-current dues (As at 31st March 2025 Rs. 2,625 Crores) is fully secured by exclusive floating charge against hypothecation of receivables under the financing activity of the Company.

ii) Term loan received from banks and other parties of Rs. 17,352 Crores inclusive of current and non-Current dues (As at 31st March 2025 Rs. 18,000 Crores) is fully secured by exclusive floating charge against hypothecation of receivables under the financing activity of the Company.

iii) Working capital demand loan and cash credit of Rs. 4,736 Crores (As at 31st March 2025 Rs.1,792 Crores) is fully secured by exclusive floating charge against hypothecation of receivables under the financing activity of the Company.

(All amounts in ₹ crores, unless otherwise stated)

NOTE 20 Other financial liabilities

S No	Description	As at 31 st March 2026	As at 31 st March 2025
a)	Employee related liabilities	104.65	127.42
b)	Security deposit	19.87	15.51
c)	Lease liability (refer note 40)	77.50	71.41
d)	Other liability	7.83	7.00
	Total	209.85	221.34

NOTE 21 Provisions

S No	Description	As at 31 st March 2026	As at 31 st March 2025
	Provision for employee benefits		
a)	Pension (refer note 36)	13.29	12.70
b)	Gratuity (refer note 36)	15.58	3.60
c)	Compensated absences (refer note 36)	45.05	43.28
	Others		
a)	Provision for expected credit loss towards undrawn commitments	1.23	-
	Total	75.15	59.58

NOTE 22 Other non-financial liabilities

S No	Description	As at 31 st March 2026	As at 31 st March 2025
a)	Statutory dues	38.10	38.15
	Total	38.10	38.15

NOTE 23 Equity share capital

a) Terms/Rights attached to equity shares

The Company has only one class of equity shares having a par value of Rs. 10 per share. All these shares have the same rights and preferences with respect to payment of dividend, repayment of capital and voting. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting except for interim dividend. Voting rights, dividend distributions and repayment of capital will be in proportion to the number of equity shares held.

b) Terms/Rights attached to Compulsory convertible preference shares

The Company has only one class of compulsory convertible preference shares having a par value of Rs. 10 per share which shall convert into one equity share as laid out in the agreement . Upon conversion into equity shares, the shareholder shall be entitled to participate in the dividend on equity shares on pari passu basis along with holders of other equity shares.

	Description	As at 31 st March 2026	As at 31 st March 2025
c)	Authorised share capital:		
	300,000,000 (As at 31 st March 2025 : 300,000,000) equity shares of Rs.10 each	300.00	300.00
	20,000,000 (As at 31 st March 2025 : 20,000,000) 0.001% Compulsorily convertible preference shares of Rs.10 each	20.00	20.00
	Total	320.00	320.00

(All amounts in ₹ crores, unless otherwise stated)

d)	Issued, subscribed and paid up:					
	Equity Share:					
	23,96,67,485 (As at 31 st March 2025 : 23,62,72,706) equity shares of Rs.10 each				239.67	236.27
	Total				239.67	236.27
	Instruments entirely equity in nature:					
	1,83,84,684 (As at 31 st March 2025: 1,83,84,684) 0.001% Compulsorily convertible preference shares of Rs.10 each				18.38	18.38
	Total				18.38	18.38
e)	Reconciliation of the shares outstanding at the beginning and at the end of the reporting year:					
	Equity Share:					
	Particulars	As at 31st March 2026		As at 31st March 2025		
		No. of shares	Amount	No. of shares	Amount	
	At the beginning of the year	23,62,72,706	236.27	22,82,23,926	228.22	
	Add: Issued during the year	33,94,779	3.39	80,48,780	8.05	
	At the end of the year	23,96,67,485	239.67	23,62,72,706	236.27	
	Notes:					
	1) During FY 25-26, the Company through preferential issue on private placement basis on 31 st October 2025 & 13 th November 2025 allotted 29,59,441 & 4,35,338 equity shares respectively to eligible buyers at a price of Rs.589.14 per equity share of Rs.10 face value (inclusive of premium of Rs.579.14 per share) aggregating to approximately Rs.200 crores.					
	2) During FY 24-25, the Company through preferential issue on private placement basis on 28 th June 2024 allotted 80,48,780 equity shares respectively to eligible buyers at a price of Rs.410 per equity share of Rs.10 face value (inclusive of premium of Rs.400 per share) aggregating to approximately Rs.330 crores.					
	3) There were no shares allotted for contract(s) without payment being received in cash, buy back of shares or bonus shares issued during immediately preceeding 5 previous years.					
	4) No shares has been reserved for issue under options and contracts/commitments for the sale of shares/ disinvestment during the preceeding 5 previous years.					
	0.001% Compulsorily convertible preference shares:					
	Particulars	As at 31st March 2026		As at 31st March 2025		
		No. of shares	Amount	No. of shares	Amount	
	At the beginning of the year	1,83,84,684	18.38	1,83,84,684	18.38	
	Add: Issued during the year	-	-	-	-	
	At the end of the year	1,83,84,684	18.38	1,83,84,684	18.38	
f)	Shares held by Holding companies:					
	Particulars				As at 31st March 2026	As at 31st March 2025
	Equity share:					
	TVS Motor Company Limited				20,52,30,334	20,23,19,089
	0.001% Compulsorily convertible preference shares:					
	TVS Motor Company Limited				31,69,773	31,69,773

(All amounts in ₹ crores, unless otherwise stated)

g) Number of shares held by share holders more than 5% of total shares as at the end of the year				
Name of the Shareholders	As at 31 st March 2026		As at 31 st March 2025	
	No. of shares	% of Holding	No. of shares	% of Holding
Equity share:				
TVS Motor Company Limited	20,52,30,334	85.63%	20,23,19,089	85.63%
PI Opportunities Fund I Scheme II	1,26,38,567	5.27%	1,22,72,143	5.19%
0.001% Compulsorily convertible preference shares:				
TVS Motor Company Limited	31,69,773	17.24%	31,69,773	17.24%
PI Opportunities Fund I Scheme II	1,52,14,911	82.76%	1,52,14,911	82.76%
h) Shares held by promoters at the end of year				
Promotor Name	No. of shares	% of total shares	% change during the year	
Equity share:				
TVS Motor Company Limited	20,52,30,334	85.63%	0.00%	
0.001% Compulsorily convertible preference shares:				
TVS Motor Company Limited	31,69,773	17.24%	0.00%	

NOTE 24 Other equity

Description	As at 31 st March 2026	As at 31 st March 2025
a) Securities premium	2,392.75	2,196.14
b) Statutory reserves	692.48	509.85
c) Share based payment reserve	0.96	0.27
d) Retained earnings	2,710.70	1,988.24
e) Other comprehensive income - Financial Instruments through OCI	3.08	(0.47)
f) Other comprehensive income - Cashflow Hedge reserve	9.61	(0.76)
Total reserves and surplus	5,809.58	4,693.27

a) Securities premium	As at 31 st March 2026	As at 31 st March 2025
Opening balance	2,196.14	1,874.19
Additions during the year	196.61	321.95
Closing balance	2,392.75	2,196.14

b) Statutory reserves	As at 31 st March 2026	As at 31 st March 2025
Opening balance	509.85	356.40
Transfer from retained earnings	182.63	153.45
Closing balance	692.48	509.85

(All amounts in ₹ crores, unless otherwise stated)

c) Share based payment reserve	As at 31st March 2026	As at 31st March 2025
Opening balance	0.27	-
Share based payment expense during the year	0.69	0.27
Closing balance	0.96	0.27

d) Retained Earnings	As at 31st March 2026	As at 31st March 2025
Opening balance	1,988.24	1,382.40
Net profit for the year	913.17	767.25
Items of other comprehensive income recognised directly in retained earnings:		
- Remeasurements of post-employment benefit obligation net off tax	(8.08)	(7.96)
Transfer to statutory reserve	(182.63)	(153.45)
Closing balance	2,710.70	1,988.24

e) Other comprehensive income - Financial Instruments through OCI	As at 31st March 2026	As at 31st March 2025
Opening balance	(0.47)	-
Add: Fair value gain/(loss) on financial instruments net of tax	3.55	(0.47)
Closing balance	3.08	(0.47)

f) Other comprehensive income - Cashflow hedge reserve	As at 31st March 2026	As at 31st March 2025
Opening balance	(0.76)	5.89
Add: Change in fair value of hedging instruments, net off tax	10.37	(6.65)
Closing balance	9.61	(0.76)

Securities premium

The reserve represents premium on issue of shares. It will be utilised in accordance with the provisions of the Companies Act, 2013.

Statutory reserves:

According to Section 45 - IC of the Reserve Bank of India Act, 1934, the Company transfers a sum not less than 20% of its net profit every year as disclosed in the Statement of Profit and Loss and before declaration of any dividend to the statutory reserves.

Retained earnings:

Represents Company's cumulative undistributed earnings since its inception. This is available for distribution to shareholders through dividends/capitalisation.

Share based payment reserve:

It is created as required by Ind AS 102 'Share Based Payments' on the Employee Stock Option Scheme operated by the Company for its employees.

Other comprehensive income - Financial Instruments through OCI:

It represents the cumulative gains/(losses) arising on revaluation of equity instruments measured at fair value through OCI.

Other comprehensive income - Cashflow Hedge reserve:

It represents the cumulative gains/(losses) arising on revaluation of derivative instruments designated as cash flow hedges through OCI.

(All amounts in ₹ crores, unless otherwise stated)

NOTE 25 Interest income

Description	Year ended 31 st March 2026	Year ended 31 st March 2025
On financial assets measured at amortised cost:		
Interest on loans	6,175.12	5,752.94
Interest on deposits with bank	19.96	16.24
Interest on Government securities	18.27	6.79
Total	6,213.35	5,775.97

NOTE 26 Fees and commission income

Description	Year ended 31 st March 2026	Year ended 31 st March 2025
Fee based income	576.56	525.12
Service income	247.21	211.34
Total	823.77	736.46

NOTE 27 Net gain on fair value changes

Description	Year ended 31 st March 2026	Year ended 31 st March 2025
Net gain on financial instruments at fair value through profit or loss		
On trading portfolio		
Realised gain on investment at FVTPL	154.02	92.32
Total	154.02	92.32

NOTE 28 Other income

Description	Year ended 31 st March 2026	Year ended 31 st March 2025
Unwinding of discount on security deposits and receivable for investments	1.14	0.97
Other non-operating Income	3.72	0.44
Interest on income tax refund	-	2.52
Total	4.86	3.93

NOTE 29 Finance costs

Description	Year ended 31 st March 2026	Year ended 31 st March 2025
Interest expenses on financial liabilities measured at amortised cost:		
- Interest on borrowings (other than debt securities)	1,445.82	1,476.13
- Interest on debt securities	268.60	169.54
- Interest on subordinated liabilities	206.71	203.74
Other interest expense:		
- Interest on lease liabilities	6.48	6.12
- Others	6.68	7.79
Total	1,934.29	1,863.32

(All amounts in ₹ crores, unless otherwise stated)

NOTE 30 Impairment of financial instruments

Description	Year ended 31 st March 2026	Year ended 31 st March 2025
On financial instruments measured at amortised cost:		
Bad Debts written off (net)	722.12	940.98
Net Loss on foreclosure / sale of repossessed assets	392.22	410.38
Impairment provision on loans	41.59	(57.20)
Provision for expected credit loss towards undrawn commitments	1.23	-
Impairment provision on trade receivables and other financial assets	(0.57)	1.20
Total	1,156.59	1,295.36

NOTE 31 Employee benefit expenses

Description	Year ended 31 st March 2026	Year ended 31 st March 2025
Salaries and wages	1,154.06	1,019.56
Contribution to provident and other funds	60.74	56.86
Gratuity expenses (refer note 36)	9.86	6.87
Share based payment to employees	0.69	0.27
Staff welfare expenses	48.88	52.02
Total	1,274.23	1,135.58

NOTE 32 Depreciation and amortization expenses

Description	Year ended 31 st March 2026	Year ended 31 st March 2025
Depreciation on investment property (refer note 13)	1.58	-
Depreciation on property, plant and equipment (refer note 14)	25.06	23.63
Depreciation on Right-to-use assets (refer note 14)	23.70	20.87
Amortisation of Intangible assets (refer note 14)	5.78	1.70
Total	56.12	46.20

NOTE 33 Other expenses

Description	Year ended 31 st March 2026	Year ended 31 st March 2025
Rent, taxes and energy costs (Refer note 40d))	23.02	18.36
Repairs and maintenance	14.73	18.31
Communication costs	136.93	97.21
Printing and stationery	1.32	1.59
Directors sitting fees & commission expenses	1.53	1.03
Auditors fees and expenses*	1.04	0.73
Legal and professional charges	22.20	92.49
Insurance expenses	1.56	0.90
Travelling and conveyance	58.80	46.13
Information technology expenses	126.38	106.16
Manpower support expenses	579.43	274.49
Brand royalty fee	24.63	24.96
Corporate social responsibility (refer note 41) **	16.00	10.00
Donation (refer note 41)	38.30	20.00
Others	8.83	3.26
Total	1,054.70	715.62

(All amounts in ₹ crores, unless otherwise stated)

***Auditors fees and expenses**

Description	Year ended 31 st March 2026	Year ended 31 st March 2025
Statutory audit	0.69	0.42
Limited review	0.12	0.12
Tax audit	0.10	0.08
Certification	0.09	0.05
Reimbursement of expenses	0.04	0.06
Auditors fees and expenses	1.04	0.73

**** Expenditure incurred on corporate social responsibility activities:**

Particulars	Year ended 31 st March 2026	Year ended 31 st March 2025
(i) Amount required to be spent by the Company during the year	15.32	9.53
(ii) Amount spent during the year on	16.00	10.00
a. Construction/ acquisition of any asset	-	-
b. On purposes other than (a) above	16.00	10.00
(iii) Shortfall at the end of the year	-	-
(iv) Total of previous years shortfall	-	-
(v) Reason for shortfall	NA	NA
(vi) Details of related party transactions:	16.00	10.00
Contribution to a trust, an Enterprise under common control	-	-
(vii) Where a provision is made with respect to a liability incurred by entering into a contractual obligation, the movements in position	-	-
Nature of CSR Activities : Economic development, health care, education, environment sustainability and water conservation		

NOTE 34 Income tax expense

Description	Year ended 31 st March 2026	Year ended 31 st March 2025
(a) Income tax expense:		
Current tax on profits for the year	400.49	323.80
Tax profits relating to prior period	-	-
Total current tax expense	400.49	323.80
Deferred tax		
Decrease/(increase) in deferred tax assets	(75.34)	(65.61)
(Decrease)/increase in deferred tax liabilities	-	-
Total deferred tax expense/(benefit)	(75.34)	(65.61)
Income tax expense for the year	325.15	258.19
(b) Reconciliation of tax expense and the accounting profit multiplied by India's tax rate:		
Profit before income tax expense	1,238.32	1,025.44
Tax at the Indian tax rate of 25.168% (31st March 2025: 25.168%)	311.66	258.08
Tax effect of amounts which are permanent differences in nature in calculation of taxable income	13.49	0.11
Income tax expense	325.15	258.19

(All amounts in ₹ crores, unless otherwise stated)

NOTE 35 Earnings per equity share (EPS)

Description	Year ended 31 st March 2026	Year ended 31 st March 2025
(a) Basic earnings per share		
Basic earnings per share attributable to the equity holders of the Company	35.66	30.36
(b) Diluted earnings per share		
Diluted earnings per share attributable to the equity holders of the Company	35.66	30.36
(c) Reconciliations of earnings used in calculating earnings per share		
Basic earnings per share:		
Profit attributable to equity holders of the company used in calculating basic earnings per share	913.17	767.25
Diluted earnings per share:		
Profit attributable to equity holders of the company used in calculating diluted earnings per share	913.17	767.25
(d) Weighted average number of equity shares used as the denominator in calculating basic earnings per share	25,60,55,601	25,27,16,862
Effect of dilution:		
Employee stock options	13,390	2,782
(e) Weighted average number of equity shares used as the denominator in calculating diluted earnings per share	25,60,68,991	25,27,19,644

NOTE 36 Employee benefit plans

(I) Defined benefit plans

The Company provides gratuity for employees in India as per the Payment of Gratuity Act, 1972. Employees who are in continuous service for a period of 5 years are eligible for gratuity. The amount of gratuity payable on retirement/termination is the employees last drawn basic salary per month computed proportionately for 15 days salary multiplied for the number of years of service. The gratuity plan is a funded plan and the Company makes contributions to recognised fund in India.

The Company operates defined benefit pension plan, which provide benefits to members in the form of a guaranteed level of pension payable for life. The level of benefits provided depends on members' length of service and their salary in the final years leading up to retirement.

Particulars	Gratuity			Pension		
	Present value of obligation	Fair value of plan assets	Total	Present value of obligation	Fair value of plan assets	Total
As at 1st April 2024	44.52	(43.95)	0.57	11.23	-	11.23
Current service cost	7.07	-	7.07	-	-	-
Interest expense/(income)	3.12	(3.32)	(0.20)	0.79	-	0.79
Total amount recognised in profit or loss	10.19	(3.32)	6.87	0.79	-	0.79
<i>Remeasurements</i>						
Return on plan assets, excluding amounts included in interest expense/(income)	-	0.44	0.44	-	-	-
(Gain)/loss from change in financial assumptions	0.76	-	0.76	0.84	-	0.84
Experience (gains)/losses	8.76	-	8.76	(0.16)	-	(0.16)
Total amount recognised in other comprehensive (income)/Losses	9.52	0.44	9.96	0.68	-	0.68
Employer contributions	-	(13.80)	(13.80)	-	-	-
Benefit payments	(7.14)	7.14	-	-	-	-
As at 31st March 2025	57.10	(53.48)	3.60	12.70	-	12.70

(All amounts in ₹ crores, unless otherwise stated)

NOTE 36 Employee benefit plans (Contd.)

Particulars	Gratuity			Pension		
	Present value of obligation	Fair value of plan assets	Total	Present value of obligation	Fair value of plan assets	Total
As at 1st April 2025	57.10	(53.48)	3.60	12.70	-	12.70
Current service cost	9.70	-	9.70	-	-	-
Past service cost	8.61	-	8.61	-	-	-
Interest expense/(income)	3.97	(3.81)	0.16	0.79	-	0.79
Return on plan assets, excluding amounts included in interest expense/(income)	-	-	-	-	-	-
(Gain)/loss from change in financial assumptions	-	-	-	-	-	-
Experience (gains)/losses	-	-	-	-	-	-
Total amount recognised in profit or loss	22.28	(3.81)	18.48	0.79	-	0.79
<i>Remeasurements</i>						
Return on plan assets, excluding amounts included in interest expense/(income)	-	0.92	0.92	-	-	-
(Gain)/loss from change in financial assumptions	0.05	-	0.05	0.87	-	0.87
Experience (gains)/losses	9.66	-	9.66	(0.71)	-	(0.71)
Total amount recognised in other comprehensive (income)/Losses	9.71	0.92	10.64	0.16	-	0.16
Employer contributions	-	(17.14)	(17.14)	-	-	-
Benefit payments	(4.12)	4.12	-	(0.36)	-	(0.36)
As at 31st March 2026	84.97	(69.39)	15.58	13.29	-	13.29

Details	Gratuity		Pension	
	31 st March 2026	31 st March 2025	31 st March 2026	31 st March 2025
Discount rate	6.23%	6.34%	5.75%	6.44%
Salary growth rate	6.00%	6.00%	5.50%	5.50%
Attrition rate	36.00%	36.00%	0.00%	0.00%
Retirement age	58	58	60	60
Mortality inclusive of provision for disability	100% of Indian assured lives mortality (IALM)			

(All amounts in ₹ crores, unless otherwise stated)

NOTE 36 Employee benefit plans (Contd.)

(i) Sensitivity analysis

FY 2025-26

Particulars	Gratuity			Pension		
	Change in Assumption	Due to increase in assumption	Due to decrease in assumption	Change in Assumption	Due to increase in assumption	Due to decrease in assumption
Discount rate	0.50%	84.00	85.95	1.00%	12.08	14.73
Salary growth rate	0.50%	85.90	84.04	1.00%	14.80	12.01
Mortality	5.00%	84.97	84.96	5.00%	13.18	13.41
Attrition	5.00%	84.50	85.44	5.00%	13.29	13.29
Rs.10,00,000 benefit ceiling	-	80.58	-	-	-	-
No benefit ceiling	-	-	87.34	-	-	-

FY 2024-25

Particulars	Gratuity			Pension		
	Change in Assumption	Due to increase in assumption	Due to decrease in assumption	Change in Assumption	Due to increase in assumption	Due to decrease in assumption
Discount rate	0.50%	56.42	57.76	1.00%	11.45	14.18
Salary growth rate	0.50%	57.74	56.43	1.00%	14.26	11.38
Mortality	5.00%	57.08	57.08	5.00%	12.60	12.81
Attrition	5.00%	56.68	57.49	5.00%	12.70	12.70
Rs.10,00,000 benefit ceiling	-	55.33	-	-	-	-
No benefit ceiling	-	-	57.86	-	-	-

(ii) Projected plan cash flow

Maturity profile	Amount (Rs. in crs)
Expected benefits for year 1	28.66
Expected benefits for year 2	23.43
Expected benefits for year 3	17.28
Expected benefits for year 4	12.82
Expected benefits for year 5	9.41
Expected benefits for year 6 and above	22.15
Total	113.75

(iii) Risk associated with defined benefit plan

Through its defined benefit plans, the Company is exposed to a number of risks, the most significant of which are detailed below:

a. Changes in discount rate

The present value of defined benefit plan liabilities is calculated using a discount rate which is determined by reference to Government bonds' yields at the end of the reporting period.

A decrease/(increase) in discount rate will increase/(decrease) present values of plan liabilities.

b. Salary escalation risk

The present value of the defined benefit plan liability is calculated by reference to the future salaries of plan participants calculated by applying estimated salary escalation rate. Any deviation in actual salary escalation can have impact on plan liability.

c. Attrition rate risk

If the actual employee withdrawal rate in the future turns out to be more or less than expected then it may result in increase/decrease in the liability.

(All amounts in ₹ crores, unless otherwise stated)

NOTE 36 Employee benefit plans (Contd.)

d. Mortality rate 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/decrease in the life expectancy of the plan participants can have impact on plan liability

(iv) Category of Plan Assets

100% in insurer managed funds

(II) Defined contribution plans

A defined contribution plan is a post-employment benefit plan under which the Company pays fixed contributions. The Company's contribution to defined contribution plan viz. provident fund & ESI, of Rs. 59.95 crore (As at 31st March 2025: Rs. 55.80 crore) has been recognised in the Statement of Profit and Loss.

(III) Other long-term employee benefits

Compensated absences

Particulars	31 st March 2026	31 st March 2025
Present value of obligations	45.05	43.28
Expense recognised in the Statement of Profit and Loss	1.77	(12.51)
Assumptions		
Discount rate	6.19%	6.34%
Salary growth rate	6.00%	6.00%
Attrition rate	36.00%	36.00%
Retirement age	58	58

NOTE 37 Fair value measurements

The fair value of financial instruments is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction in the principal (or most advantageous) market at the measurement date under current market conditions (i.e. an exit price) regardless of whether that price is directly observable or estimated using another valuation technique. When the fair values of financial assets and financial liabilities recorded in the balance sheet cannot be derived from active markets, they are determined using a variety of valuation techniques that include the use of valuation models. The inputs to these models are taken from observable markets where possible, but where this is not feasible, estimation is required in establishing fair values.

The carrying value and fair value of other financial instruments by categories as of 31st March 2026 were as follows:

Particulars	Carrying amount	Fair value			
	Amortised cost	Level 1	Level 2	Level 3	Total
Financial assets:					
Cash and cash equivalents	3,327.50	-	-	3,327.50	3,327.50
Other bank balances	0.21	-	-	0.21	0.21
Trade receivables	214.66	-	-	214.66	214.66
Loans	30,285.47	-	-	30,285.47	30,285.47
Investment in subsidiaries	12.01	-	-	12.01	12.01
Investment in Government securities	288.98	288.98	-	-	288.98
Other financial assets	29.56	-	-	29.56	29.56
Total financial assets	34,158.39	288.98	-	33,869.40	34,158.39
Trade payables	1,009.49	-	-	1,009.49	1,009.49
Debt securities	3,309.86	-	3,309.86	-	3,309.86
Borrowings other than debt securities	22,088.05	-	-	22,088.05	22,088.05
Subordinated liabilities	2,269.96	-	2,269.96	-	2,269.96
Other financial liabilities	209.85	-	-	209.85	209.85
Total financial liabilities	28,887.21	-	5,579.82	23,307.39	28,887.21

(All amounts in ₹ crores, unless otherwise stated)

The carrying value and fair value of other financial instruments by categories as of 31st March 2025 were as follows:

Particulars	Carrying amount	Fair value			
	Amortised cost	Level 1	Level 2	Level 3	Total
Financial assets:					
Cash and cash equivalents	3,590.32	-	-	3,590.32	3,590.32
Other bank balances	5.95	-	-	5.95	5.95
Trade receivables	141.25	-	-	141.25	141.25
Loans	26,298.84	-	-	26,298.84	26,298.84
Investment in subsidiaries	12.01	-	-	12.01	12.01
Investment in Government securities	282.12	282.12	-	-	282.12
Other financial assets	28.28	-	-	28.28	28.28
Total financial assets	30,358.77	282.12	-	30,076.65	30,358.77
Trade payables	1,087.30	-	-	1,087.30	1,087.30
Debt securities	2,625.39	-	2,625.39	-	2,625.39
Borrowings other than debt securities	19,792.47	-	-	19,792.47	19,792.47
Subordinated liabilities	2,269.31	-	2,269.31	-	2,269.31
Other financial liabilities	221.34	-	-	221.34	221.34
Total financial liabilities	25,995.81	-	4,894.70	21,101.11	25,995.81

Financial assets and financial liabilities measured at fair value:

Particulars	Fair value hierarchy	31 st March 2026	31 st March 2025
Financial assets			
Derivative financial instruments	Level 2	103.43	-
Investment in alternate investment fund	Level 3	12.14	5.38
Investment in compulsory convertible debentures	Level 3	0.25	0.25
Total financial assets		115.82	5.63
Financial liabilities			
Derivative financial instruments	Level 2	-	2.24
Total financial liabilities		-	2.24

There were no transfers between any levels during the year.

(i) Fair value hierarchy

Ind AS 113, 'Fair Value Measurement' requires classification of the valuation method of financial instruments measured at fair value in the Statement of Balance sheet, using a three level fair-value-hierarchy (which reflects the significance of inputs used in the measurements). The hierarchy gives the highest priority to un-adjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and lowest priority to un-observable inputs (Level 3 measurements). Fair value of derivative financial assets and liabilities are estimated by discounting expected future contractual cash flows using prevailing market interest rate curves. The three levels of the fair-value-hierarchy under Ind AS 113 are described below.

Level 1 : Level 1 hierarchy includes financial instruments measured using quoted prices. This includes publicly traded derivatives and mutual funds that have a quoted price. The quoted market price used for financial assets held by the Company is the current bid price.

Level 2: The fair value of financial instruments that are not traded in an active market (for example over-the-counter derivatives) is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3. That is, level 3 inputs incorporate market participants' assumptions about risk and the risk premium required by market participants in order to bear that risk. The Company develops level 3 inputs based on the best information available in the circumstances.

(All amounts in ₹ crores, unless otherwise stated)

(ii) Valuation technique used to determine fair value

Specific valuation techniques used to value financial instruments include:

- The Management assessed that cash and cash equivalents, bank balance other than cash and cash equivalents, receivable, other financial assets, payables and other financial liabilities approximates their carrying amount largely due to short term maturities of these instruments. The fair value of the investments in subsidiary have been considered as the carrying value.
- The majority of borrowings are floating rate borrowings, the carrying value is representative of the fair value.
- The fair values for advance to related parties and rent advance were calculated based on cash flows discounted using a current lending rate. They are classified as level 3 fair values in the fair value hierarchy due to the inclusion of unobservable inputs including counterparty credit risk.
- The fair value of forward foreign exchange contracts and cross currency interest rate swaps (CCIRS) is determined using forward exchange rates at the balance sheet date.

NOTE 38 Financial risk management

The Company's financial assets include loan and advances, investments and cash and cash equivalents that derive directly from its operations. The Company's financial liabilities comprise mainly borrowings from banks, financial institutions, commercial papers, debentures and subordinated liabilities in the form of debentures.

The Company is exposed to various risks such as credit risk, liquidity risk, foreign currency risks and interest rate risks.

The Board of directors have the overall responsibility for the establishment of governance and oversight in relation to the Company's risk management framework. The Board of directors have established committees such as the Risk Management Committee and Asset Liability Committee for developing and monitoring the Company's risk management policies and treasury policies. The Committees reports regularly to the Board of directors on its activities.

The Company's risk management policies are established to identify and analyse the various risks faced by the Company, to set appropriate risk benchmarks limits and controls and to monitor risks and adherence to limits from time to time. The Risk Management Committee oversees how management monitors compliance with the risk management policies and procedures and other governance framework and reviews the adequacy of the risk management framework in relation to the various risks faced by the Company from time to time.

(A) Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Company. The Company has adopted a policy of only dealing with creditworthy counterparties and obtaining sufficient collateral, where appropriate, as a means of mitigating the risk of financial loss from defaults. The exposure is continuously monitored to determine significant increase in credit risk. The Company monitors the credit assessment on a portfolio basis, assesses all credit exposures in excess of designated limits. The Company does a risk grading based upon the credit worthiness of the borrowers. All these factors are taken into consideration for computation of Expected Credit Loss (ECL).

Loans

The following table sets out information about credit quality of retail loan assets measured at amortised cost based on number of days past due information. The amount represents the gross carrying value of assets as on each reporting date.

Particulars	31st March 2026	31st March 2025
Gross carrying value of loans		
Stage-1 (Up to 30 Days)	29,566.06	25,066.76
Stage-2 (31-90 Days)	892.13	1,329.68
Stage-3 (More than 90 Days)*	757.82	782.98
Total gross carrying value as of year end	31,216.01	27,179.42

*Includes restructured contracts under Reserve Bank of India (Non-Banking Financial Companies – Resolution of Stressed Assets) Directions, 2025 dated 28th November 2025 irrespective of days past due on the reporting date.

(All amounts in ₹ crores, unless otherwise stated)

NOTE 38 Financial risk management (Contd.)

Trade receivable and other financial assets

The Company follows 'simplified approach' for recognition of impairment loss allowance on trade receivable and other financial assets. The application of simplified approach does not require the Company to track changes in credit risk and calculated on case by case approach, taking into consideration different recovery scenarios.

Credit quality

The Company has a comprehensive framework for monitoring credit quality of its retail and other loans based on days past due monitoring. Repayment by individual customers and portfolio is tracked regularly and required steps for recovery are taken through follow ups and legal recourse.

Inputs considered in the ECL model

In assessing the impairment of loan assets under ECL model, the loan assets have been segmented into three stages.

The three stages reflect the general pattern of credit deterioration of a financial instrument. The differences in accounting between stages relate to the recognition of expected credit losses and the calculation and presentation of interest revenue.

The Company categorises loan assets into stages based on the Days Past Due status:

- Stage 1: Up to 30 Days Past Due
- Stage 2: 31-90 Days Past Due
- Stage 3: More than 90 Days Past Due

Assumptions considered in the ECL model

The Company has made the following assumptions in the ECL Model:

- "Loss Given Default" (LGD) is common for all three stages and is based on loss in past portfolio. Actual cash flows are discounted with average rate for arriving at loss rate. EIR has been taken as discount rate for all loans.

Estimation technique

The Company has applied the following estimation technique in its ECL model :

- "Probability of Default" (PD) is applied on Stage 1 and Stage 2 on portfolio basis and for Stage 3 PD is 100%.
- Probability of Default for Stage 1 loan assets is calculated as average of historical trend from Stage 1 to Stage 3 in next 12 months.
- Probability of Default for Stage 2 loan assets is calculated based on the lifetime PD as average of historical trend from Stage 2 to Stage 3 for the remaining tenure.
- Loss Given Default is calculated based on discounted actual cash flow on past portfolio in default along with reversals.

There is no change in estimation techniques or significant assumptions during the reporting period.

The Company considers a broad range of forward looking information with reference to external forecasts of economic parameters such as GDP growth, government borrowing, private consumption expenditure, policy interest rates, etc., as considered relevant so as to determine the impact of macroeconomic factors on the Company's ECL estimates. The internal estimates of PD, LGD rates used in the ECL model may not always capture all the characteristics of the market / external environment as at the date of the financial statements. To reflect this, qualitative adjustments or overlays are made as temporary adjustments to reflect the emerging risks reasonably.

Assessment of significant increase in credit risk

When determining whether the risk of default has increased significantly since initial recognition, the Company considers both quantitative and qualitative information and analysis based on the business historical experience, including forward-looking information. The Company considers reasonable and supportable information that is relevant and available without undue cost and effort.

The Company uses the number of days past due to classify a financial instrument in low credit risk category and to determine significant increase in credit risk in retail. As a backstop, the Company considers that a significant increase in credit risk occurs no later than when an asset is more than 30 days past due.

As at 31st March 2026, the outstanding exposure in respect of accounts restructured under the COVID-19 One-Time Resolution framework vide RBI circular dated 6th August 2020 and RBI/2021-22/31/DOR.STR.REC.11/21.04.048/2021-22 dated 5th May 2021 is Nil.

The Company has classified all restructured accounts done under Reserve Bank of India (Non-Banking Financial Companies – Resolution of Stressed Assets) Directions, 2025 dated 28th November 2025 in Stage 3.

Definition of default

The Company considers a financial instrument is in default when the borrower becomes 90 days past due on its contractual payments. The Company considers loans under default as 'credit impaired' and classified as Stage-3 except for restructured contracts as disclosed above.

(All amounts in ₹ crores, unless otherwise stated)

NOTE 38 Financial risk management (Contd.)

Forward Looking Economic Conditions

The Company measures Expected Credit Loss ("ECL") using reasonable and supportable information, including historical, current and forward looking information, in accordance with Ind AS 109.

The Historical Probability of Default ("PD") estimates are adjusted to reflect forward looking economic conditions by incorporating relevant macro economic factors such as GDP growth, government borrowing, private consumption expenditure, policy interest rates, etc., that impact the overall economic environment. The macro economic inputs used in the model are based on external forecasts, including data sourced from the International Monetary Fund (IMF).

Sensitivity

The ECL allowance is sensitive to changes in macro economic assumptions and scenario weightage. Any changes in these assumptions may result in variations in the impairment provision in future periods. The Company continuously reviews economic developments and updates its assumptions to ensure that the ECL provision remains adequate and prudent.

Impairment loss

The expected credit loss allowance provision is determined as follows:

FY 25-26	Stage 1	Stage 2	Stage 3	Grand Total
Gross carrying value	29,566.06	892.13	757.82	31,216.01
Allowance for ECL	335.82	184.60	410.12	930.54
ECL coverage ratio	1.14%	20.69%	54.12%	2.98%

FY 24-25	Stage 1	Stage 2	Stage 3	Grand total
Gross carrying value	25,066.76	1,329.68	782.98	27,179.42
Allowance for ECL	210.70	244.71	425.17	880.58
ECL coverage ratio	0.84%	18.40%	54.30%	3.24%

Reconciliation of expected credit loss

Particulars	Stage-1	Stage-2	Stage-3	Grand Total
Balance as at 1st April 2024	289.48	253.54	393.05	936.07
Transfer from Stage 1	(19.06)	8.64	10.42	-
Transfer from Stage 2	13.19	(117.14)	103.95	-
Transfer from Stage 3	5.27	2.57	(7.84)	-
Loans that have derecognised during the period	(51.64)	(67.96)	(104.94)	(224.54)
New loans originated during the year	91.52	47.32	50.74	189.58
Net remeasurement of loss allowance	(118.06)	117.74	(20.21)	(20.53)
Balance as at 31st March 2025	210.70	244.71	425.17	880.58
Transfer from Stage 1	(13.77)	5.64	8.13	-
Transfer from Stage 2	10.74	(106.71)	95.97	-
Transfer from Stage 3	4.13	3.16	(7.29)	-
Loans that have derecognised during the period	(50.10)	(77.01)	(119.89)	(247.00)
New loans originated during the year	194.08	33.72	32.06	259.85
Net remeasurement of loss allowance	(19.72)	80.85	(24.02)	37.11
Balance as at 31st March 2026	336.06	184.36	410.13	930.54

Concentration of credit risk

The business manages concentration of risk primarily by geographical region. The following details show the geographical concentrations of the loans at the year end:

Particulars	31st March 2026	31st March 2025
Carrying value		
Concentration by geographical region in India		
South	12,158.53	11,173.70
West	7,559.69	6,927.67
East	6,262.85	4,736.87
North	5,234.94	4,341.18
Total Loans as at reporting period	31,216.01	27,179.42

(All amounts in ₹ crores, unless otherwise stated)

NOTE 38 Financial risk management (Contd.)

(B) Liquidity risk

Liquidity risk is a risk that an entity will encounter difficulty in meeting financial obligations.

As per company's policy, management ensures availability of sufficient fund either through Installment receivables/ sourcing through debts at each point of time. The fund requirement is ascertained at the beginning of the period by taking into consideration installment receivable, likely disbursement, loan installment payment & other operational expenses. The Company is continuously getting good support from Bankers & Financial Institutions at the time of need.

(i) Financing arrangements

The Company had access to the following undrawn borrowing facilities at the end of the reporting period:

	31st March 2026	31st March 2025
Floating rate		
Expiring within one year	1,932	4,820
Expiring beyond one year	-	-
	1,932	4,820

(ii) Maturities of financial assets and liabilities:

The tables below analyse the Company's financial assets and liabilities into relevant maturity groupings based on their contractual maturities for:

- All non-derivative financial liabilities and assets;
- Net and gross settled derivative financial instruments for which the contractual maturities are essential for an understanding of the timing of the cash flows.

The table below summaries the maturity profile of the Company's financial assets and financial liabilities based on contractual undiscounted payments as at the balance sheet date.

Particulars	Less than 3 months	3 to 6 months	6 months to 1 year	Between 1 and 5 years	More than 5 years	Total
As at 31st March 2026						
Financial assets:						
Derivative financial instruments	-	-	-	103.43	-	103.43
Cash and cash equivalents	3,327.50	-	-	-	-	3,327.50
Fixed deposits	-	-	0.21	-	-	0.21
Trade receivables	214.66	-	-	-	-	214.66
Loans	7,880.34	5,779.07	8,774.30	15,325.93	8.05	37,767.69
Investments	-	-	304.56	-	24.39	328.95
Other financial assets	1.29	4.23	9.38	14.39	0.28	29.56
Total	11,423.79	5,783.30	9,088.45	15,443.75	32.72	41,772.01
Financial liabilities:						
Borrowings	4,036.13	3,065.25	10,044.77	12,556.25	-	29,702.40
Security deposit	-	-	4.80	15.07	-	19.87
Trade payables	112.82	452.27	444.40	-	-	1,009.49
Other financial liabilities	22.55	8.40	106.82	66.43	0.93	205.13
Total	4,171.50	3,525.93	10,600.79	12,637.74	0.93	30,936.89

(All amounts in ₹ crores, unless otherwise stated)

NOTE 38 Financial risk management (Contd.)

Particulars	Less than 3 months	3 to 6 months	6 months to 1 year	Between 1 and 5 years	More than 5 years	Total
As at 31st March 2025						
Financial assets:						
Cash and cash equivalents	3,590.32	-	-	-	-	3,590.32
Fixed deposits	-	-	5.95	-	-	5.95
Trade receivables	38.64	38.14	64.47	-	-	141.25
Loans	6,920.21	4,872.60	7,383.26	14,009.22	3.83	33,189.12
Investments	-	-	300.00	-	17.63	317.63
Other financial assets	2.04	4.78	6.40	12.31	2.75	28.28
Total	10,551.21	4,915.52	7,706.08	14,021.53	24.20	37,272.55
Financial liabilities:						
Derivative financial instruments	-	-	-	2.24	-	2.24
Borrowings	2,497.56	3,562.25	7,232.59	14,073.57	150.58	27,516.56
Security deposit	-	-	9.25	6.26	-	15.51
Trade payables	637.50	208.44	241.36	-	-	1,087.30
Other financial liabilities	7.82	6.99	144.00	51.39	10.90	221.11
Total	3,142.88	3,777.68	7,627.20	14,133.46	161.48	28,842.72

The table below summaries the contractual maturity profile of carrying value of assets and liabilities:

Particulars	Less than 3 months	3 to 6 months	6 months to 1 year	Between 1 and 5 years	More than 5 years	Total
As at 31st March 2026						
Financial assets:						
Derivative financial instruments	-	-	-	103.43	-	103.43
Cash and cash equivalents	3,327.50	-	-	-	-	3,327.50
Fixed deposits	-	-	0.21	-	-	0.21
Trade receivables	214.66	-	-	-	-	214.66
Loans	6,720.63	4,594.34	6,882.06	12,666.05	352.94	31,216.01
Investments	-	-	288.98	-	24.39	313.37
Other financial assets	1.29	4.23	9.38	14.39	0.28	29.56
Total	10,264.08	4,598.57	7,180.62	12,783.87	377.61	35,204.75
Financial liabilities:						
Borrowings	3,608.99	2,728.32	9,522.39	11,808.18	-	27,667.88
Security deposit	-	-	4.80	15.07	-	19.87
Trade payables	112.82	452.27	444.40	-	-	1,009.49
Other financial liabilities	21.18	7.03	104.07	57.71	-	189.99
Total	3,742.98	3,187.62	10,075.66	11,880.95	-	28,887.23

(All amounts in ₹ crores, unless otherwise stated)

NOTE 38 Financial risk management (Contd.)

Particulars	Less than 3 months	3 to 6 months	6 months to 1 year	Between 1 and 5 years	More than 5 years	Total
As at 31st March 2025						
Financial assets:						
Cash and cash equivalents	3,590.32	-	-	-	-	3,590.32
Fixed deposits	-	-	5.95	-	-	5.95
Trade receivables	38.64	38.14	64.47	-	-	141.25
Loans	5,994.70	3,796.80	5,793.35	11,591.81	2.76	27,179.42
Investments	-	-	282.12	-	17.63	299.75
Other financial assets	2.04	4.78	6.40	12.31	2.75	28.28
Total	9,625.70	3,839.71	6,152.29	11,604.12	23.14	31,244.97
Financial liabilities:						
Derivative financial instruments	-	-	-	2.24	-	2.24
Borrowings	2,034.39	3,152.20	6,577.72	12,772.86	150.00	24,687.17
Security deposit	-	-	9.25	6.26	-	15.51
Trade payables	637.50	208.44	241.36	-	-	1,087.30
Other financial liabilities	6.49	5.66	141.35	42.49	9.85	205.84
Total	2,678.38	3,366.30	6,969.68	12,823.85	159.85	25,998.06

(a) Foreign currency risk exposure:

Foreign exchange risk arises on financial instruments being denominated in a currency that is not the functional currency of the entity. The Company is exposed to foreign exchange risk due to continuous fluctuation in the foreign currency(USD) of the loan originated. The Company has entered into cross currency swaps (CCS) /forward contracts/ Interest rate swap to fully hedge all foreign currency exchange risk on the principal and interest amount payable on borrowings.

Particulars	31 st March 2026	31 st March 2025
Financial liabilities		
Variable Foreign Currency Borrowings (USD 100 million) (Year ended 31st March 2025 : USD 35 million)	854.83	300.13
Derivative liabilities		
Hedged through forward contracts and CCS	854.83	300.13
Net exposure to foreign currency risk (liabilities)	-	-

(b) Sensitivity analysis

The Company has hedged all its foreign currency exposures by entering into CCS/ forward contracts, hence it shall not be subjected to any sensitivity on settlement due to foreign currency fluctuation due to the movements in foreign exchanges i.e. USD. Forward contracts & cross current swap are to buy USD for hedging foreign currency loan.

Impact on profit after tax		
USD sensitivity	31 st March 2026	31 st March 2025
INR/USD Increases by 5%	-	-
INR/USD Decreases by 5%	-	-

(All amounts in ₹ crores, unless otherwise stated)

NOTE 38 Financial risk management (Contd.)

(C) Fair value interest rate risk

The Company's main interest rate risk arises from long-term borrowings with variable rates, which expose the Company to cash flow interest rate risk. During the year ended 31st March 2026 and 31st March 2025, the Company's borrowings at variable rate were mainly denominated in INR.

The Company's floating rate borrowings are carried at amortised cost. For NBFC business, loan is the major source for running the business. In India, loans are generally available at floating rate Interest. And there are no such option available to obtain swap option for floating rate Interest linked to respective bank MCLR with fixed interest. Hence except foreign currency loans, other loans are not hedged.

(a) Interest rate risk exposure

The exposure of the Company's borrowing to interest rate changes at the end of the reporting period are as follows:

Particulars	31st March 2026	31st March 2025
Variable rate borrowings	20,836.05	17,493.01
Total borrowings	27,667.87	24,687.17

As at the end of the reporting period, the Company had the following variable rate borrowings outstanding:

	31st March 2026		
	Weighted average interest rate	Balance	% of total loans
Cash credits, bank loans etc.	6.91%	20,836.05	75.31%

	31st March 2025		
	Weighted average interest rate	Balance	% of total loans
Cash credits, bank loans etc.	7.93%	17,493.01	70.86%

An analysis by maturities is provided in note 38 B (ii) above.

(b) Sensitivity

Profit or loss is sensitive to higher/lower interest expense from borrowings as a result of changes in interest rates. Other components of equity change as a result of an increase/decrease in the fair value of the cash flow hedges related to borrowings.

Impact on profit after tax		
Particulars	31st March 2026	31st March 2025
Interest rates – increase by 50 basis points (50 bps) *	(77.96)	(65.45)
Interest rates – decrease by 50 basis points (50 bps) *	77.96	65.45

* Holding all other variables constant

NOTE 39 Capital management

(a) Risk management

The Risk Management policy includes identification of element of risks, including those which in the opinion of Board may lead to Company not meeting its financial objectives. The risk management process has been established across the Company and design to identify, access & frame a response to threat that affect the achievement of its objectives. Further it is embedded across all the major functions and revolve around the goals and objectives of the Company.

Maintaining optimal capital to debt is one such measure to ensure healthy returns to the shareholders. Company envisages maintaining gearing ratio of maximum 7 times to the total equity, the Company monitors the ratio as below:

Particulars	31st March 2026	31st March 2025
Net debt (total borrowings, less cash and cash equivalents)	24,340.37	21,103.76
Total equity (as shown in the balance sheet)	6,067.63	4,947.92
Net debt to equity ratio	4.01	4.27

(All amounts in ₹ crores, unless otherwise stated)

NOTE 39 Capital management (Contd.)

(b) Externally imposed capital restrictions

- 1) As per RBI requirements Capital Adequacy Ratio should be minimum 15%, not meeting RBI requirements will lead to cancellation of NBFC licenses issued by RBI. (Refer Note 43 18.17)
- 2) As per various lending arrangements with banks, TOL (Total Outside Liability) to TNW (Tangible Net Worth) ratio should be less than 8.5 times, not meeting the said requirements may lead to higher interest rates.
- 3) Shareholding of the promoter shall not be less than 51% without prior approval from lenders.

The Company has complied with these covenants throughout the reporting period.

NOTE 40 Leases

a) Lease disclosures pertaining to right-to-use asset

Particulars	31 st March 2026	31 st March 2025
Opening balance	65.19	26.58
Add: Adjustments on account of modification	-	35.95
Add: Additions during the year	28.84	23.53
Less: Deletions during the year	-	-
Less: Depreciation during the year	(23.70)	(20.87)
Closing balance	70.33	65.19

b) Lease liability movement

Particulars	31 st March 2026	31 st March 2025
Opening balance	71.41	31.36
Add: Adjustments on account of modification	-	34.72
Add: Additions during the year	27.69	23.53
Add: Interest accrued during the year	6.48	6.12
Less: Interest paid during the year	(6.48)	(6.12)
Less: Deletions during the year	-	-
Less: Principal repayment during the year	(21.60)	(18.20)
Closing balance	77.50	71.41

- c) The Company has offices across the country with varied lease period. The lease term considered for arriving at the Right to use Asset and Lease liabilities are based on the lease period of the respective agreements.
- d) The Company has exercised the option of short term leases and low value asset exemption.

e) Lease disclosures pertaining to Statement of Profit & Loss

Particulars	31 st March 2026	31 st March 2025
Amounts recognised in the Statement of Profit and Loss		
i. Depreciation charge of right-of-use assets (included in depreciation, amortisation and impairment)	23.70	20.87
ii. Interest expense (included in finance costs)	6.48	6.12
iii. Expense relating to short-term leases (included in other expenses)	7.42	6.68
iv. Expense relating to leases of low-value assets that are not shown above as short-term leases (included in other expenses)	-	-
v. Expense relating to variable lease payments not included in lease liabilities (included in other expenses)	-	-
Total	37.60	33.67

(All amounts in ₹ crores, unless otherwise stated)

f) Addition disclosures in cash flow statement

Particulars	31 st March 2026	31 st March 2025
Cash flow financing activities		
Principal repayments related to lease liabilities	21.60	18.20
Interest payments related to lease liabilities	6.48	6.12

g) Contractual maturities of lease liabilities outstanding

Particulars	31 st March 2026	31 st March 2025
Less than one year	22.13	19.07
One to five years	46.49	42.49
More than five years	8.88	9.85
Total	77.50	71.41

NOTE 41 Related party disclosure

Disclosure in respect of Related Parties and their relationship where transaction exists:

Nature of relationship	Parties name
Reporting enterprise	TVS Credit Services Limited
Holding company	TVS Motor Company Limited
Ultimate holding company	TVS Holdings Limited
Subsidiaries	TVS Housing Finance Private Limited Harita ARC Private Limited Harita Two Wheeler Mall Private Limited
Fellow subsidiary	TVS Motor Services Limited Sundaram Auto Components Limited TVS Digital Pte Limited TVS Digital Limited Home Credit India Finance Private Limited Drive X Mobility Millennial Solutions Private Limited
Enterprise under common control	Sundaram-Clayton Limited Srinivasan Services Trust Vee Yes Charities Foundation TVS Emerald Limited
Associate of holding company	Scienaptic Systems Private Limited (Upto 27th December 2024) TVS Training and Services Limited
Non-executive directors	Mr. Venu Srinivasan (upto 3rd February 2026) Mr. Sudarshan Venu Mr. K.N. Radhakrishnan Mr. Sanjiv Chadha
Independent directors	Mr. R. Gopalan Mr. B. Sriram Ms. Kalpana Unadkat Ms. Deepali Pant Joshi (upto 6th November 2025) Mr. T. C. Suseel Kumar
Director and CEO	Mr. Ashish Sapra, Director and Chief Executive Officer
Key managerial personnel	Ms. Roopa Sampath Kumar, Chief Financial Officer Mr. Chetan Nage, Company Secretary

(All amounts in ₹ crores, unless otherwise stated)

NOTE 41 Related party disclosure (Contd.)

A. Transactions with related parties during the year:

Sl. No.	Name of the Related Party	Nature of Transactions	31st March 2026	31st March 2025
1	TVS Motor Company Limited	Contribution towards issuance of equity shares	171.51	282.67
		Receipt of subvention income	29.34	10.11
		Reimbursement of IT expense	4.45	2.46
		Payment towards business support service	1.54	3.70
2	TVS Holdings Limited	Payment towards brand royalty fees	24.63	22.87
		Payment towards business support service	4.36	2.82
3	TVS Housing Finance Private Limited	Reimbursement of expenses	0.20	0.17
4	Harita ARC Private Limited	Reimbursement of expenses	0.01	0.00
5	Harita Two Wheeler Mall Private Limited	Reimbursement of expenses	0.01	0.00
6	TVS Digital Pte Limited	Payment towards software license fees	2.26	1.97
		Payment towards Software purchase	36.05	-
		Payment towards business support service	-	0.01
7	TVS Digital Limited	Payment towards business support service	4.35	0.36
8	Drive X Mobility Millennial Solutions Private Limited	Receipt towards sale of repossessed vehicles	1.50	7.87
9	Sundaram-Clayton Limited	Payment towards business support service	1.66	1.27
10	Srinivasan Services Trust	Contribution towards corporate social responsibility	16.00	10.00
11	Vee Yes Charities Foundation	Contribution towards Donation	10.62	7.10
12	TVS Training and Services Limited	Interest on loan received	0.01	0.02
		Loan recovered	0.05	0.06
13	Home Credit India Finance Private Limited	Receipt of Lead generation fee	0.32	-
		Receipt towards Seat rental	0.10	-
		Reimbursement of expenses	1.03	-
14	Scienaptic Systems Private Limited	Payment towards business support service	-	0.89

B. Remuneration to Key Managerial Personnel*

Particulars	2025-26	2024-25
Short term benefits	11.15	8.69
Post retirement benefits	0.40	0.28
Share based payment	0.17	0.27

*Remuneration to Key Managerial Personnel excludes provision for gratuity, pension and compensated absences, since it is provided on actuarial basis for the Company as a whole. The Company has not granted any loans or advances in the nature of loans to promoters, directors, key managerial personnel and the related parties, either severally or jointly with any other person, which are (a) repayable on demand; or (b) without specifying any terms or period of repayment.

(All amounts in ₹ crores, unless otherwise stated)

NOTE 41 Related party disclosure (Contd.)

C. Directors' Sitting Fees and Commission

Sl. No.	Name of the Director	Nature	2025-26	2024-25
1	Mr. Venu Srinivasan	Sitting fees*	0.01	0.00
		Commission	-	
2	Mr. K.N. Radhakrishnan	Sitting fees	0.03	0.03
		Commission	-	-
3	Mr. B.Sriram	Sitting fees	0.03	0.05
		Commission	0.30	0.20
4	Mr. R.Gopalan	Sitting fees	0.04	0.03
		Commission	0.30	0.20
5	Ms. Kalpana Unadkat	Sitting fees	0.03	0.04
		Commission	0.30	0.20
6	Ms. Deepali Pant Joshi	Sitting fees	0.01	0.01
		Commission	0.18	0.13
7	Mr. T.C. Suseel Kumar	Sitting fees	0.01	0.01
		Commission	0.30	0.13
TOTAL			1.53	1.03

1. The amounts mentioned are actual payments made during the year.
2. * The sitting fees paid during year ended 31st March 2025 represents amount less than rounding off norm adopted by the company
3. Transaction values are excluding taxes and duties

D. Balance outstanding as at:

Sl. No.	Name of the Related Party	31st March 2026	31st March 2025
1	Amounts due from:		
	TVS Motor Company Limited	23.61	-
	TVS Housing Finance Private Limited	0.20	-
	Harita ARC Private Limited	0.03	0.02
	Harita Two Wheeler Mall Private Limited	0.03	0.02
	Home Credit India Finance Private Limited	0.05	-
	TVS Training and Services Limited	0.07	0.12
2	Amounts due to:		
	TVS Motor Company Limited	-	0.94
	TVS Holdings Limited	2.33	0.72
	TVS Digital Pte Limited	-	0.18
	TVS Digital Limited	1.13	0.16
	Sundaram-Clayton Limited	0.24	0.18
	Scienaptic Systems Private Limited	-	0.17

(All amounts in ₹ crore unless otherwise stated)

41 Related Party Disclosure (Contd.)

Related Party disclosure pursuant to Reserve Bank of India (Non-Banking Financial Companies – Financial Statements: Presentation and Disclosures) Directions, 2025 requirements vide notification no. RBI/DOR/2025-26/359 DOR.ACC.REC.No.278/21.04.018/2025-26::

Related Party Balance outstanding:

Related Party Items	Parent (as per ownership or control)	Subsidiaries	Associates / Joint ventures	Entity under common control	KMP*	Relatives of KMP*	Fellow subsidiaries and others	Total
	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year
Borrowings:								
Outstanding at the year end	-	-	-	-	-	-	-	-
Maximum outstanding during the year	-	-	-	-	-	-	-	-
Deposits:								
Outstanding at the year end	-	-	-	-	-	-	-	-
Maximum outstanding during the year	-	-	-	-	-	-	-	-
Placement of deposits:								
Outstanding at the year end	-	-	-	-	-	-	-	-
Maximum outstanding during the year	-	-	-	-	-	-	-	-
Advances:								
Outstanding at the year end	-	-	0.07	0.12	-	-	-	0.07
Maximum outstanding during the year	-	-	0.12	0.18	-	-	-	0.12
Investments:								
Outstanding at the year end	-	12.01	-	-	-	-	-	12.01
Maximum outstanding during the year	-	12.01	-	-	-	-	-	12.01
Purchase of fixed/other assets:								
Outstanding at the year end	-	-	-	-	-	-	(0.18)	(0.18)
Maximum outstanding during the year	-	-	-	-	-	(36.05)	(0.77)	(0.77)
Sale of fixed/other assets:								
Outstanding at the year end	-	-	-	-	-	-	-	-
Maximum outstanding during the year	-	-	-	-	-	-	-	-
Interest paid:								
Outstanding at the year end	-	-	-	-	-	-	-	-
Maximum outstanding during the year	-	-	-	-	-	-	-	-
Interest received:								
Outstanding at the year end	-	-	-	-	-	-	-	-
Maximum outstanding during the year	-	-	0.00	0.00	-	-	-	0.00
Others:								
Outstanding at the year end	21.28	(1.66)	-	(0.17)	(0.24)	(0.18)	(1.08)	(2.14)
Maximum outstanding during the year	19.84	5.08	(0.17)	(0.17)	(0.52)	(0.09)	(1.50)	4.12

(All amounts in ₹ crore unless otherwise stated)

Related Party Transactions during the year:

Related Party Items	Parent (as per ownership or control)		Subsidiaries		Associates / Joint ventures		Entity under common control		KMP*		Relatives of KMP*		Fellow subsidiaries and others		Total	
	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year
Contribution towards issuance of equity shares	171.51	282.67	-	-	-	-	-	-	-	-	-	-	-	-	171.51	282.67
Receipt of subvention income	29.34	10.11	-	-	-	-	-	-	-	-	-	-	-	-	29.34	10.11
Reimbursement of IT expense	4.45	2.46	-	-	-	-	-	-	-	-	-	-	-	-	4.45	2.46
Payment towards business support service	5.89	6.52	-	-	-	0.89	1.66	1.27	-	-	-	-	4.35	0.37	11.91	9.05
Payment towards brand royalty fees	24.63	22.87	-	-	-	-	-	-	-	-	-	-	-	-	24.63	22.87
Reimbursement of expenses	-	-	0.22	0.18	-	-	-	-	-	-	-	-	1.03	-	1.25	0.18
Payment towards software license fees	-	-	-	-	-	-	-	-	-	-	-	-	2.26	1.97	2.26	1.97
Payment towards software purchase	-	-	-	-	-	-	-	-	-	-	-	-	36.05	-	36.05	-
Receipt towards sale of repossessed vehicles	-	-	-	-	-	-	-	-	-	-	-	-	1.50	7.87	1.50	7.87
Receipt of Lead generation fee	-	-	-	-	-	-	-	-	-	-	-	-	0.32	-	0.32	-
Receipt towards Seat rental	-	-	-	-	-	-	-	-	-	-	-	-	0.10	-	0.10	-
Contribution towards corporate social responsibility	-	-	-	-	-	-	16.00	10.00	-	-	-	-	-	-	16.00	10.00
Contribution towards Donation	-	-	-	-	-	-	10.62	7.10	-	-	-	-	-	-	10.62	7.10
Disbursal of loan	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Loan recovered	-	-	-	-	0.05	0.06	-	-	-	-	-	-	-	-	0.05	0.06
Interest on loan received	-	-	-	-	0.01	0.02	-	-	-	-	-	-	-	-	0.01	0.02

* There is no transaction with directors and relatives of directors.

(All amounts in ₹ crores, unless otherwise stated)

NOTE 42 Employee stock option plan

(A) Employee stock option plan

The Employee Stock Options Scheme titled "ESOP 2024" or "Plan" was approved by the shareholders of the Company through the special resolution passed on 11th November 2024. The Plan grants upto 5,34,800 options. The Plan allows the issue of options to employees who are permanent employees of the Company which are convertible to one equity share of the Company subject to payment / recovery of requisite exercise price. As per the Plan, the Nomination and Remuneration Committee grants the options to the employees deemed eligible. The options granted vest over a period of 4 years from the date of the grant in proportions specified in the ESOP Plan. The fair value as on the date of the grant of the options, representing Stock compensation charge, is expensed over the vesting period. Details of grants given upto the reporting date under the scheme are given as under:

Plan	No. of options granted	Grant Date	No. of options outstanding	Vesting condition and vesting period	Exercise Price (Rs.)	Weighted average fair value of the options at the grant date (Rs.)
ESOP 2024	1,55,400	12th November 2024	1,55,400	1461 days	440.00	178.45
ESOP 2024	1,42,008	28th April 2025	1,42,008	1461 days	440.00	178.45

(B) Method used for accounting for share based payment plan

The Company has used the fair value method to account for the compensation cost of stock options to employees. The fair value of options granted are estimated on the date of grant using the Black – Scholes Model. The key assumptions used in Black – Scholes Model for calculating fair value as on the date of respective grants are:

Grant Date	Weighted average fair value of the options at the grant date (Rs.)	Weighted average share price (Rs.)	Exercise Price (Rs.)	Expected Volatility*	Option life (years)	Dividend yield (%)	Risk-free interest rate (%)
12th November 2024	178.45	461.54	440.00	33.16%	4	-	6.86%
28th April 2025	178.45	461.54	440.00	33.16%	4	-	6.86%

* Expected volatility calculation is based on volatility of stock prices of comparable companies on NSE based on ex-dividend price

For the year ended 31st March 2026, the Company has accounted expense of Rs. 0.69 crores as employee benefits expense (note no. 31) on the aforementioned employee stock option plan (31st March 2025: Rs 0.27 crores)

(C) Movement in ESOP

Particulars	As at 31st March 2026		As at 31st March 2025	
	No of options	Weighted average fair value of the options at the grant date (Rs per share)	No of options	Weighted average fair value of the options at the grant date (Rs per share)
Outstanding at the beginning of the year	1,55,400	178.45	-	-
Granted during the year	1,42,008	178.45	1,55,400	178.45
Forfeited/ cancelled during the year	-	-	-	-
Exercised during the year	-	-	-	-
Outstanding at the end of the year	2,97,408	178.45	1,55,400	178.45
Exercisable at the end of the year	-	-	-	-

Particulars	As at 31st March 2026 (In days)	As at 31st March 2025 (In days)
Weighted average remaining contractual life of options outstanding as at year end	1,036	1,321

(All amounts in ₹ crores, unless otherwise stated)

NOTE 43 Additional notes forming part of Standalone Financial Statements for the year ended 31st March 2026

1 Capital commitments

Description	31 st March 2026	31 st March 2025
Estimated amount of contracts remaining to be executed on capital account not provided for	2.88	13.38

2 Other commitments

Description	31 st March 2026	31 st March 2025
Undrawn loans sanctioned to borrowers	195.23	41.29
Undrawn investments	2.00	4.00

3 Contingent liabilities not provided for

Claims against the Company not acknowledged as debts

Description	31 st March 2026	31 st March 2025
Disputed service tax and GST demand inclusive of penalty (Pre-deposit of Rs. 0.70 Cr, as on 31st March 2025 Rs.0.63 Cr)	10.28	10.65
Legal cases filed by borrowers against the Company	15.54	13.15

The Company's pending litigations comprise of claims against the Company and proceedings pending with statutory authorities. The future cash flows on the above items are determinable only on receipt of decisions/ judgments that are pending at various forums/authorities. The Company does not expect the outcome of these proceedings to have a materially adverse effect on its financial results.

- 4 The New Labour Codes which became effective November 21, 2025, resulted in an past period provision for gratuity of Rs. 8.61 Crores, the same has been reported as an Exceptional item in the financials for the quarter ended December 31, 2025 and year ended March 31, 2026. After the balance sheet date, while the Central Government notified the Rules on May 8, 2026, the State Rules are yet to be notified. The impact relating to Labour Codes is subject to finalisation of rules and regulatory framework thereunder.
- 5 Pursuant to para 2 of general instructions for preparation of financial statements of an NBFC as mentioned in Division III of Schedule III of The Companies Act, 2013, the current and non-current classification has not been provided.
- 6 (a) There is no separate reportable segment as per Ind AS 108 on 'Operating Segments' for the Company since it is primarily engaged in the business of financing.
(b) The Company operates primarily within India and therefore there is no separate reportable geographic statement.
(c) Revenue contributed by any single customer in any of the operating segments, whether reportable or otherwise, does not exceed ten percent of the Company's total revenue.
- 7 The Company has the process, whereby periodically all long-term contracts are assessed for material foreseeable losses. At the year end, Company has reviewed and ensured that adequate provision as required under any law/accounting standard for material foreseeable losses on such long-term contracts have been made in the books of accounts.
- 8 The Company has no transactions with companies struck off under Section 248 of the Companies Act, 2013 or Section 560 of Companies Act, 1956.
- 9 The Company is in compliance with the number of layers prescribed under Clause (87) of Section 2 of the Act read with the Companies (Restriction on number of Layers) Rules, 2017.
- 10 There are no proceedings that have been initiated or pending against the Company for holding any Benami Property under the Benami Transactions (Prohibition) Act, 1998 and rules made thereunder.

(All amounts in ₹ crores, unless otherwise stated)

43. Additional notes forming part of standalone financial statements for the year ended 31st March 2026 (Contd.)

11 Disclosure of ratios:

S.No.	Particulars	31st March 2026	31st March 2025	% Change
a.	Debt-Equity Ratio	4.56	4.99	-8.61%
b.	Return on Equity Ratio	16.58%	17.41%	-4.78%
c.	Net Profit Ratio	12.69%	11.57%	9.66%
d.	Capital to Risk-Weighted Assets Ratio (CRAR) (Calculated as per RBI guidelines)	19.44%	20.30%	-4.22%
e.	Tier I CRAR (Calculated as per RBI guidelines)	16.49%	15.84%	4.08%
f.	Tier II CRAR (Calculated as per RBI guidelines)	2.95%	4.46%	-33.90%
g.	Liquidity Coverage Ratio (LCR) (Calculated as per RBI guidelines)#	252%	288%	-12%

The LCR is more than the regulatory requirement

Notes:

- Debt service coverage ratio, Interest service coverage ratio, Long term debt to working capital, Bad debt to account receivable ratio, Current ratio, Current liability ratio, Debtors turnover, Inventory turnover, Operating margin ratios are not relevant as the Company is engaged in financing activities
 - Debt-Equity Ratio = Total Borrowings/Shareholder's Equity
 - Return on Equity Ratio = Profit after tax/Average Network
 - Net profit ratio (%) = Profit after tax / Total income
 - The Tier II CRAR percentage declined by 33.90% during the year, primarily due to the discounting of existing subordinated debt, coupled with the absence of any fresh subordinated debt issuances.
- No funds (which are material either individually or in the aggregate) have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person or entity, including foreign entity ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
 - No funds (which are material either individually or in the aggregate) have been received by the Company from any person or entity, including foreign entity ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, 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.
 - There were no transactions relating to previously unrecorded income that were surrendered or disclosed as income in the tax assessments under the Income Tax Act, 1961 during the year.
 - The Company has not traded or invested in crypto currency or virtual currency during the financial year.
 - No scheme of arrangements has been approved during the year by the Competent Authority in terms of Sections 230 to 237 of the Companies Act, 2013.
 - Disclosure pursuant to Master Directions on Fraud Risk Management in Non-Banking Financial Companies (NBFCs): There were 49 cases of frauds amounting to Rs. 0.59 crore reported during the year. (Previous year 20 cases amounting to Rs 0.47 crore).

(All amounts in ₹ crores, unless otherwise stated)

43. Additional notes forming part of standalone financial statements for the year ended 31st March 2026 (Contd.)

- 18 Disclosure pursuant to Master Direction - Reserve Bank of India (Non-Banking Financial Companies – Financial Statements: Presentation and Disclosures) Directions, 2025 requirements vide notification no. RBI/DOR/2025-26/359 DOR.ACC.REC.No.278/21.04.018/2025-26 dated November 28, 2025 as amended.**

18.1 Schedule to the Balance Sheet of a non-deposit taking Non-Banking Financial Company

S.No.	Description	Amount outstanding	Amount overdue
		As at 31 st March 2026	
	Liabilities		
(1)	Loans and advances availed by the NBFCs inclusive of interest accrued thereon but not paid:		
A	Debentures *	-	-
	- Secured	2,911.59	-
	- Unsecured	2,166.38	-
B	Deferred credits	-	-
C	Term loans (including subordinated debt)	17,455.79	-
D	Inter-corporate loans and borrowings	-	-
E	Commercial paper	398.27	-
F	Other loans:	-	-
	i. Cash credit & WCDL	4,735.84	-
	ii. Securitized trust borrowing	-	-
	Total	27,667.87	-

S.No.	Description	Amount outstanding	Amount overdue
		As at 31 st March 2025	
	Liabilities		
(1)	Loans and advances availed by the NBFCs inclusive of interest accrued thereon but not paid:		
A	Debentures *	-	-
	- Secured	2,625.39	-
	- Unsecured	2,165.74	-
B	Deferred credits	-	-
C	Term loans (including subordinated debt)	18,103.66	-
D	Inter-corporate loans and borrowings	-	-
E	Commercial paper	-	-
F	Other loans:	-	-
	i. Cash credit & WCDL	1,792.38	-
	ii. Securitized trust borrowing	-	-
	Total	24,687.17	-

* There is no public deposit, as defined in the Reserve Bank of India (Non-Banking Financial Companies – Acceptance of Public Deposits) Directions, 2025 and it includes subordinated debt

(All amounts in ₹ crores, unless otherwise stated)

43. Additional notes forming part of standalone financial statements for the year ended 31st March 2026 (Contd.)

S. No.	Description	Amount Outstanding as at	
		31st March 2026	31st March 2025
	Assets		
(2)	Break-up of loans and advances including bills receivable (other than those included in (4) below) :		
(a)	Secured	25,377.17	21,918.72
(b)	Unsecured considered good	5,838.84	5,260.70
(3)	Break-up of leased assets and stock on hire and other assets counting towards AFC activities:		
	(i) Lease assets including lease rentals under sundry debtors:		
	(a) Financial lease	-	-
	(b) Operating lease	-	-
	(ii) Stock on hire including hire charges under sundry debtors:		
	(a) Assets on hire	-	-
	(b) Repossessed assets	-	-
	(iii) Other loan counting towards AFC activities:		
	(a) Loans where assets have been repossessed	-	-
	(b) Loans other than (a) above	-	-
	Total	31,216.01	27,179.42

S.No.	Description	Amount Outstanding as at	
		31st March 2026	31st March 2025
(4)	Current investments:		
	1 Quoted :		
	(i) Shares: (a) Equity	-	-
	(b) Preference	-	-
	(ii) Debentures and bonds	-	-
	(iii) Units of mutual funds	-	-
	(iv) Government securities	288.98	282.12
	(v) Others	-	-
	2 Unquoted:		
	(i) Shares: (a) Equity	-	-
	(b) Preference	-	-
	(ii) Debentures and bonds	-	-
	(iii) Units of mutual funds	-	-
	(iv) Government securities	-	-
	(v) Others	-	-
	Long term investments:		
	1 Quoted :		
	(i) Shares: (a) Equity	-	-
	(b) Preference	-	-
	(ii) Debentures and bonds	-	-
	(iii) Units of mutual funds	-	-
	(iv) Government securities	-	-
	(v) Others	-	-

(All amounts in ₹ crores, unless otherwise stated)

43. Additional notes forming part of standalone financial statements for the year ended 31st March 2026 (Contd.)

2 Unquoted:			
(i) Shares:	(a) Equity	12.01	12.01
	(b) Preference	-	-
(ii) Debentures and bonds		0.25	0.25
(iii) Units of mutual funds		-	-
(iv) Government securities		-	-
(v) Others (Alternate investment fund)		12.14	5.38
Total		313.37	299.76

(5) Borrower group-wise classification of assets financed as in (2) and (3) above							
Category	Amount (Net of provisions for non-performing assets) as at 31st Mar 2026			Amount (Net of provisions for non-performing assets) as at 31st Mar 2025			
	Secured	Unsecured	Total	Secured	Unsecured	Total	
1. Related Parties							
(a) Subsidiaries			-			-	
(b) Companies in the same group	1.58	-	1.58	2.22	-	2.22	
(c) Other related parties			-			-	
2. Other than related parties	25,389.18	5,317.52	30,706.70	21,448.38	5,153.48	26,601.86	
Total	25,390.76	5,317.52	30,708.28	21,450.60	5,153.48	26,604.08	

(6) Investor group wise classification of all investments (current and long term) in shares and securities (both quoted and unquoted)			
Category		Market value / Break up or fair value of NAV	Book value (Net of provisions)
1. Related Parties			
(a) Subsidiaries		12.01	12.01
(b) Companies in the same group		-	-
(c) Other related parties		-	-
2. Other than related parties		301.36	301.36
Total		313.37	313.37

(7) Other information		Amount as at 31st March 2026	Amount as at 31st March 2025
(i)	Gross non-performing assets	-	-
	(a) Related parties	-	-
	(b) Other than related parties	1,141.36	1,338.63
(ii)	Net non-performing assets	-	-
	(a) Related parties	-	-
	(b) Other than related parties	633.63	763.29
(iii)	Assets acquired in satisfaction of debt	-	-

(All amounts in ₹ crores, unless otherwise stated)

43. Additional notes forming part of standalone financial statements for the year ended 31st March 2026 (Contd.)

18.2 Loans against gold collateral

i) Details of loans extended against eligible gold collateral

S. No.	Description	Loan outstanding		Average ticket size (Rs. Crore)	Average LTV ratio	Gross NPA (%)
		Rs. Crore	As % of total loans			
1	Opening balance at the beginning of the year [(a)+(b)]	20.89	100.00%	0.03	39.65	-
(a)	Consumption loans	11.58	55.44%	0.02	39.92	-
	of which bullet repayment loans	11.23	53.77%	0.02	40.17	-
(b)	Income generating loans	9.31	44.56%	0.03	39.38	-
2	New loans sanctioned and disbursed during the year [(c)+(d)]	149.41	100.00%	0.05	57.28	NA
(c)	Consumption loans	93.23	62.40%	0.04	58.24	NA
	of which bullet repayment loans	90.63	60.66%	0.04	58.34	-
(d)	Income generating loans	56.18	37.60%	0.05	56.32	NA
3	Renewals sanctioned and disbursed during the year	243.83	100.00%	0.06	62.02	NA
4	Top-up loans sanctioned and disbursed during the year	-	-	-	-	NA
5	Loans repaid during the year [(e)+ (f)]	283.14	100.00%	-	NA	NA
(e)	Consumption loans	179.72	63.47%	-	NA	NA
	of which bullet repayment loans	177.88	62.82%	-	NA	NA
(f)	Income generating loans	103.42	36.53%	-	NA	NA
6	Non-performing loans recovered during the year [(g)+(h)]	-	-	-	NA	NA
(g)	Consumption loans	-	-	-	NA	NA
	of which bullet repayment loans	-	-	-	NA	NA
(h)	Income generating loans	-	-	-	NA	NA
7	Loans written off during the year [(i)+(j)]	-	-	-	NA	NA
(i)	Consumption loans	-	-	-	NA	NA
	of which bullet repayment loans	-	-	-	NA	NA
(j)	Income generating loans	-	-	-	NA	NA
8	Closing balance at the end of the year [(k)+(l)]	130.98	100.00%	0.05	70.89	-
(k)	Consumption loans	81.80	62.45%	0.04	69.40	-
	of which bullet repayment loans	79.07	60.36%	0.04	69.89	-
(l)	Income generating loans	49.18	37.55%	0.05	72.39	-

ii) Details of gold collateral auctions

S. No.	Description	2025-26	2024-25
a)	Unclaimed gold collateral at the end of the financial year (in grams)	-	-
b)	Number of loan accounts in which auctions were conducted	-	-
c)	Total outstanding in loan accounts mentioned in (b)	-	-
d)	Gold collateral acquired during the FY due to default of loans (in grams)	-	-
e)	Gold collateral auctioned during the FY (in grams)	-	-
f)	Recovery made through auctions during the FY (in ₹ crore)	-	-
g)	Recovery percentage	-	-
h)	as % of value of gold collateral	-	-
i)	as % of outstanding loan	-	-

Note: There were no loans extended against silver collateral and therefore, there were no silver collateral auctions

(All amounts in ₹ crores, unless otherwise stated)

43. Additional notes forming part of standalone financial statements for the year ended 31st March 2026 (Contd.)

18.3 The Company has not extended any loans or advances towards project finance activities during the year ended 31st March 2026 and 31st March 2025. Accordingly, there were no recoverable project finance balances outstanding as at 31st March 2026.

18.4 The Company has not extended any Non-Fund Based (NFB) credit facilities during the year ended 31st March 2026 and 31st March 2025.

18.5 Disclosures on Co-Lending Arrangements

The Company has no co-lending arrangement as on 31st March 2026.

18.6 Disclosures relating to securitisation

S. No.	Description	31 st March 2026	31 st March 2025
1	No of SPEs holding assets for securitisation transactions originated by the NBFC	-	-
2	Total amount of securitised assets as per books of the SPEs	-	-
3	Total amount of exposures retained by the NBFC to comply with MRR as on the date of balance sheet		
	a) Off-balance sheet exposures		
	- First loss	-	-
	- Others	-	-
	b) On-balance sheet exposures		
	- First loss	-	-
	- Others	-	-
4	Amount of exposures to securitisation transactions other than MRR		
	a) Off-balance sheet exposures		
	i) Exposure to own securitizations		
	- First loss	-	-
	- Others	-	-
	ii) Exposure to third party securitizations		
	- First loss	-	-
	- Others	-	-
	b) On-balance sheet exposures		
	i) Exposure to own securitizations		
	- First loss	-	-
	- Others	-	-
	ii) Exposure to third party securitizations		
	- First loss	-	-
	- Others	-	-
5	Sale consideration received for the securitised assets and gain / loss on sale on account of securitisation	-	-
6	Form and quantum (outstanding value) of services provided by way of, liquidity support, post-securitisation asset servicing, etc.	-	-
7	Performance of facility provided		
	a) Amount paid	-	-
	b) Repayment received	-	-
	c) Outstanding amount	-	-
8	Average default rate of portfolios	-	-
9	Additional loan given on same underlying asset	-	-
10	Investor complaints		
	(a) Directly/Indirectly received	-	-
	(b) Complaints outstanding	-	-

(All amounts in ₹ crores, unless otherwise stated)

43. Additional notes forming part of standalone financial statements for the year ended 31st March 2026 (Contd.)

18.7 Disclosure of transfer of loan exposure

Details of loans transferred/acquired during the year ended 31st March 2026 under the Reserve Bank of India (Non-Banking Financial Companies - Transfer and Distribution of Credit Risk) Directions, 2025 and Reserve Bank of India (Non-Banking Financial Companies - Financial Statements: Presentation and Disclosures) Directions, 2025 dated November 28, 2025 are given below:

- (i) The Company has not transferred any Non-Performing Assets.
- (ii) The Company has not transferred any loan not in default.
- (iii) The Company has not acquired any Special Mention Account.
- (iv) The Company has not acquired any stressed loan and loan not in default.

18.8 Exposure

(i) Exposure to real estate sector

Category	2025-26	2024-25
(i) Direct exposure		
(a) Residential mortgages -		
Lending fully secured by mortgages on residential property that is or will be occupied by the borrower or that is rented	5.47	4.74
- individual housing loans up to Rs. 15 Lakhs	3.16	2.60
- individual housing loans more than Rs. 15 Lakhs	2.31	2.14
(b) Commercial real estate -	-	-
Lending secured by mortgages on commercial real estates (office building, retail space, multi-purpose commercial premises, multi-family residential buildings, multi-tenanted commercial premises, industrial or warehouse space, hotels, land acquisition, development and construction etc.).	-	-
(c) Investments in Mortgage backed securities (MBS) and other securitised exposures-		
i. Residential	-	-
ii. Commercial real estate	-	-
(ii) Indirect exposure	-	-
Fund based and non-fund based exposures on National Housing Bank (NHB) and Housing Finance Companies(HFC's)	-	-
Total exposure to real estate sector	5.47	4.74

(ii) Exposure to capital market

S. No.	Particulars	2025-26	2024-25
i	Direct investment in equity shares, convertible bonds, convertible debentures and units of equity-oriented mutual funds the corpus of which is not exclusively invested in corporate debt	0.25	0.25
ii	Advances against shares/bonds/debentures or other securities or on clean basis to individuals for investment in shares (including IPOs/ESOPs), convertible bonds, convertible debentures and units of equity-oriented mutual funds	-	-
iii	Advances for any other purposes where shares or convertible bonds or convertible debentures or units of equity oriented mutual funds are taken as primary security	-	-
iv	Advances for any other purposes to the extent secured by the collateral security of shares or convertible bonds or convertible debentures or units of equity oriented mutual funds i.e. where the primary security other than shares/ convertible bonds/convertible debentures/units of equity oriented mutual funds does not fully cover the advances	-	-
v	Secured and unsecured advances to stock brokers and guarantees issued on behalf of stock brokers and market makers	-	-

(All amounts in ₹ crores, unless otherwise stated)

43. Additional notes forming part of standalone financial statements for the year ended 31st March 2026 (Contd.)

vi	Loans sanctioned to corporates against the security of shares/bonds/debentures or other securities or on clean basis for meeting promoter's contribution to the equity of new companies in anticipation of raising resources	-	-
vii	Bridge loans to companies against expected equity flows/issues	-	-
viii	Underwriting commitments taken up by the NBFCs in respect of primary issue of shares or convertible bonds or convertible debentures or units of equity oriented mutual funds	-	-
ix	Financing to stockbrokers for margin trading	-	-
x	All exposures to Alternative Investment Funds:		
	(i) Category I	-	-
	(ii) Category II	12.14	5.38
	(iii) Category III	-	-
Total exposure to capital market		12.39	5.63

(iii) Disclosure on sectoral exposures

Sl. No.	Sector	2025-26			2024-25		
		Total exposure (Rs. Crore)	Gross NPA (Rs. Crore)	Percentage of gross NPAs to total exposure in that sector	Total exposure (Rs. Crore)	Gross NPA (Rs. Crore)	Percentage of gross NPAs to total exposure in that sector
1	Agriculture and allied activities	4,306.66	443.46	10.30%	4,726.15	560.49	11.86%
2	Industry						
	i. MSME	454.18	17.65	3.89%	824.70	26.01	3.15%
	ii. Other	33.53	0.63	1.88%	147.01	6.04	4.11%
	Total	487.71	18.28	3.75%	971.71	64.89	2.78%
3	Services	2,258.50	155.45	6.88%	1,361.95	32.84	2.41%
4	Personal loans	4,774.84	119.72	2.51%	4,616.42	177.29	3.84%
5	Others						
	i. Vehicles	12,963.80	341.92	2.64%	11,608.62	460.63	3.97%
	ii. Consumer durable	6,065.43	62.01	1.02%	3,689.42	74.71	2.02%
	iii. Advance to dealers	228.17	0.52	0.23%	184.25	0.68	0.37%
	iv. Other	130.89	-	0.00%	20.89	-	-
	Total	19,388.30	404.45	2.09%	15,503.18	536.02	3.46%
	Grand total	31,216.01	1,141.36	3.66%	27,179.42	1,338.69	4.93%

(iv) Disclosure on Intra-Group exposures

Description	2025-26	2024-25
Total amount of intra-group exposures	1.58	2.22
Total amount of top 20 intra-group exposures	1.58	2.22
Percentage of intra group exposures to total exposure of the NBFC on borrower/customers	0.01%	0.01%

(v) Unhedged foreign currency exposures

The Company's exposure of unhedged foreign currency risk at the end of the reporting period is Nil. (As on 31st March 2025: Nil)

(All amounts in ₹ crores, unless otherwise stated)

43. Additional notes forming part of standalone financial statements for the year ended 31st March 2026 (Contd.)

18.9 Related party disclosure

Disclosed in Note 41 of Financial statements

18.10 Disclosure of complaints

(i) Summary information on complaints received by the NBFC from customers and from the Offices of Ombudsman

Sr No.	Description	2025-26	2024-25
	Complaints received by the NBFC from its customers		
1	Number of complaints pending at the beginning of the year	132	109
2	Number of complaints received during the year	5,625	4,505
3	Number of complaints disposed during the year	5,502	4,482
3.1	Of which, number of complaints rejected by the NBFC	463	79
4	Number of complaints pending at the end of the year	255	132
	Maintainable complaints received by the NBFC from Office of Ombudsman	-	-
5	No. of complaints received by the NBFC from the Office of Ombudsman	509	416
5.1	Of 5, number of complaints resolved in favour of the NBFC by Office of Ombudsman	491	406
5.2	Of 5, number of complaints resolved through conciliation/mediation/ advisories issued by Office of Ombudsman	18	10
5.3	Of 5, number of complaints resolved after passing of Awards by Office of Ombudsman against the NBFC	-	-
6	Number of awards unimplemented within the stipulated time (other than those appealed)	-	-

(ii) Top five grounds of complaints received by the NBFCs from customers

Grounds of Complaints	No of complaints pending at the beginning of the Year	No of complaints received during the Year	% Increase/ Decrease in the no of complaints received over the previous year	No of complaints pending at the end of the Year	No of complaints pending beyond 30 Days
2025-26					
(a) Staff interaction related	37	993	17%	43	-
(b) Levy of charges related	2	309	92%	8	-
(c) Non-update of personal account payment	10	430	41%	24	-
(d) CIBIL correction	5	279	68%	20	-
(e) FC Amount paid - Loan live	-	268	NA	1	-
(f) Others	78	3,346	4%	159	12
2024-25					
(a) Staff interaction related	14	851	4%	21	-
(b) Levy of charges related	22	161	-14%	2	-
(c) Sourcing Related	1	44	57%	1	1
(d) SMS calls related	3	228	73%	4	-
(e) Loan Application related	-	-	100%	-	-
(f) Others	69	3,221	30%	104	-

(All amounts in ₹ crores, unless otherwise stated)

43. Additional notes forming part of standalone financial statements for the year ended 31st March 2026 (Contd.)

18.11 Loans to Directors, Senior Officers and relatives of Directors:

	2025-26	2024-25
Directors and their relatives	-	-
Entities associated with directors and their relatives	-	-
Senior Officers and their relatives	-	-

18.12 Currency Futures and Options:

The Company has not undertaken any transaction during the current year and previous year for currency futures and options.

18.13 Liquidity

(i) Funding Concentration based on significant counterparty (both deposits and borrowings):

Particulars	As at 31st March 2026	As at 31st March 2025
Number of significant counterparties*	21	19
Amount (Rs in crore)	26,164.34	23,212.04
% of Total deposits	NA	NA
% of Total liabilities**	90.22%	88.92%

*Significant counterparty is defined as a single counterparty or group of connected or affiliated counterparties accounting in aggregate for more than 1% of the NBFC's total liabilities.

** Total Liabilities have been computed as sum of all balance sheet liabilities excluding share capital and reserves.

(ii) Top 20 large deposits (amount in crore and % of total deposits) - NA

(iii) Top 10 borrowings (amount in crore and % of total borrowings)

Particulars	2025-26	2024-25
Total amount of top 10 borrowings	19,556.89	19,092.77
Percentage of amount of top 10 borrowings to total borrowings	70.68%	77.34%

(iv) Funding Concentration based on significant instrument/product

Sr No	Name of instrument/product	As at 31st March 2026	% of Total Liabilities	As at 31st March 2025	% of Total Liabilities
1	Term Loans from Banks	15,879.42	54.76%	16,757.81	64.20%
2	Term Loan from Financial Institution	523.91	1.81%	943.06	3.61%
3	External Commercial Borrowings	948.88	3.27%	299.22	1.15%
4	Sub-ordinated Debts	2,166.38	7.47%	2,165.74	8.30%
5	Commercial Paper	398.27	1.37%	-	0.00%
6	Non-Convertible Debentures	2,911.59	10.04%	2,625.39	10.06%
7	Working Capital Demand Loan	4,735.84	16.33%	1,792.35	6.87%

(All amounts in ₹ crores, unless otherwise stated)

43. Additional notes forming part of standalone financial statements for the year ended 31st March 2026 (Contd.)

(v) Stock Ratios

Sl. No.	Particulars	As at 31st March 2026	As at 31st March 2025
1	Commercial papers as a % of total public funds	1.44%	0.00%
2	Commercial papers as a % of total liabilities	1.37%	0.00%
3	Commercial papers as a % of total assets	1.14%	0.00%
4	Non-convertible debentures (original maturity of less than one year) as a % of total public funds	NA	NA
5	Non-convertible debentures (original maturity of less than one year) as a % of total liabilities	NA	NA
6	Non-convertible debentures (original maturity of less than one year) as a % of total assets	NA	NA
7	Other short- term Liabilities as a % of total public funds	60.31%	53.00%
8	Other short- term Liabilities as a % of total liabilities	57.54%	50.12%
9	Other short- term Liabilities as a % of total assets	47.58%	42.14%

(vi) Institutional set-up for liquidity risk management

Liquidity refers to the Company's ability to fund asset growth and meet both anticipated and unforeseen cash flow and collateral obligations in a timely manner, at a reasonable cost, and without incurring unacceptable losses. Liquidity risk arises when the Company is unable to meet such obligations as they fall due because of mismatches in the timing of cash flows under both normal and stress scenarios, potentially impairing its financial condition. Effective liquidity risk management helps ensure the company's ability to meet its obligations as and when they fall due and reduces the probability of an adverse situation developing.

At TVS Credit, liquidity risk management is governed by the Company's Asset Liability Management (ALM) Policy approved by the Board. The ALM policy outlines the principles, processes, and responsibilities related to liquidity risk management. The Company constituted an Asset Liability Management Committee (ALCO) as per guidelines issued by the RBI to NBFCs. ALCO provides strategic direction and guidance on liquidity and interest rate risk management within the framework approved by the Board. ALCO reviews the current and projected liquidity position, adequacy and diversification of funding sources, asset-liability mismatches, contingency funding plan, liquidity stress testing and interest rate risk management, among other responsibilities.

To implement ALCO directives, an ALM support group is formed, which is responsible for the day-to-day monitoring of the Company's liquidity management including short-term investments. This includes daily oversight of liquidity levels to ensure sufficient buffers for both business and contingency needs. The team monitors the concentration of borrowings across counterparties, instruments, and reviews ALM and Interest Rate Sensitivity (IRS) mismatches monthly to ensure compliance with internal and regulatory limits. It also monitors "Stock" ratios, manages the Company's collateral position, and regularly assesses the availability of unencumbered assets to support both expected and unexpected funding requirements. Furthermore, the team ensures that internal systems, controls, and procedures remain aligned with the ALM Policy.

(All amounts in ₹ crores, unless otherwise stated)

43. Additional notes forming part of standalone financial statements for the year ended 31st March 2026 (Contd.)

18.14 Credit default swaps

S.No.	Description	2025-26	2024-25
1	No. of transactions during the year	-	-
2	Amount of protection bought during the year	-	-
3	No. of transactions where credit event payment was received during the year	-	-
a)	pertaining to current year's transactions	-	-
b)	pertaining to previous year(s)' transactions	-	-
4	Outstanding transactions as on 31st March 2026	-	-
a)	No. of Transactions	-	-
b)	Amount of protection	-	-
5	Net income / profit (expenditure / loss) in respect of CDS transactions during year-to-date	-	-
a)	premium paid	-	-
b)	Credit event payments received (net of value of deliverable obligation)	-	-

18.15 Comparison between provisions required under IRACP and impairment allowances made under Ind AS 109

As at 31st March 2026

Asset classification as per RBI Norms	Asset classification as per Ind AS 109	Gross Carrying Amount as per Ind AS	Loss Allowances (Provisions) as required under Ind AS 109	Net Carrying Amount	Provisions required as per IRACP norms	Difference between Ind AS 109 provisions and IRACP norms
(1)	(2)	(3)	(4)	(5)=(3)-(4)	(6)	(7)=(4)-(6)
Performing Assets						
Standard	Stage 1	29,526.90	333.81	29,193.09	118.11	215.70
Standard	Stage 2	547.75	89.00	458.75	2.19	86.81
Subtotal for standard		30,074.65	422.81	29,651.84	120.30	302.51
Non-Performing Assets (NPA)						
Substandard	Stage 1	30.17	1.45	28.72	4.04	(2.59)
Substandard	Stage 2	279.84	78.21	201.63	42.14	36.07
Substandard	Stage 3	483.55	259.04	224.51	86.98	172.06
Subtotal for substandard		793.56	338.70	454.86	133.16	205.54
Doubtful - upto 1 Year	Stage 1	8.99	0.57	8.42	2.26	(1.69)
Doubtful - upto 1 Year	Stage 2	64.54	17.39	47.15	21.28	(3.89)
Doubtful - upto 1 Year	Stage 3	267.16	147.60	119.56	86.86	60.74
1 to 3 years	Stage 3	6.79	3.34	3.45	2.49	0.85
More than 3 years	Stage 3	0.32	0.13	0.19	0.17	(0.04)
Subtotal for doubtful		347.80	169.03	178.77	113.06	55.97
Loss	Stage 3	-	-	-	-	-
Subtotal for NPA		1,141.36	507.73	633.63	246.22	261.51

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2026



(All amounts in ₹ crores, unless otherwise stated)

43. Additional notes forming part of standalone financial statements for the year ended 31st March 2026 (Contd.)

Other items such as guarantees, loan commitments, etc. which are in the scope of Ind AS 109 but not covered under current Income Recognition, Asset Classification and Provisioning (IRACP) norms	Stage 1	-	-	-	-	-
	Stage 2	-	-	-	-	-
	Stage 3	-	-	-	-	-
Subtotal		-	-	-	-	-
Total	Stage 1	29,566.06	335.83	29,230.23	124.41	211.42
	Stage 2	892.13	184.60	707.53	65.61	118.99
	Stage 3	757.82	410.11	347.71	176.50	233.61
	Total	31,216.01	930.54	30,285.47	366.52	564.02

As at 31st March 2025

Asset classification as per RBI Norms	Asset classification as per Ind AS 109	Gross Carrying Amount as per Ind AS	Loss Allowances (Provisions) as required under Ind AS 109	Net Carrying Amount	Provisions required as per IRACP norms	Difference between Ind AS 109 provisions and IRACP norms
(1)	(2)	(3)	(4)	(5)=(3)-(4)	(6)	(7)=(4)-(6)
Performing Assets						
Standard	Stage 1	25,000.22	204.00	24,796.22	100.00	104.00
Standard	Stage 2	840.51	101.25	739.26	3.36	97.89
Subtotal for standard		25,840.73	305.25	25,535.48	103.36	201.89
Non-Performing Assets (NPA)						
Substandard	Stage 1	55.60	5.44	50.16	7.56	(2.12)
Substandard	Stage 2	416.77	121.09	295.68	63.89	57.20
Substandard	Stage 3	585.51	321.38	264.13	105.08	216.30
Subtotal for substandard		1,057.88	447.91	609.97	176.53	271.38
Doubtful 1- upto 1 year	Stage 1	10.93	1.26	9.67	2.77	(1.51)
Doubtful 1- upto 1 year	Stage 2	72.39	22.37	50.02	24.77	(2.40)
Doubtful 1- upto 1 year	Stage 3	194.74	102.13	92.61	63.70	38.43
Doubtful 2- 1 to 3 years	Stage 1	0.01	-	0.01	-	-
Doubtful 2- 1 to 3 years	Stage 3	2.31	1.48	0.83	0.93	0.55
Doubtful 3- More than 3 years	Stage 2	0.01	-	0.01	0.01	(0.01)
Doubtful 3- More than 3 years	Stage 3	0.42	0.18	0.24	0.22	(0.04)
Subtotal for doubtful		280.81	127.42	153.40	92.40	35.02
Loss	Stage 3	-	-	-	-	-
Subtotal for NPA		1,338.69	575.33	763.37	268.93	306.40
Other items such as guarantees, loan commitments, etc. which are in the scope of Ind AS 109 but not covered under current Income Recognition, Asset Classification and Provisioning (IRACP) norms	Stage 1	-	-	-	-	-

(All amounts in ₹ crores, unless otherwise stated)

43. Additional notes forming part of standalone financial statements for the year ended 31st March 2026 (Contd.)

	Stage 2	-	-	-	-	-
	Stage 3	-	-	-	-	-
Subtotal		-	-	-	-	-
Total	Stage 1	25,066.76	210.70	24,856.07	110.33	100.37
	Stage 2	1,329.68	244.71	1,084.97	92.03	152.68
	Stage 3	782.98	425.17	357.81	169.93	255.24
	Total	27,179.42	880.58	26,298.84	372.29	508.29

18.16 Summary of significant policies

Disclosed in Note 3 - Material note to accounting policies forming part of financial statements

18.17 Capital

Particulars	2025-26	2024-25
(i) CRAR (%)	19.44%	20.30%
(ii) CRAR- Tier 1	16.49%	15.84%
(iii) CRAR- Tier 2	2.95%	4.46%
(iii) Tier I capital	5,615.76	4,592.73
(iv) Tier 2 capital	1,004.85	1,293.60
(v) Amount of subordinated debt raised as Tier 2- capital	669.80	1,089.60
(vi) Amount raised by issue of Perpetual Debt Instruments (PDI)	-	-

Perpetual Debt Instruments (PDI)

Particulars	2025-26	2024-25
Fund raised through PDI during the year	-	-
Outstanding at the end of the financial year	103.58	103.57
Percentage of PDI to Tier I capital	1.84%	2.25%
Financial year in which interest for PDI not Paid	NA	NA

18.18 Investments

S.No.	Description	2025-26	2024-25
1	Value of investments		
	i) Gross value of investments		
	a) In India	313.37	299.75
	b) Outside India	-	-
	ii) Provision for depreciation		
	a) In India	-	-
	b) Outside India	-	-
	iii) Net value of investments		
	a) In India	313.37	299.75
	b) Outside India	-	-
2	Movement of provisions held towards depreciation on investments		
	i) Opening balance	-	-
	ii) Add: Provisions made during the year	-	-
	iii) Less: Write off/write back of excess provisions during the year	-	-
	iv) Closing balance	-	-

(All amounts in ₹ crores, unless otherwise stated)

43. Additional notes forming part of standalone financial statements for the year ended 31st March 2026 (Contd.)

18.19 Derivatives

(i) Forward rate agreement/Interest rate swap

Sl. No.	Description	2025-26	2024-25
(i)	The notional principal of swap agreements	854.83	300.13
(ii)	Losses which would be incurred if counterparties failed to fulfill their obligations under the agreements	-	-
(iii)	Collateral required by the NBFC upon entering into swaps	-	-
(iv)	Concentration of credit risk arising from the swaps	-	-
(v)	The fair value of the swap books	958.26	297.89

(ii) Exchange traded interest rate (IR) derivatives

Sl. No.	Description	Amount
(i)	Notional principal amount of exchange traded IR derivatives undertaken during the year	-
(ii)	Notional principal amount of exchange traded IR derivatives outstanding as on 31 st March 2026	-
(iii)	Notional principal amount of exchange traded IR derivatives outstanding and not "highly effective"	-
(iv)	Mark-to-market value of exchange traded IR derivatives outstanding and not "highly effective"	-

(iii) Disclosure on risk exposure in derivatives

Towards the foreign currency loan availed, the Company has taken forward cover to hedge the foreign current risks and cross currency interest rate swap.

Sl. No.	Description	2025-26	2024-25
(i)	Derivatives (Notional Principal Amount) For hedging	854.83	300.13
(ii)	Marked to market positions a) Asset (+) b) Liability (-)	103.43 -	- 2.24
(iii)	Credit exposure	958.26	297.89
(iv)	Unhedged exposures	-	-

18.20 Asset Liability Management - maturity pattern of certain items of assets and liabilities

As at 31 st March 2026											
Time Bucket	1 to 7 days	8 to 14 days	15 days to 30 /31 days	Over 1 month up to 2 months	Over 2 months up to 3 months	Over 3 months up to 6 months	Over 6 months up to 1 year	Over 1 year up to 3 year	Over 3 year up to 5 year	Over 5 years	Total
Deposits	-	-	-	-	-	-	0.21	-	-	-	0.21
Advances	2,204.10	122.45	122.45	2,075.26	2,196.37	4,594.34	6,882.06	11,215.23	1,450.82	352.94	31,216.01
Investments	-	-	-	-	-	-	288.98	-	-	24.39	313.37
Borrowings	43.09	11.30	709.07	1,001.32	1,844.21	2,728.32	9,522.39	10,181.90	677.40	-	26,718.99
Foreign Currency Assets	-	-	-	-	-	-	-	-	-	-	-
Foreign Currency Liabilities	-	-	-	-	-	-	-	948.88	-	-	948.88

(All amounts in ₹ crores, unless otherwise stated)

43. Additional notes forming part of standalone financial statements for the year ended 31st March 2026 (Contd.)

As at 31 st March 2025											
Time Bucket	1 to 7 days	8 to 14 days	15 days to 30 /31 days	Over 1 month up to 2 months	Over 2 months up to 3 months	Over 3 months up to 6 months	Over 6 months up to 1 year	Over 1 year up to 3 year	Over 3 year up to 5 year	Over 5 years	Total
Deposits	-	-	-	-	-	-	5.95	-	-	-	5.95
Advances	865.98	577.32	618.56	1,660.15	1,804.89	3,618.33	5,514.24	10,193.00	2,043.45	283.50	27,179.42
Investments	-	-	-	-	-	-	282.12	-	-	17.63	299.75
Borrowings	98.21	14.12	300.35	546.88	1,074.82	3,152.20	6,577.72	11,127.12	1,346.52	150.00	24,387.95
Foreign Currency Assets	-	-	-	-	-	-	-	-	-	-	-
Foreign Currency Liabilities	-	-	-	-	-	-	-	299.22	-	-	299.22

18.21 Exposures

(i) Details of financing of Parent Company products

During the year the Company has financed 7,45,889 nos. of two wheelers and 21,167 nos. of three wheelers of TVS Motor Company Limited as against 6,20,637 nos. of two wheelers and 5,360 nos. of three wheelers during the year ended 31st March 2025

(ii) Details of Single Borrower Limits (SBL)/Group Borrower Limits (GBL) exceeded

The Company has not exceeded the Single Borrower Limit and Group Borrowers Limit as set by Reserve Bank of India for the year ended 31st March 2026 and 31st March 2025.

(iii) Unsecured advances

Gross loans and advances includes unsecured advances of Rs. 5387.84 crore (31st March 2025 : Rs.5260.70 crore). There are no advances secured against intangible assets.

18.22 Breach of covenant

There have been no instances of breach of covenant of loan availed or debt securities issued for the year ended 31st March 2026 and 31st March 2025.

18.23 Divergence in asset classification and provisioning

There is no divergence in asset classification and provisioning in the financial statement in the previous year assessed by RBI.

18.24 Registration from other financial sector regulators

The Company has not obtained any other registration/license / authorisation, by whatever name called from any other financial sector regulators.

18.25 Area of operation

There are no joint ventures or overseas subsidiaries for the year ended 31st March 2026 & 31st March 2025.

(All amounts in ₹ crores, unless otherwise stated)

43. Additional notes forming part of standalone financial statements for the year ended 31st March 2026 (Contd.)

18.26 Ratings assigned by credit rating agencies and migration of ratings during the year

Rating agency	Facility	Rating (As on Mar 31, 2026)	Rating (As on Mar 31, 2025)
Care Ratings	Long Term Bank Facilities Non-Convertible Debentures	CARE AA+/ Stable CARE AA+/ Stable	CARE AA+/ Stable CARE AA+/ Stable
ICRA	Long-term Bank Facilities Short-term Bank Facilities Subordinated Debt Perpetual Debt Commercial Paper	ICRA AA+ (Stable) ICRA A1+ ICRA AA+ (Stable) ICRA AA (Stable) ICRA A1+	ICRA AA+ (Stable) ICRA A1+ ICRA AA+ (Stable) ICRA AA (Stable) ICRA A1+
CRISIL	Long Term Rating - Bank Loan Facilities Short Term Rating - Bank Loan Facilities Non-Convertible Debentures Tier II Bond Perpetual Bonds Commercial Paper	CRISIL AA+/Stable CRISIL A1+ CRISIL AA+/Stable CRISIL AA+/Stable CRISIL AA/Stable CRISIL A1+	CRISIL AA/Positive CRISIL A1+ CRISIL AA/Positive CRISIL AA/Positive CRISIL AA-/Positive CRISIL A1+
Brickwork Ratings	Subordinated Debt (Tier II)	BWR AA+/Stable	BWR AA+/Stable

18.27 Remuneration to directors

Disclosed in Note 41 of financial statements

18.28 Net profit or loss for the period, prior period items and changes in accounting policies

There are no prior period items which are impacting Company's current year Profit and Loss.

18.29 Circumstances in which revenue recognition has been postponed

There are no such circumstances in which revenue has been postponed pending the resolution of significant uncertainties.

18.30 Provisions and contingencies

Break up of 'Provisions and Contingencies' shown under the head expenditure in Statement of Profit and Loss

Description	2025-26	2024-25
Provision for depreciation on investments	-	-
Provision for depreciation on investment property	1.58	-
Provision/Impairment allowance towards NPA (Net)	(15.06)	32.11
Provision made towards Income Tax	400.49	323.80
Provision/Impairment allowance on Trade receivables & Other Financial Assets	(0.57)	1.20
Provision for expected credit loss towards undrawn commitments	1.23	-
Provision/Impairment allowance towards standard assets	65.02	(87.60)
Total	452.69	269.51

(All amounts in ₹ crores, unless otherwise stated)

43. Additional notes forming part of standalone financial statements for the year ended 31st March 2026 (Contd.)

18.31 Drawdown from Reserves

No draw down from reserves existed for the year ended 31st March 2026 and 31st March 2025

18.32 Concentration of deposits, advances, exposures & NPAs

(a) Concentration of deposits

Description	2025-26	2024-25
Total deposits of twenty largest depositors	NA	NA
Percentage of Deposits of twenty largest depositors to Total Deposits of the deposit taking NBFC	NA	NA

(b) Concentration of advances

Description	2025-26	2024-25
Total advances to twenty largest borrowers	111.44	121.15
Percentage of advances to twenty largest borrowers to total advances of the NBFC	0.36%	0.45%

(c) Concentration of exposures

Description	2025-26	2024-25
Total exposures to twenty largest borrowers/customers	111.44	121.15
Percentage of Exposures to twenty largest borrowers / customers to Total Exposure of the NBFC on borrowers/customers	0.36%	0.45%

(d) Concentration of NPAs

Description	2025-26	2024-25
Total exposure to top four NPA accounts	7.07	7.34

18.33 Movement of NPAs

S. No.	Movement of NPA	2025-26	2024-25
(I)	Net NPA to net advances (%)	2.06%	2.87%
(II)	Movement of gross NPA*		
	a. Opening balance	1,338.69	1,304.98
	b. Additions during the year	1,230.09	1,554.27
	c. Reductions during the year	549.91	500.10
	d. Write off during the year	877.51	1,020.45
	e. Closing balance	1,141.36	1,338.69
(III)	Movement of Net NPA		
	a. Opening balance	763.35	748.26
	b. Additions during the year	860.59	1,078.09
	c. Reductions during the year	112.80	42.55
	d. Write off during the year	877.51	1,020.45
	e. Closing balance	633.63	763.35
(IV)	Movement of Provision for NPAs*		
	a. Opening balance	575.33	556.72
	b. Provisions made during the Year	369.51	476.10
	c. Write-off/write-back of excess provisions	437.11	457.49
	d. Closing balance	507.73	575.33

(All amounts in ₹ crores, unless otherwise stated)

18.34 Resolution of stressed assets

During the year ended 31st March 2026, the Company has not implemented resolution plan under the prudential framework for stressed assets issued by RBI vide circular no RBI/DOR/2025-26/357/DOR.STR. REC.276/21.04.048/2025-26 dated 28th November 2025.

18.35 Overseas assets

The Company has no overseas assets as on 31st March 2026 and 31st March 2025.

18.36 Off-balance sheet SPVs sponsored

The Company has no off-balance sheet sponsored SPVs as on 31st March 2026 & 31st March 2025.

18.37 Off-balance sheet exposures and structured products

The Company has no off-balance sheet exposures and structured products as on 31st March 2026 & 31st March 2025.

18.38 Disclosure on Liquidity Coverage Ratio (LCR)

The Liquidity Coverage Ratio (LCR) is a key compliance requirement for NBFCs. Its objective is to ensure short-term resilience of the liquidity risk profile of the NBFCs by way of maintenance of adequate High Quality Liquid Assets (HQLA) to survive a significant financial/economic stress scenario lasting for thirty days period. The Company is maintaining adequate liquidity to manage its commitments. Additionally, the Company has unutilized sanctioned lines of credits from banks to meet liquidity needs.

In line with RBI regulations, the cash outflows and inflows have been stressed by 115% and 75% of their respective original values for computing LCR. The key drivers on the inflow side are the expected collections from the performing assets of the company and on the outflow side the scheduled maturities of borrowings. The High Quality Liquid Assets are entirely held in the assets, without any haircut. The LCR has been consistently maintained above 100% through the year which is well over the regulatory threshold of 85% (70 % upto November 30, 2023).

Sl. No.	Particulars	Q1 FY26		Q2 FY26		Q3 FY26		Q4 FY26	
		Total Unweighted Value (average) (i)	Total Weighted Value (average) (ii)	Total Unweighted Value (average) (i)	Total Weighted Value (average) (ii)	Total Unweighted Value (average) (i)	Total Weighted Value (average) (ii)	Total Unweighted Value (average) (i)	Total Weighted Value (average) (ii)
	High Quality Liquid Assets								
1	Total High Quality Liquid Assets (HQLA)	1,046	1,046	1,089	1,089	1,093	1,093	1,117	1,117
	Cash Outflows								
2	Deposits (for deposit taking companies)	-	-	-	-	-	-	-	-
3	Unsecured wholesale funding (iii)	9	10	122	140	196	225	191	220
4	Secured wholesale funding (iv)	659	758	1,017	1,169	634	729	663	762
5	Additional requirements, of which	-	-	-	-	-	-	-	-
i)	Outflows related to derivative exposures and other collateral requirements	-	-	-	-	-	-	-	-
ii)	Outflows related to loss of funding on debt products	-	-	-	-	-	-	-	-
iii)	Credit and liquidity facilities	-	-	-	-	-	-	-	-
6	Other contractual funding obligations	559	643	586	674	625	719	628	722
7	Other contingent funding obligations	63	73	70	81	77	88	60	69
8	TOTAL CASH OUTFLOWS	1,290	1,484	1,795	2,064	1,532	1,761	1,542	1,773
	Cash Inflows								
9	Secured lending	-	-	-	-	-	-	-	-
10	Inflows from fully performing exposures	1,912	1,434	1,857	1,393	2,105	1,578	2,226	1,670
11	Other cash inflows	3,003	2,252	3,373	2,530	2,705	2,029	2,926	2,195
12	TOTAL CASH INFLOWS	4,915	3,686	5,230	3,923	4,810	3,607	5,152	3,864
			Total Adjusted Value		Total Adjusted Value		Total Adjusted Value		Total Adjusted Value
	TOTAL HQLA		1,046		1,089		1,093		1,117
	TOTAL NET CASH OUTFLOWS (Weighted value of Total Cash Outflows – Minimum of (Weighted value of Total Cash Inflows, 75% of Weighted value of Total Cash Outflows))		371		516		440		443
	LIQUIDITY COVERAGE RATIO (%)		282%		211%		248%		252%

(All amounts in ₹ crore unless otherwise stated)

Sl No	High Quality Liquid Assets (HQLA)	Q1 FY25	Q2 FY25	Q3 FY25	Q4 FY25	Total Weighted Value (average) (ii)	Total Unweighted Value (average) (i)	Total Weighted Value (average) (iii)	Total Unweighted Value (average) (i)	Total Weighted Value (average) (ii)	Total Unweighted Value (average) (i)	Total Weighted Value (average) (iii)	Total Unweighted Value (average) (i)	Total Weighted Value (average) (ii)
1	Assets to be included as HQLA without any haircut	1,046	1,046	1,089	1,089	1,046	1,046	1,089	1,093	1,093	1,117	1,093	1,117	1,117
2	Assets to be considered for HQLA with a minimum haircut of 15%	-	-	-	-	-	-	-	-	-	-	-	-	-
3	Assets to be considered for HQLA with a minimum haircut of 50%	-	-	-	-	-	-	-	-	-	-	-	-	-
4	Approved securities held as per the provisions of section 45 IB of RBI Act	-	-	-	-	-	-	-	-	-	-	-	-	-
	Total HQLA	1,046	1,046	1,089	1,089	1,046	1,046	1,089	1,093	1,093	1,117	1,093	1,117	1,117

(i) Unweighted values calculated as outstanding balances maturing within one month (for inflows and outflows).

(ii) Weighted values calculated after the application of respective haircuts (for HQLA) and stress factors on inflow (75%) and outflow (115%).

(iii) Components of HQLA : Cash on hand and Demand deposits with Scheduled Commercial Banks and Government Securities (T-Bill).

Investment in Gsec of Rs. 288.59 Cr (Last year investment of Rs. 281.82 Cr matured on 24th March 2026) and accordingly it has been included in HQLA computation.

19 Disclosure under SEBI circular – Master Circular for issue and listing of Non-convertible Securities, Securitised Debt Instruments, Security Receipts, Municipal Debt Securities and Commercial Paper dated 15th October 2025

As per SEBI Master Circular for issue and listing of Non-convertible Securities, Securitised Debt Instruments, Security Receipts, Municipal Debt Securities and Commercial Paper dated 15th October 2025, the Company can issue debt securities over a continuous period of 3 years (block period). Accordingly, the Company has completed the issuance requirements until 2024-25. There is shortfall of Rs 1,438 crores for the financial year 2025-26, which can be met on or before financial year 2027-28 as per the Master Circular. The Company is in compliance with the Master Circular.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2026



(All amounts in ₹ crores, unless otherwise stated)

(All amounts in ₹ crore unless otherwise stated)

20 Disclosure on Restructuring Pursuant to Master Direction - Reserve Bank of India (Non-Banking Financial Companies - Financial Statements: Presentation and Disclosures) Directions, 2025 requirements vide notification no. RB/DOR/2025-26/359 DOR.ACC.REC.No.278/21.04.018/2025-26 - November 28, 2025 as amended.

S.No.	Type of Restructuring Asset Classification Details	Under CDR mechanism			Under SME debt restructuring mechanism			Others			Total										
		Standard	Sub- standard	Doubtful	Loss	Total	Standard	Sub- standard	Doubtful	Loss	Total	Standard	Sub- standard	Doubtful	Loss	Total					
1	Restructured accounts as on 1st April of the FY (opening figures*)	No. of borrowers	-	-	-	11.00	16.00	1.00	-	28.00	1.00	194.00	292.00	121.00	-	607.00	205.00	308.00	122.00	-	635.00
		Amount outstanding	-	-	-	0.13	1.27	-	-	1.40	-	2.22	2.57	1.09	-	5.88	2.35	3.84	1.09	-	7.28
		Provision thereon	-	-	-	-	0.41	-	-	0.41	-	0.34	1.11	0.24	-	1.69	0.34	1.52	0.24	-	2.15
2	Fresh restructuring during the year	No. of borrowers	-	-	-	-	23.00	-	-	23.00	-	-	1.00	-	-	1.00	-	24.00	-	-	24.00
		Amount outstanding	-	-	-	-	4.70	-	-	4.70	-	-	0.10	-	-	0.10	-	4.80	-	-	4.80
		Provision thereon	-	-	-	-	1.66	-	-	1.66	-	-	0.04	-	-	0.04	-	1.70	-	-	1.70
3	Upgradations to restructured standard category during the FY	No. of borrowers	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
		Amount outstanding	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
		Provision thereon	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
4	Restructured standard advances which cease to attract higher provisioning and / or additional risk weight at the end of the FY and hence need not be shown as restructured standard advances at the beginning of the next FY	No. of borrowers	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
		Amount outstanding	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
		Provision thereon	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
5	Downgradation of restructured accounts during the FY	No. of borrowers	-	-	-	-	-	-	-	-	-	(72.00)	72.00	-	-	-	(72.00)	72.00	-	-	-
		Amount outstanding	-	-	-	-	-	-	-	-	-	(0.49)	0.49	-	-	-	(0.49)	0.49	-	-	-
		Provision thereon	-	-	-	-	-	-	-	-	-	(0.20)	0.29	-	-	0.09	(0.20)	0.29	-	-	0.09
6	Write-offs of restructured accounts during the FY	No. of borrowers	-	-	-	-	-	-	-	-	-	3.00	63.00	67.00	-	133.00	3.00	63.00	67.00	-	133.00
		Amount outstanding	-	-	-	-	-	-	-	-	-	-	0.35	0.76	-	1.12	-	0.35	0.76	-	1.12
		Provision thereon	-	-	-	-	-	-	-	-	-	-	0.16	0.41	-	0.57	-	0.16	0.41	-	0.57
7	Collection	No. of borrowers	-	-	-	-	11.00	16.00	(7.00)	-	20.00	119.00	228.00	(60.00)	-	287.00	130.00	244.00	(67.00)	-	307.00
		Amount outstanding	-	-	-	-	0.13	1.27	(0.69)	-	0.71	1.73	2.22	(0.75)	-	3.20	1.86	3.49	(1.44)	-	3.91
		Provision thereon	-	-	-	-	-	0.41	(0.25)	-	0.16	0.14	0.96	(0.55)	-	0.55	0.14	1.37	(0.80)	-	0.71
8	Restructured accounts as on 31st March of the FY (closing figures*)	No. of borrowers	-	-	-	-	23.00	8.00	-	31.00	-	-	74.00	114.00	-	188.00	-	97.00	122.00	-	219.00
		Amount outstanding	-	-	-	-	4.70	0.69	-	5.39	-	-	0.59	1.07	-	1.66	-	5.29	1.76	-	7.05
		Provision thereon	-	-	-	-	1.66	0.25	-	1.91	-	-	0.33	0.37	-	0.70	-	1.99	0.62	-	2.61

(All amounts in ₹ crores, unless otherwise stated)

- 21** There have been no events after the reporting date that require disclosure in the Financial Statements.
- 22** Prior period figures have been regrouped, wherever necessary, to confirm to the current period presentation.

As per our report of even date

For and on behalf of the Board of Directors of
TVS Credit Services Limited

For Brahmayya & Co.,
Chartered Accountants
ICAI Regn. No. FRN 000511S

K Jitendra Kumar
Partner
Membership No. 201825

Place : Chennai
Date : 12th May 2026

For Suri & Co.,
Chartered Accountants
ICAI Regn. No. FRN 004283S

Sanjeev Aditya M
Partner
Membership No. 229694

Sudarshan Venu
Chairman
DIN-03601690

Roopa Sampath Kumar
Chief Financial Officer

Place : Bengaluru
Date : 12th May 2026

Ashish Sapra
Director and Chief Executive Officer
DIN-09805893

Chetan Nage
Company Secretary

To the Members of TVS Credit Services Limited

Report on the Consolidated Financial Statements

Opinion

We have audited the accompanying Consolidated Financial Statements of TVS Credit Services Limited ("the Parent" / "the Holding Company"/"the Company") and its three subsidiaries (Holding Company and its subsidiaries together referred to as "the Group"), which comprise the Consolidated Balance Sheet as at 31st March 2026, the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Statement of Changes in Equity and the Consolidated Statement of Cash Flows for the year then ended and notes to the Consolidated Financial Statements, and a summary of the material accounting policies and other explanatory information (hereinafter referred to as the "Consolidated Financial Statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Consolidated Financial Statements give the information required by the Companies Act 2013 ("The Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the act, read with the Companies (Indian Accounting Standards) Rules 2015 as amended ("Ind AS"), the relevant circulars, guidelines and directions issued by the Reserve Bank of India ("RBI") from time to time ("RBI Guidelines") and other accounting principles generally accepted in India, of the state of affairs of the Group as at 31st March 2026, and its consolidated profit and total comprehensive income, consolidated changes in equity and its consolidated cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing ("SA") specified under Section 143(10) of the Act. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the independence requirements that are relevant to our audit of the Consolidated 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 we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Consolidated Financial Statements.

Key Audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the Consolidated Financial Statements of the current period. These matters were addressed in the context of our audit of the Consolidated Financial Statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report.

Key Audit matters		How our audit addressed the Key matters
Impairment Allowance	Loss	We obtained an understanding of management's assessment of impairment of loans and advances including the internal model, impairment allowance policy and ECL modelling methodology.
Management's judgements in the calculation of impairment allowances have significant impact on the Standalone Financial Statements. The estimates regarding impairment allowances are complex and require a significant degree of judgement, which increased with implementation of Expected Credit Loss ("ECL") approach as required by Ind AS 109 relating to "Financial instruments."		We verified the appropriateness of the methodology and models used by the Company and assessed reasonableness of the assumptions used within the computation process to determine the impairment loss allowance as per the requirements of Ind AS 109 'Financial Instruments' and ECL policy of the Company.
Management is required to determine the expected credit loss that may occur over either a 12-month period or the remaining life of an asset, depending on the categorization of the individual asset.		

Key Audit matters	How our audit addressed the Key matters
The key areas of judgement include: 1. Categorization of loans in Stage I, II and III based on identification of: (a) exposures with significant increase in credit risk since their origination and (b) Individually impaired / default exposures. 2. Techniques used to determine Loss Given Default ('LGD') and Probability of Default ('PD') to calculate an ECL based on experience. 3. The impact of different future macroeconomic conditions in the determination of ECL. Quantitative factors like days past due, behaviour of the loan portfolio, historical losses incurred on defaults, macro-economic data points and qualitative factors like nature of the underlying loan, deterioration in credit quality, correlation of macro-economic variables to determine expected losses, probability weights applied to reflect future economic conditions, judgement in relation to Management overlays and related Reserve Bank of India ('RBI') guidelines, to the extent applicable, etc. are also taken into account in the ECL computation. Management has made several interpretations and assumptions	We tested, on a sample basis, the completeness and accuracy of the source data used. We recomputed the impairment loss allowance for a sample of loans spread across the portfolios, to check the arithmetical accuracy and compliance with the ECL methodology approved by the Board of Directors of the Company; We also assessed the approach of the Company for categorization of the loans in various stages reflecting the inherent risk in the respective loans. As a result of the above audit procedures no material differences were noted. We confirm the adequacy of disclosures made in the financial statements.

Key Audit matters	How our audit addressed the Key matters
when designing and implementing models that are compliant with the standard. The accuracy of data flows and the implementation of related controls is critical for the integrity of the estimated impairment provisions. Given the significance of judgements and the high complexity related particularly to the calculation of ECL we considered this area as a Key Audit Matter.	
IT Systems and Controls The Company's key financial accounting and reporting processes are highly dependent on the automated controls in information systems. Any control lapses, Validation failures, incorrect input data and wrong extraction of data may result in the financial accounting and reporting records being misstated. Given the complexity of the IT systems and high level of dependency on these systems for processing of financial transactions and their impact on the financial reporting process, we considered this area as a Key Audit Matter.	We tested a sample of key controls operating over the information technology in relation to key financial accounting and reporting systems including system reconciliation and system application controls. Reliance was also placed on the System Audit report of the Company covering user access management which includes granting access right, new user creation, removal of user rights and preventative controls designed to enforce segregation of duties. Based on our review no material weakness was found in the IT Systems and Controls.

Information Other than the Consolidated Financial Statements and Auditor's Report Thereon

The Parent Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Management Discussion and Analysis, Board's Report including Annexures to Board's Report, Business Responsibility Report, Corporate Governance and Shareholder's Information, but does not include the Standalone and Consolidated Financial Statements and our auditor's report thereon.

Our opinion on the Consolidated Financial Statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the Consolidated Financial Statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the Consolidated Financial Statements, or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and those charged with Governance for the Consolidated Financial Statements

The Parent Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Act with respect to the preparation of these Consolidated Financial Statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Group in accordance with the accounting principles generally accepted in India, the relevant circulars, guidelines and directions issued by the Reserve Bank of India ("RBI") from time to time including the Indian Accounting Standards specified under Section 133 of the Act, read with the Companies (Indian Accounting Standards) Rules, 2015. The respective Board of Directors of the companies included in the Group are responsible

for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making

judgements and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Consolidated Financial Statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

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

Auditor's Responsibility for the Audit of Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the Consolidated Financial Statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion.

Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with 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 Consolidated Financial Statements.

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

- Identify and assess the risks of material misstatement of the Consolidated Financial Statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from

error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the Group has adequate internal financial controls with reference to Consolidated Financial Statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of 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 Group'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 Consolidated Financial Statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure, and content of the Consolidated Financial Statements, including the disclosures, and whether the Consolidated Financial Statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entity within the Group to express an opinion on the Consolidated Financial Statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of the entity included in the Consolidated Financial Statements of which we are the independent auditors. We remain solely responsible for our audit opinion. Our responsibilities in this regard are further described in the section titled 'Other Matters' below.

Materiality is the magnitude of misstatements in the Consolidated Financial Statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the Consolidated 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 Consolidated 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, including any significant deficiencies in internal control 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.

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

Other Matters

We did not audit the financial statements / financial information of three subsidiaries, whose financial statements / financial information reflect total assets of Rs. 17.25 crores as of 31st March 2026, total revenues of Rs. 1.06 crores and net cash inflows amounting to Rs. 1.65 crores for the year ended on that date, as considered in the Consolidated Financial Statements. These financial statements have been furnished to us by the Management and our opinion on the Consolidated Financial Statements, in so far as it relates to the amounts and disclosures included in respect of the subsidiaries, and our report in terms of subsection (3) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiaries is based solely on the financial statements certified by the Management.

One of the joint statutory auditors has not audited the comparative Consolidated Financial Statements for the year ended 31st March 2025. The comparative Consolidated Financial Statements for the year ended 31st March 2025 were audited by the previous joint statutory auditors whose report dated 28th April 2025 expressed an unmodified opinion on those Consolidated Financial Statements.

Our opinion on the Consolidated Financial Statements is not modified in respect of above matters.

Report on Other Legal and Regulatory Requirements

As required by Section 143 (3) of the Act, we report that:

- (a) we have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
- (b) in our opinion, proper books of accounts as required by law have been kept by the Group so far as it appears from our examination of those books;
- (c) the Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss, the Consolidated Statement of Changes in Equity and the Consolidated Statement of Cash Flows dealt with by this report are in agreement with the books of accounts;
- (d) in our opinion, the aforesaid Consolidated Financial Statements comply with the Indian Accounting Standards specified under Section 133 of the Act, read with the Companies (Indian Accounting Standards) Rules, 2015;
- (e) On the basis of the written representations received from the directors of the Parent Company as on 31st March 2026 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March 2026 from being appointed as a director in terms of Section 164 (2) of the Act;
- (f) With respect to the adequacy of the internal financial controls with reference Consolidated Financial Statements of the Group and the operating effectiveness of such controls, refer to our separate Report in "Annexure A". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of internal financial controls with reference to Consolidated Financial Statements of those companies.;
- (g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended: In our opinion and to the best of our information and according to the explanation given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of Section 197 of the Act.
- (h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Group has disclosed the impact of pending litigations on its financial position in its Consolidated Financial Statements in Note no.43.
 - ii. The Group has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts. The derivative contracts being in the nature of the hedge contracts, the company does not anticipate any material losses from the same.
 - iii. There were no amounts which were required to be transferred to the Investor Education and Protection fund by the Group.
 - iv. a) The respective Managements of the Company and its Subsidiaries have represented that, to the best of its knowledge and belief, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company or its Subsidiaries to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
 - b) The respective Managements of the Company and its Subsidiaries have represented, that, to the best of its knowledge and belief, no funds have been received by the company or its subsidiaries from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the company or its subsidiaries shall, whether, 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; and

- c) Based on the audit procedures that has been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e) contain any material misstatement.
- (i) The Group has not declared or paid any Dividend during the year.
- (j) With respect to Rule 11(g) of Companies (Audit & Auditors) Rules, 2014, on maintenance of audit trail, transaction and edit log, based on our examination which included test checks, the company and its subsidiaries have used multiple accounting software for maintaining

its books of accounts which has the feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the software. Further, during the course of our audit we did not come across any instance of audit trail feature being tampered with and the audit trail has been preserved by the Group as per the statutory requirements for record retention.

With respect to the matters specified in paragraphs 3(xxi) and 4 of the Companies (Auditor's Report) Order, 2020 (the "Order"/ "CARO") issued by the Central Government in terms of Section 143(11) of the Act, to be included in the Auditor's report, according to the information and explanations given to us, and based on the CARO reports issued by us for the Companies included in the Consolidated Financial Statements of the Company, to which reporting under CARO is applicable, we report that there are no qualifications or adverse remarks in these CARO reports.

For **Brahmayya & Co.,**
Chartered Accountants
Firm Registration No. 000511S

K Jitendra Kumar
Partner
Membership No. 201825

Date: 12.05.2026
Place: Chennai

UDIN: 26201825EDKQFE4061

For **Suri & Co.,**
Chartered Accountants
Firm Registration No. 004283S

Sanjeev Aditya M
Partner
Membership No. 229694

Date: 12.05.2026
Place: Chennai

UDIN: 26229694SUWKFH2350

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls with reference to Consolidated Financial Statements of TVS Credit Services Limited ("the Parent" / "the Holding Company"/"the Company") and its three subsidiaries which are companies incorporated in India, as of 31st March 2026 in conjunction with our audit of the Consolidated Financial Statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The respective Management of the Parent company and its subsidiaries, which are companies incorporated in India is responsible for establishing and maintaining internal financial controls based on the internal control with reference to Consolidated Financial Statements criteria established by the Company considering the essential components of internal controls stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls with reference to Consolidated Financial Statements based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial

controls with reference to Consolidated Financial Statements, both applicable to an audit of Internal Financial Controls and both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial

controls with reference to Consolidated Financial Statements were established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system with reference to Consolidated Financial Statements and their operating effectiveness. Our audit of internal financial controls with reference to Consolidated Financial Statements includes obtaining an understanding of internal financial controls with reference to Consolidated Financial Statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the Consolidated Financial Statements, whether due to fraud or error. Our responsibilities in this regard are further described in the section titled 'Other Matters' below.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system with reference to Consolidated Financial Statements.

Meaning of Internal Financial Controls with reference to Consolidated Financial Statements

A company's internal financial control with reference to Consolidated Financial Statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of Consolidated Financial Statements for external purposes in accordance with generally accepted accounting principles. A Company's internal financial control with reference to Consolidated Financial Statements includes those policies and procedures that:

- (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company;
- (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of Consolidated Financial Statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Company

are being made only in accordance with authorizations of management and directors of the company; and

- (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the Company's assets that could have a material effect on the Consolidated Financial Statements.

Inherent Limitations of Internal Financial controls with reference to Consolidated Financial Statements

Because of the inherent limitations of internal financial controls with reference to Consolidated Financial Statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to Consolidated Financial Statements to future periods are subject to the risk that the internal financial controls with reference to Consolidated

Financial Statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, to the best of our information and according to the explanations given to us,

the company has, in all material respects, an adequate internal financial controls system with reference to Consolidated Financial Statements and such internal financial controls with reference to Consolidated Financial Statements were operating effectively as at 31st March 2026, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal

Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

Other Matters

Our aforesaid report under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls with reference to Consolidated Financial Statements insofar as it relates to three subsidiary companies, which are companies incorporated in India, is based solely on the corresponding report of the auditors of those companies and our opinion on the internal financial controls with reference to Consolidated Financial statements, insofar as it relates to the internal financial controls in respect of the subsidiary companies is based solely on the corresponding report of the other auditors.

Our opinion is not modified in respect of the above matter.

For **Brahmayya & Co.,**
Chartered Accountants
Firm Registration No. 000511S

K Jitendra Kumar
Partner
Membership No. 201825

Date: 12.05.2026
Place: Chennai

UDIN: 26201825EDKQFE4061

For **Suri & Co.,**
Chartered Accountants
Firm Registration No. 004283S

Sanjeev Aditya M
Partner
Membership No. 229694

Date: 12.05.2026
Place: Chennai

UDIN: 26229694SUWKFH2350

CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH 2026



(All amounts in ₹ crores, unless otherwise stated)

S. No.	Particulars	Note No.	As at 31 st March 2026	As at 31 st March 2025
1	ASSETS			
	Financial assets			
(a)	Cash and cash equivalents	4	3,344.71	3,606.57
(b)	Bank Balance other than (a) above	5	0.21	5.95
(c)	Derivative financial instruments	6	103.43	-
(d)	Receivables			
i)	Trade receivables	7	214.66	141.25
(e)	Loans	8	30,285.47	26,298.84
(f)	Investments	9	301.37	287.75
(g)	Other financial assets	10	29.30	28.25
	Total		34,279.15	30,368.61
2	Non-financial assets			
(a)	Current tax assets (net)	11	8.23	11.04
(b)	Deferred tax assets (net)	12	482.01	408.64
(c)	Investment property	13	83.58	85.16
(d)	Property, plant and equipment	14A	72.14	45.07
(e)	Right-to-use asset	14A	70.33	65.19
(f)	Capital work-in-progress	14B	0.63	2.40
(g)	Intangible assets under development	14B	1.90	10.96
(h)	Other intangible assets	14A	47.00	2.53
(i)	Other non-financial assets	15	28.11	48.38
	Total		793.93	679.37
	Total assets		35,073.08	31,047.98
	LIABILITIES AND EQUITY			
	LIABILITIES			
1	Financial liabilities			
(a)	Derivative financial instruments	6	-	2.24
(b)	Payables			
i)	Trade payables			
ii)	total outstanding dues of micro enterprises and small enterprises	16	29.60	26.08
iii)	total outstanding dues of creditors other than micro enterprises and small enterprises	16	979.90	1,061.21
(c)	Debt securities	17	3,309.86	2,625.39
(d)	Borrowings (other than debt securities)	18	22,088.05	19,792.47
(e)	Subordinated liabilities	19	2,269.96	2,269.31
(f)	Other Financial liabilities	20	209.85	221.35
	Total		28,887.22	25,998.05
2	Non-financial liabilities			
(a)	Provisions	21	75.15	59.58
(b)	Other non-financial liabilities	22	38.10	38.15
	Total		113.25	97.73
3	EQUITY			
(a)	Equity share capital	23	239.67	236.27
(b)	Instruments entirely equity in nature	23	18.38	18.38
(c)	Other Equity	24	5,814.56	4,697.55
	Total		6,072.61	4,952.20
	Total liabilities and equity		35,073.08	31,047.98
See accompanying notes to the consolidated financial statements				
Material accounting policies forming part of consolidated financial statements			3	
Additional Notes forming part of consolidated financial statements			43	

As per our report of even date

For and on behalf of the Board of Directors of
TVS Credit Services Limited

For Brahmayya & Co.,
Chartered Accountants
ICAI Regn. No. FRN 000511S

K Jitendra Kumar
Partner
Membership No. 201825

Place : Chennai
Date : 12th May 2026

For Suri & Co.,
Chartered Accountants
ICAI Regn. No. FRN 004283S

Sanjeev Aditya M
Partner
Membership No. 229694

Sudarshan Venu
Chairman
DIN-03601690

Roopa Sampath Kumar
Chief Financial Officer

Place : Bengaluru
Date : 12th May 2026

Ashish Sapra
Director and Chief Executive Officer
DIN-09805893

Chetan Nage
Company Secretary

CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH 2026



(All amounts in ₹ crores, unless otherwise stated)

S.No.	Particulars	Note No.	Year ended 31 st March 2026	Year ended 31 st March 2025
	Revenue from operations			
i)	Interest income	25	6,214.42	5,777.06
ii)	Fees and commission income	26	823.77	736.46
iii)	Net gain on fair value changes	27	154.02	92.32
I)	Total revenue from operations		7,192.21	6,605.84
II)	Other income	28	4.86	3.93
III)	Total income (I + II)		7,197.07	6,609.77
	Expenses			
i)	Finance costs	29	1,934.29	1,863.32
ii)	Fees and commission expenses		473.14	527.16
iii)	Impairment on financial instruments (net)	30	1,156.59	1,295.36
iv)	Employee benefits expenses	31	1,274.23	1,135.58
v)	Depreciation and amortization expenses	32	56.12	46.20
vi)	Other expenses	33	1,054.81	715.62
IV)	Total expenses		5,949.18	5,583.24
V)	Profit before exceptional items and tax (III-IV)		1,247.89	1,026.53
VI)	Exceptional items	43(4)	8.61	-
VII)	Profit before tax (V-VI)		1,239.28	1,026.53
VIII)	Tax expense	34		
	(1) Current tax		400.76	324.07
	(2) Deferred tax		(75.34)	(65.61)
IX)	Profit for the year (VII-VIII)		913.86	768.07
X)	Other comprehensive income			
A.	(i) Items that will not be reclassified to profit or loss			
	- Remeasurements of the defined benefit plans		(10.80)	(10.64)
	- Fair value gain/(loss) on financial instruments through other comprehensive income		4.76	(0.62)
	(ii) Income tax relating to items that will not be reclassified to profit or loss		1.52	2.83
	Subtotal (A)		(4.52)	(8.43)
B.	(i) Items that will be reclassified to profit or loss			
	-Fair value change on cash flow hedge		13.85	(8.89)
	(ii) Income tax relating to items that will be reclassified to profit or loss		(3.48)	2.24
	Subtotal (B)		10.37	(6.65)
	Other Comprehensive Income (A+B)		5.85	(15.08)
XI)	Total comprehensive income for the year (IX + X) (Comprising Profit/(Loss) and other comprehensive income for the year)		919.71	752.99
XII)	Earnings per equity share (Face value of Rs. 10/- each)	35		
	Basic (Rs.)		35.69	30.39
	Diluted (Rs.)		35.69	30.39
	See accompanying notes to the consolidated financial statements			
	Material accounting policies forming part of consolidated financial statements	3		
	Additional Notes forming part of consolidated financial statements	43		

As per our report of even date

For and on behalf of the Board of Directors of
TVS Credit Services Limited

For Brahmayya & Co.,
Chartered Accountants
ICAI Regn. No. FRN 000511S

K Jitendra Kumar
Partner
Membership No. 201825

Place : Chennai
Date : 12th May 2026

For Suri & Co.,
Chartered Accountants
ICAI Regn. No. FRN 004283S

Sanjeev Aditya M
Partner
Membership No. 229694

Sudarshan Venu
Chairman
DIN-03601690

Roopa Sampath Kumar
Chief Financial Officer

Place : Bengaluru
Date : 12th May 2026

Ashish Sapra
Director and Chief Executive Officer
DIN-09805893

Chetan Nage
Company Secretary

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31ST MARCH 2026



(All amounts in ₹ crores, unless otherwise stated)

I) Equity share capital

	Note No.	Amounts
Balance as at 1st April 2024		228.22
Changes in equity share capital during the year	23	8.05
Balance as at 31st March 2025		236.27
Changes in equity share capital during the year	23	3.39
Balance as at 31st March 2026		239.67

II) Instruments entirely equity in nature

	Note No.	Amounts
Balance as at 1st April 2024		18.38
Changes in compulsorily convertible preference shares capital during the year	23	-
Balance as at 31st March 2025		18.38
Changes in compulsorily convertible preference shares capital during the year	23	-
Balance as at 31st March 2026		18.38

III) Other Equity

	Note No.	Reserves and surplus				Other comprehensive income (OCI)		Total
		Securities premium account	Statutory reserve	Share based payment reserve	Retained earnings	Financial instruments through OCI	Cashflow Hedge reserve	
Balance as at 1st April 2024		1,874.19	356.40	-	1,385.86	-	5.89	3,622.34
Profit for the year	24	-	-	-	768.07	-	-	768.07
Fair valuation gain/ (loss) of financial instrument (net)	24	-	-	-	-	(0.47)	(6.65)	(7.12)
Remeasurements of defined benefit plans (net)	24	-	-	-	(7.96)	-	-	(7.96)
Transfer to Statutory reserve	24	-	153.45	-	(153.45)	-	-	-
Issuance of equity shares	24	321.95	-	-	-	-	-	321.95
Share-based payment expenses	24	-	-	0.27	-	-	-	0.27
Balance as at 31st March 2025		2,196.14	509.85	0.27	1,992.52	(0.47)	(0.76)	4,697.55
Profit for the Year	24	-	-	-	913.86	-	-	913.86
Fair valuation gain/ (loss) of financial instrument (net)	24	-	-	-	-	3.55	10.37	13.92
Remeasurements of defined benefit plans (net)	24	-	-	-	(8.08)	-	-	(8.08)
Transfer to Statutory reserve	24	-	182.77	-	(182.77)	-	-	-
Issuance of equity shares	24	196.62	-	-	-	-	-	196.62
Share-based payment expenses	24	-	-	0.69	-	-	-	0.69
Balance as at 31st March 2026		2,392.76	692.62	0.96	2,715.53	3.08	9.61	5,814.56

As per our report of even date

For and on behalf of the Board of Directors of
TVS Credit Services Limited

For Brahmayya & Co.,
Chartered Accountants
ICAI Regn. No. FRN 000511S

K Jitendra Kumar
Partner
Membership No. 201825

Place : Chennai
Date : 12th May 2026

For Suri & Co.,
Chartered Accountants
ICAI Regn. No. FRN 004283S

Sanjeev Aditya M
Partner
Membership No. 229694

Sudarshan Venu
Chairman
DIN-03601690

Roopa Sampath Kumar
Chief Financial Officer

Place : Bengaluru
Date : 12th May 2026

Ashish Sapra
Director and Chief Executive Officer
DIN-09805893

Chetan Nage
Company Secretary

CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31ST MARCH 2026



(All amounts in ₹ crores, unless otherwise stated)

Particulars	Year ended 31 st March 2026	Year ended 31 st March 2025
Cash flows from operating activities		
Profit before tax	1,239.28	1,026.53
Adjustments for:-		
Depreciation and amortization	56.12	46.20
Impairment of financial instruments	41.02	(56.00)
Profit on disposal of property, plant and equipment	(0.71)	(0.20)
Finance costs	1,934.29	1,863.32
Unwinding of discount on security deposits	(1.14)	(0.97)
Remeasurements of defined benefit plans	(10.80)	(10.64)
Share-based payment expenses	0.69	0.27
Cash outflow towards finance costs	(1,928.20)	(1,858.87)
Cash generated/(used) from operations before working capital changes	91.27	(16.89)
Changes in working capital		
(Increase)/Decrease in Trade receivables	(72.84)	(25.25)
(Increase)/Decrease in Loans	(4,028.21)	(771.40)
(Increase)/Decrease in Other financial assets and other bank balances	5.84	(3.53)
(Increase)/Decrease in Other non-financial assets	20.27	10.21
Increase/(Decrease) in Trade payables	(77.79)	31.09
Increase/(Decrease) in Other financial liabilities	(17.60)	(153.35)
Increase/(Decrease) in Provisions and other non-financial liabilities	15.52	(22.71)
Net cash generated/(used) in operating activities before income tax	(2,824.26)	74.70
Income taxes paid (net of refund)	(397.95)	(315.30)
Net cash used in operating activities (I)	(3,222.21)	(240.60)
Cash flows from investing activities		
Investment in Property, plant and equipment	(52.02)	(32.50)
Proceeds from sale of Property, plant and equipment	0.72	0.23
Investment in intangible assets	(41.20)	(9.07)
Investment in Government securities	(6.86)	(188.66)
Investment in Alternate investment fund	(2.00)	(2.00)
Net cash used in investing activities (II)	(101.36)	(232.00)
Cash flows from financing activities		
Proceeds from issue of Equity shares	200.00	330.00
Proceeds from Issue/(Repayment) of Debt securities (net)	684.47	1,114.40
Proceeds/(Repayment) of Borrowings other than debt securities (net)	2,204.70	834.47
Proceeds/(Repayment) of Subordinated liabilities (net)	0.65	56.35
Payments of Lease liabilities	(28.08)	(24.33)
Net cash generated from financing activities (III)	3,061.74	2,310.89
Net increase/(decrease) in Cash and cash equivalents (I+II+III)	(261.83)	1,838.29
Cash and cash equivalents at the beginning of the year	3,606.54	1,768.25
Cash and cash equivalents at the end of the year	3,344.71	3,606.54
Components of cash and cash equivalents for the purpose of Statement of Cash Flows:		
Description	As at 31 st March 2026	As at 31 st March 2025
Cash and cash equivalents as per Balance Sheet	3,344.71	3,606.57
Less: Overdrafts utilised (Grouped under Borrowings (other than debt securities) - Note 18)	-	0.03
Cash and Cash Equivalents for the purpose of Statement of Cash Flows	3,344.71	3,606.54

As per our report of even date

For and on behalf of the Board of Directors of
TVS Credit Services Limited

For Brahmayya & Co.,
Chartered Accountants
ICAI Regn. No. FRN 000511S

K Jitendra Kumar
Partner
Membership No. 201825

Place : Chennai
Date : 12th May 2026

For Suri & Co.,
Chartered Accountants
ICAI Regn. No. FRN 004283S

Sanjeev Aditya M
Partner
Membership No. 229694

Sudarshan Venu
Chairman
DIN-03601690

Roopa Sampath Kumar
Chief Financial Officer

Place : Bengaluru
Date : 12th May 2026

Ashish Sapra
Director and Chief Executive Officer
DIN-09805893

Chetan Nage
Company Secretary

(All amounts in ₹ crores, unless otherwise stated)

1 Corporate information

TVS Credit Services Limited ('the Parent Company') (CIN U65920KA2008PLC218369) is a public limited company incorporated and domiciled in India. The registered office is located at TVR Pride, No. 383, 16th Main, 3rd Block, Koramangala, Bengaluru-560034, Karnataka, India. The Parent Company with its subsidiaries is collectively referred to as a Group.

The Parent Company received Certificate of Registration (No. N-07-00783) dated 13th April, 2010 from Reserve Bank of India (RBI) and commenced Non-Banking financial activity there on. The Parent Company is a Systemically Important Non-Deposit taking Non-Banking Finance Company, as defined under Section 45-IA of Reserve Bank of India (RBI) Act, 1934. The Parent Company offers diverse lending products like automobile finance, consumer durable loans and small business loans. The Parent Company is categorised as "NBFC - Investment and Credit Company (NBFC-ICC)" pursuant to RBI circular DNBR (PD) CC.No.097/03.10.001/2018-19 dated February 22, 2019 and as defined in Para 6(12) of Reserve Bank of India (Non-Banking Financial Companies – Registration, Exemptions and Framework for Scale Based Regulation) Directions, 2025, dated November 28, 2025. Effective 1st October 2022, the Parent Company has been categorised as NBFC-Middle Layer under the RBI Scale Based Regulation.

2 Basis of preparation

2.1 Statement of compliance

The financial statements have been prepared in accordance with Indian Accounting Standards (Ind AS) as prescribed in the Companies (Indian Accounting Standards) Rules, 2015 as amended from time to time and notified under Section 133 of the Companies Act, 2013 (the Act), the guidelines issued by the RBI as applicable to Non-Banking Finance Companies (NBFCs), including the Reserve Bank of India (Non-Banking Financial Companies – Registration, Exemptions and Framework for Scale Based Regulation) Directions, 2025 and in accordance with Division III of Schedule III of Companies Act 2013 notified by MCA on 11th October 2018. Further, the Group follows applicable guidance, clarifications, circulars and directions issued by the Reserve Bank of India (RBI) for Non-Banking Financial Companies (NBFC), MCA or other

regulators, as and when they are issued and applicable..

The financial statements have been prepared on a historical cost basis, except for certain financial instruments and employee benefit plans that are measured at fair value.

The financial statements are prepared on going concern basis based on the ability of the Group to continue its business for the foreseeable future and no material uncertainty exists that may cause significant doubt on the going concern assumption. In making this assessment, the Group has considered wide range of information relating to present & likely future conditions including projections of cash flows & profitability.

The financial statements have been approved for issue by the Board of Directors of the Parent Company on 12th May 2026.

Principles of consolidation

Subsidiaries

Subsidiaries are all entities over which the group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the relevant activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases.

The Group combines the financial statements of the Parent Company and its subsidiaries line by line adding together items of assets, liabilities, equity, income and expenses. Intercompany transactions, balances and unrealised gains on transactions between group companies are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the transferred asset. Accounting policies of subsidiaries are consistent with the policies adopted by the Parent Company.

Non-controlling interests (if any) in the results and equity of subsidiaries are shown separately in the consolidated statement of profit and loss, consolidated statement of changes in equity and balance sheet, respectively.

The subsidiary companies considered in consolidated financial statements are:

S. No.	Name of the Subsidiary	Proportion of Ownership (Interest/voting power -%)		Reporting Date
		2025-26	2024-25	
1	Harita ARC Services Private Limited	100%	100%	31st March 2026
2	TVS Housing Finance Private Limited	100%	100%	31st March 2026
3	Harita Two Wheeler Mall Private Limited	100%	100%	31st March 2026

All the subsidiaries are incorporated in India.

(All amounts in ₹ crores, unless otherwise stated)

2.2 Presentation of financial statements

"The Group prepares and presents its Balance Sheet, the Statement of Profit and Loss and the Statement of Changes in Equity in the format prescribed by Division III of Schedule III of the Companies Act, 2013. The Statement of Cash Flows has been prepared and presented under the indirect method as per the requirements of Ind AS 7 'Statement of Cash Flows'."

The Group generally reports financial assets and financial liabilities on a gross basis in the Balance Sheet. They are offset and reported net only where it has legally enforceable right to offset the recognised amounts and the Company intends to either settle on a net basis or to realise the asset and settle the liability simultaneously as permitted by Ind AS. Similarly, the Company offsets incomes and expenses and reports the same on a net basis where the netting off reflects the substance of the transaction or other events as permitted by Ind AS.

2.3 Significant estimates and judgements

The preparation of financial statements requires management to make certain estimates and assumptions that affect the amounts reported in the financial statements and notes thereto. The management believes that these estimates and assumptions are reasonable and prudent. However, actual results could differ from these estimates. Any revision to accounting estimates is recognised prospectively in the current and future period. This note provides an overview of the areas that involved a higher degree of judgment or complexity, and of items which are more likely to be materially adjusted due to estimates and assumptions turning out to be different than those originally assessed. Detailed information about each of these estimates and judgments is included in the relevant notes together with information about the basis of calculation for each affected line item in the financial statements.

3 Material accounting policies

3.1 Property, plant and equipment (PPE)

Items of property, plant & equipment are stated at cost of acquisition or construction less accumulated depreciation and impairment, if any. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. All repairs

and maintenance are charged to the statement of profit and loss during the reporting period in which they are incurred.

Property, plant and equipment are derecognised on disposal or when no future economic benefits are expected from their use. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included under other income/expenses in the Statement of Profit and Loss when the asset is derecognised.

3.2 Depreciation

Depreciation is provided on straight-line basis over the useful life of assets assuming no residual value at the end of useful life of the asset. The useful life estimated by the Company is in line with the useful life prescribed under Part C of Schedule II of the Companies Act, 2013.

Useful life as used by the Group and as indicated in Schedule II are listed below:

Nature of Asset	Useful life adopted by the Group
Computers	3 years
Furniture & fixtures	10 years
Office equipments	5 years
Vehicles(Motor cycle)	10 years
Vehicles (Motor car)	8 years
Leasehold improvements	As per lease tenure
Building	48 years

Depreciation on PPE individually costing Rs.5,000/- or less is provided 100% in the year of acquisition.

An asset's carrying amount is written down immediately to its estimated recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount. Gain and losses on disposals are determined by comparing proceeds with carrying amount. These are included in the statement of profit and loss.

Depreciation on fixed assets added/disposed off during the year is calculated on pro-rata basis with reference to the date of addition/disposal.

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

3.3 Intangible assets

Intangible assets are recognised when it is probable that the future economic benefits that are attributable to the asset will flow to

(All amounts in ₹ crores, unless otherwise stated)

the enterprise and the cost of the asset can be measured reliably. Intangible assets are stated at original cost net of tax/duty credits availed, if any, less accumulated amortisation.

Subsequent expenditure related to an item of intangible asset are added to its gross value only if it increases the future benefits of the existing asset, if it is probable that future economic benefit will flow to the Company from that expenditure and cost can be measured reliably. Other repairs and maintenance costs are expensed off as and when incurred.

Intangible assets representing computer software are amortised using the straight-line method over a period of 3 to 5 years, based on Management's estimate of their useful lives.

Intangible assets not ready for the intended use on the date of Balance Sheet are disclosed as "Intangible assets under development".

3.4 Investment property

Property that is held for long-term rental yields or for capital appreciation or both, and that is not occupied by the Group, is classified as investment property. Investment property is measured initially at its cost, including related transaction costs and where applicable borrowing costs. Subsequent expenditure is capitalized to the assets carrying amount only when it is probable that future economic benefits associated with the expenditure will flow to the Group and the cost of the item can be measured reliably. All other repairs and maintenance costs are expensed when incurred.

3.5 Financial instruments

A financial instrument is defined as any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

Financial instruments are measured at amortised cost, unless otherwise specified.

All financial instruments are recognised on the date when the Group becomes party to the contractual provisions of the financial instruments along with the certainty of ultimate collection in case of financial assets. For tradable securities, the Group recognises the financial instruments on settlement date.

3.5.1 Financial assets

Financial assets include cash, or an equity instrument of another entity, or a contractual right to receive cash or another financial asset from another entity.

3.5.1A Classification

The Group classifies its financial assets in the following categories, those to be measured subsequently at

- (a) Amortized cost,
- (b) Fair value through Other Comprehensive Income (FVOCI), and
- (c) Fair value through Profit or Loss (FVTPL)

The classification depends on the entity's business model for managing the financial assets and the contractual terms of the cash flows. For assets measured at fair value, gains and losses will either be recorded in profit or loss or other comprehensive income. For investments in debt instruments, this will depend on the business model in which the investment is held. For investments in equity instruments, this will depend on whether the Group has made an irrevocable election at the time of initial recognition to account for the equity investment at fair value through other comprehensive income.

Business model assessment

The Group makes an assessment of the objective of a business model in which an asset is held at a portfolio level because it reflects the best way the business is managed, and information is provided to the management."

Assessment of whether contractual cash flows are solely payments of principal and interest (SPPI)

For the purpose of this assessment, 'principal' is defined as the fair value of the financial asset on initial recognition. 'Interest' is defined as consideration for the time value of money and for the credit risk associated with the principal amount outstanding during a particular period of time and for other basic lending risks and costs, as well as profit margin.

In assessing whether the contractual cash flows are SPPI, the Group considers the contractual terms of the instrument. This includes assessing whether the financial asset contains a contractual term that could change the timing or amount of contractual cash flows such that it would not meet this condition.

3.5.1B Measurement

At initial recognition, the Group measures financial assets, except those at FVTPL, at their fair value adjusted for transaction costs or origination income directly attributable to the acquisition. Transaction costs for financial assets measured at FVTPL are expensed in profit or loss.

(All amounts in ₹ crores, unless otherwise stated)

i. Debt instruments carried at amortized cost (AC):

- (a) The business model of the Group for assets subsequently measured at amortised cost category is to hold and collect contractual cash flows. However, considering the economic viability of carrying the delinquent portfolios on the books of the Group, it may enter into immaterial and infrequent transactions to sell these portfolios to banks and/or asset reconstruction companies without affecting the business model of the Group.
- (b) After initial measurement, such financial assets are subsequently measured at amortised cost on Effective Interest Rate (EIR). Refer note 3.5.5A for further details."

ii. Debt instruments at fair value through other comprehensive income (FVTOCI):

- (a) A financial asset is measured at FVTOCI if it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. Since, the loans are held to sale and collect contractual cash flows, they are measured at FVTOCI.
- (b) Financial assets included within the FVOCI category are measured at each reporting date at fair value with such changes being recognised in other comprehensive income (OCI). The interest income on these assets is recognised in profit or loss.

iii. Debt instruments at fair value through profit or loss (FVTPL):

Financial assets which do not meet the criteria for categorisation as at amortised cost or as FVOCI, are measured at FVTPL. Subsequent changes in fair value are recognised in the Statement of Profit and Loss.

iv. Equity instruments at cost:

Investments in subsidiary and associate are measured at cost as per Ind AS 27 – Separate Financial Statements.

v. Investment in Government securities:

The Parent Company also made an investment in the Government securities in order to comply the liquidity ratio compliance as required by RBI pursuant to its master directions. The Parent Company intends to hold these assets till maturity

expects that any sale if any necessitated by requirements are likely to be infrequent and immaterial. Accordingly, the related assessment becomes a critical judgement to determine the business model for such financial assets under Ind AS 109.

vi. Equity instruments at fair value through other comprehensive income (FVTOCI):

Investments in equity instruments other than in subsidiaries and associates are measured at fair value.

The Group has strategic investments in equity for which it has elected to present subsequent changes in fair value in other comprehensive income. The classification is made on initial recognition and is irrevocable.

All fair value changes of the aforesaid equity instruments are recognised in OCI and are not reclassified to the Statement of Profit and Loss subsequently, even on sale of those investments.

a. Investment in compulsory convertible debenture:

The Parent Company recognises the investment in compulsory convertible debenture on the issuance date and is classified and measured, at fair value through other comprehensive income.

b. Investment in alternate investment fund:

The Parent Company recognises the investment in alternate investment funds on trade date and is classified and measured, at fair value through other comprehensive income. Any gain/losses on disposal or subsequent re-measurement is recognised in the other comprehensive income.

3.5.2 Financial liabilities

A financial liability is a contractual obligation to deliver cash or another financial asset or to exchange financial assets or financial liabilities with another entity under conditions that are potentially unfavourable to the Group or a contract that will or may be settled in the Group's own equity instruments and is a non derivative contract for which the Group is or may be obliged to deliver a variable number of its own equity instruments, or a derivative contract over own equity that will or may be settled other than by the exchange of a fixed amount of cash (or another financial asset) for a fixed number of the Group's own equity instruments.

3.5.2A Initial recognition and measurement

All financial liabilities are initially recognized at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial

(All amounts in ₹ crores, unless otherwise stated)

liability, which are not at fair value through profit or loss, are adjusted to the fair value on initial recognition.

3.5.2B Subsequent measurement

Financial liabilities are carried at amortized cost using the effective interest method.

3.5.3 Reclassification of financial assets and liabilities

The Group does not reclassify its financial assets subsequent to their initial recognition, apart from the exceptional circumstances in which the Group acquires, disposes of, or terminates a business line. Financial liabilities are never reclassified. The Group did not reclassify any of its financial assets or liabilities in the year ended 31st March 2026 and 31st March 2025.

3.5.4 Derecognition of financial assets & liabilities

i) Derecognition of financial assets due to substantial modification of terms and conditions

The Group derecognises a financial asset, such as a loan to a customer, when the terms and conditions have been renegotiated to the extent that, substantially, it becomes a new loan, with the difference recognised as a derecognition gain or loss, to the extent that an impairment loss has not already been recorded. The newly recognised loans are classified as Stage 1 for ECL measurement purposes."

ii) Derecognition of financial assets other than due to substantial modification of terms and conditions

(a) A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is derecognised when the contractual rights to the cash flows from the financial asset expires or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Group neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control of the financial asset. On derecognition of a financial asset in its entirety, the difference between the carrying amount (measured at the date of derecognition) and the consideration received (including any new asset obtained less any new liability assumed) is recognised in the Statement of Profit and Loss."

(b) The Group enters into securitisation transactions where financial assets are transferred to a special purpose vehicle for a purchase consideration. The credit enhancement is provided in the form of cash

collateral and investment in equity tranche PTCs, pursuant to the transfer of financial assets under securitisation. Basis this, the Group concluded that securitisation transactions entered by the Group does not qualify for derecognition since substantial risk and rewards of the ownership has not been transferred. The transactions are treated as financing arrangements and the sale consideration received is treated as borrowings.

iii) Derecognition of financial liabilities

A financial liability is derecognised when the obligation under the liability is discharged, cancelled or expires. Where 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 a derecognition of the original liability and the recognition of a new liability. The difference between the carrying value of the original financial liability and the consideration paid is recognised in the Statement of Profit and Loss.

3.5.5 Revenue recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured and there exists reasonable certainty of its recovery.

A) Interest income:

(1) Interest income is recognized using the Effective Interest Rate (EIR) method for all financial assets measured at amortized cost. The EIR is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset, to its gross carrying amount. The calculation of the effective interest rate includes transaction costs and transaction income that are directly attributable to the acquisition of a financial asset.

(2) Income by way of additional interest on account of delayed payment by the customers is recognized on realization basis, due to uncertainty in collection.

(3) Interest on Government securities is recognised as interest income in Profit & Loss statement

B) Dividend income:

Dividend income is recognised when the Group's right to receive the payment is established, it is probable that the economic benefits associated with the dividend will flow to the Group and

(All amounts in ₹ crores, unless otherwise stated)

the amount of the dividend can be measured reliably.

C) Fees and commission income:

- (1) Fees and commission income that are not integral part of the effective interest rate on the financial asset are recognized as the performance obligations are performed and there is no significant financing component of the consideration.
- (2) Income in the nature of bounce and related charges are recognized on realization, due to uncertainty in collection.
- (3) The Group recognises revenue from contract with customers based on five step model as set out in Ind AS 115, Revenue from Contracts with Customers to determine when to recognise revenue and at what amount. Revenue is measured based on the consideration specified in the contract with a customers. Revenue from contracts with customers is recognised when services are provided and it is highly probable that a significant reversal of revenue is not expected to occur.

D) Net gain on fair value changes:

Investments in financial instruments are measured at fair value through profit or loss (FVTPL) in accordance with Ind AS 109. Gains or losses on sale/redemption are recognised in the Statement of Profit and Loss.

E) Other income:

Other Income represents income earned from the activities incidental to the business and is recognised when the right to receive the income is established as per the terms of the contract.

3.5.6 Impairment of financial assets

The Group recognizes loss allowance for Expected Credit Loss "ECL" on the following financial assets that are not measured at FVTPL:

- i. Loans
- ii. Trade receivables and Other Financial Assets

i. Loans

Expected credit losses are measured through a loss allowance at an amount equal to:

- 1) The 12-months expected credit losses (expected credit losses that result from those default events on the financial instrument that are possible within 12 months after the reporting date); or
- 2) Lifetime expected credit losses (expected credit losses that result from all possible default events over the expected life of the financial instrument).

Both Life Time ECLs (LTECL) and 12 months ECLs are calculated on collective basis.

Based on the above, the Group categorises its loans into Stage 1, Stage 2 and Stage 3, as described below:

Stage	Days Past due	ECL	Risk
Stage 1	Upto 30 days	12 Month ECL	Low Credit Risk
Stage 2	31-90 days	Life-time ECL	Significant increase in credit risk
Stage 3	More than 90 days	Life-time ECL	Impaired assets

Stage 1:

When loans are first recognised, the Group recognises an allowance based on 12 months ECL. Stage 1 loans includes those loans where there is no significant credit risk observed and also includes facilities where the credit risk has been improved and the loan has been reclassified from Stage 2 or Stage 3. (If completely regularised to zero DPD for Stage 3)

Stage 2:

When a loan has shown a significant increase in credit risk since origination, the Group records an allowance for life time ECL. Stage 2 loans also include where the loans have been re-structured as per extent RBI Regulations.

Significant increase in credit risk: The Group monitors all financial assets that are subject to the impairment requirements to assess whether there has been a significant increase in credit risk since initial recognition. If there has been a significant increase in credit risk the Group will measure the loss allowance based on lifetime ECLs rather than 12 month ECLs. In assessing whether the credit risk on a financial instrument has increased significantly since initial recognition, the Group compares the risk of a default occurring on the financial instrument at the reporting date based on the remaining maturity of the instrument with the risk of a default occurring that was anticipated for the remaining maturity at the current reporting date when the financial instrument was first recognised. In making this assessment, the Group considers both quantitative and qualitative

(All amounts in ₹ crores, unless otherwise stated)

information that is reasonable and supportable, including historical experience and forward-looking information that is available with.

Stage 3: Credit-impaired financial assets: A financial asset is 'credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred. Credit-impaired financial assets are referred to as Stage 3 assets. Evidence of credit-impairment includes observable data about the following events:

- significant financial difficulty of the borrower;
- a breach of contract such as a default or past due event;
- the disappearance of an active market for a security because of financial difficulties; or
- the purchase of a financial asset at a deep discount that reflects the incurred credit losses

Loans are considered credit-impaired when they are past due for more than 90 days and have not been completely regularised to zero days past due (DPD). Credit-impaired loans also include restructured loan contracts under the Reserve Bank of India (Non-Banking Financial Companies – Resolution of Stressed Assets) Directions, 2025 dated 28th November 2025, irrespective of the number of days past due as at the reporting date. Loan accounts where principal and/or interest are overdue for more than 90 days, together with all other loan exposures of the same borrower, continue to be classified as Stage 3 until all overdues across such accounts are fully cleared. The Group recognises a lifetime expected credit loss (ECL) allowance on such loans.

Measurement of ECLs

The assessment of credit risk and estimation of ECL are unbiased and probability weighted. It incorporates all information that is relevant including past events, current conditions and current profile of customers. Additionally, forecasts of future macro situations and economic conditions are considered as part of the ECL model. Forward looking economic scenarios determined with reference to external forecasts of economic parameters that have demonstrated a linkage to the performance of our portfolios over a period of time have been applied to determine impact of macro-economic factors.

The Group has calculated ECL using three main components: a probability of default (PD), a loss given default (LGD) and the exposure at default (EAD). ECL is calculated by multiplying the PD, LGD and EAD.

Probability of default ('PD'):

PD is an estimate of the likelihood of default over a given time horizon. A default may only happen at a certain time over the assessed period, if the facility has not been previously derecognised and is still in the portfolio.

Exposure at default ('EAD'):

EAD is an estimate of the exposure at a future default date, taking into account expected changes in the exposure after the reporting date, including repayments of principal and interest.

Loss given default ('LGD'):

LGD is an estimate of the loss arising in the case where a default occurs at a given time. It is based on the difference between the contractual cash flows due and those that the lender would expect to receive, including from the realisation of any collateral. It is usually expressed as a percentage of the EAD. The Group has calculated PD, EAD and LGD to determine impairment loss on the portfolio of loans and discounted at an approximation to the EIR. At every reporting date, the above calculated PDs, EAD and LGDs are reviewed and changes in the forward looking estimates are analysed.

Mechanics of ECLs

The Group applies a three-stage approach to measure ECL on financial assets that are not measured at fair value through profit or loss:

Stage 1: 12 month ECL

At initial recognition and for financial instruments where there has not been a significant increase in credit risk since initial recognition, the Group recognizes an allowance based on the 12-month ECL. The 12-month ECL represents the portion of lifetime ECL that result from default events that are possible within the 12 months after the reporting date. The Group calculates this allowance based on the expectation of a default occurring within 12 months following the reporting date. These expected 12-month default probabilities are applied to a forecasted Exposure at Default (EAD) and multiplied by the expected Loss Given Default (LGD).

Stage 2: Lifetime ECL-not credit impaired

When a financial asset shows a significant increase in credit risk since origination but is not considered credit-impaired, the Group records an allowance for lifetime ECL. The mechanics are similar to Stage 1 but the

(All amounts in ₹ crores, unless otherwise stated)

Probability of Default (PD) and LGD are estimated over the remaining lifetime of the instrument.

Stage 3: Lifetime ECL-credit impaired

For financial assets that are credit-impaired, the Group recognizes the lifetime ECL.

The methodology is similar to Stage 2, but with the PD set at 100% to reflect that the asset is already credit impaired.

Forward looking information:

In its ECL models, the Group relies on a broad range of forward looking macro parameters and estimated the impact on the default at a given point of time.

ii. Trade receivables and other financial assets

The Group follows 'simplified approach' for recognition of impairment loss allowance on trade receivable and other financial assets. The application of simplified approach does not require the Group to track changes in credit risk and calculated on case by case approach, taking into consideration different recovery scenarios.

Presentation of allowance for ECL in the statement of financial position

Loss allowances for ECL are presented in the statement of financial position for financial assets measured at amortized cost as a deduction from the gross carrying amount of the assets.

Collateral repossessed:

The Group does the regular repossession of collateral provided against the loans in case of default in agreed payments. The Group generally sells the asset repossessed to recover the underlying loan and does not use for internal operation. Any surplus funds are returned to the borrower and accordingly collateral repossessed are not recorded on the balance sheet and not treated as assets held for sale.

Write-off:

Loans are written off when there is no reasonable expectation of recovering in its entirety or a portion thereof. This is generally the case when the Group determines that the borrower does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off. This assessment is carried out at the individual asset level. Financial assets that are written off could still be subject to enforcement activities in order to comply with the Group's procedures for recovery of amounts due.

3.5.7 Derivatives

The Group enters into derivative transactions to manage its exposure to interest rate risk and foreign exchange rate risk. Derivatives are initially recognized at fair value on the date a derivative contract is entered into and are subsequently re-measured to their fair value at the end of each reporting period. The accounting for subsequent changes in fair value depends on whether the derivative is designated as a hedging instrument, and if so, the nature of the item being hedged.

The Group designates derivatives taken on External Commercial Borrowings (ECB) as Cashflow Hedges (hedges of a particular risk associated with the cash flows of recognized assets and liabilities and highly probable forecast transactions).

The Group documents at the inception of the hedging transaction the relationship between hedging instruments and hedged items, as well as its risk management objective and strategy for undertaking various hedge transactions.

The Group also documents its assessment, both at hedge inception and on an ongoing basis, of whether the derivatives that are used in hedging transactions have been and will continue to be highly effective in offsetting changes in cash flows of hedged items.

The fair values of various derivative financial instruments used for hedging purposes are disclosed in Note 37. Movements in the hedging reserve in shareholders' equity are shown in Note 24.

The effective portion of changes in the fair value of derivatives that are designated and qualify as cash flow hedges is recognized in the "other comprehensive income". The gain or loss relating to the ineffective portion is recognized immediately in profit or loss.

When a hedging instrument expires, is sold, terminated, exercised, or when a hedge no longer meets the criteria for hedge accounting, any cumulative gain or loss recognised in OCI is subsequently transferred to the Statement of Profit and Loss on ultimate recognition of the underlying hedged forecast transaction. When a forecast transaction is no longer expected to occur, the cumulative gain or loss that was reported in OCI is immediately transferred to the Statement of Profit and Loss.

3.5.8 Offsetting financial instruments

Financial assets and liabilities are offset and the net amount is reported in the balance sheet

(All amounts in ₹ crores, unless otherwise stated)

where there is a legally enforceable right to offset the recognized amounts and there is an intention to settle on a net basis or realize the asset and settle the liability simultaneously.

3.6 Cash and cash equivalents

For the purpose of presentation in the statement of cash flows, Cash and Cash equivalents includes cash on hand, 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, and positive balance in bank cash credit. Bank cash credit with negative balances are shown within borrowings in the balance sheet.

3.7 Taxation

The income tax expense or credit for the period is the tax payable on the current period's taxable income based on the applicable income tax rate adjusted by the changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses. The current income tax charge is calculated in accordance with the Income Tax Act, 1961 and the Income Computation and Disclosure Standards (ICDS) prescribed therein. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

(i) Deferred income tax provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. However, deferred tax liabilities are not recognized if they arise from the initial recognition of goodwill. Deferred income tax is also not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting profit nor taxable profit or loss. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the end of the reporting period and are expected to apply when the related deferred income tax asset is realized or the deferred income tax liability is settled.

(ii) Deferred tax assets are recognized only if it is probable that future taxable amounts will be available to utilize those temporary differences and losses.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when

the deferred tax balances relate to the same taxation authority. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realize the asset and settle the liability simultaneously.

Current and deferred tax is recognized in the statement of profit and loss, except to the extent that it relates to items recognized in other comprehensive income or directly in equity. In this case, the tax is also recognized in other comprehensive income or directly in equity, respectively.

A deferred tax asset is recognized for unclaimed tax credits that are carried forward as deferred tax assets.

3.8 Employee Benefits

(a) Short term employee benefits

Liabilities for wages and salaries, including non-monetary benefits that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are recognized in respect of employees' services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled.

(b) Long term employee benefits

The liabilities for earned leave are not expected to be settled wholly within 12 months after the end of the period in which the employees render the related service. They are therefore measured as the present value of the expected future payments to be made in respect of services provided by employee up to the end of reporting period using the projected unit credit method. The benefits are discounted using the market yields at the end of the reporting period that have terms approximating to the terms of the related obligation. Re-measurements as a result of experience adjustments and changes in actuarial assumptions are recognized in profit or loss.

(c) Post-employment obligation:

The Group operates the following post-employment schemes:

- Defined benefit plans such as gratuity for its eligible employees, pension plan for its senior managers; and
- Defined contribution plans such as provident fund.

(i) Pension and gratuity obligation:

The liability or asset recognized in the balance sheet in respect of defined benefit pension and

(All amounts in ₹ crores, unless otherwise stated)

gratuity plan is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets. The defined benefit obligation is calculated annually by actuaries using the projected unit credit method.

The present value of the defined benefit obligation denominated in INR is determined by discounting the estimated future cash outflows by reference to market yields at the end of the reporting period on the government bonds that have terms approximating to the terms of the related obligation.

The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets. This cost is included in employee benefit expense in the statement of profit and loss.

Re-measurement gains and losses arising from experience adjustments and changes in actuarial assumptions are recognized in the period in which they occur, directly in other comprehensive income. They are included in retained earnings in the statement of changes in equity and in the balance sheet.

Changes in the present value of the defined benefit obligation resulting from plan amendments or curtailments are recognized immediately in profit or loss as past service cost.

(ii) Provident fund:

Contributions to Provident Fund made to Regional Provident Fund Commissioner in respect of Employees' Provident Fund based on the statutory provisions are charged to Statement of Profit and Loss on accrual basis.

(d) Share based payment

The Parent Company operates an equity settled share-based payment arrangement for its employees. The Parent determines the fair value of the employee stock options on the grant date using the Black Scholes model. The total cost of the share option is accounted for on a straight-line basis over the vesting period of the grant. The cost attributable to the services rendered by employees is recognised as employee benefits expenses in the statement of profit and loss.

(e) Other employee benefits

The Group contributes to Employees State Insurance Scheme and recognizes such contribution as an expense in the Statement of Profit and Loss in the period when services are rendered by the employees.

3.9 Functional currency

3.9.1 Functional and presentation currencies:

Items included in the financial statements are measured using the currency of the primary economic environment in which the Group operates ('the functional currency'). i.e., in Indian rupees (INR) and all values are rounded off to nearest lakhs except where otherwise indicated.

3.9.2 Transactions and balances:

- Foreign currency transactions are translated into functional currency using exchange rates at the date of transaction.
- Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at year end exchange rates are generally recognized in profit or loss.

3.10 Borrowing cost

Borrowing costs are expensed in the period in which they are incurred.

3.11 Cash flow statement

Cash flows are reported using the indirect method, whereby profit / (loss) before tax is adjusted for the effects of the transactions of non-cash nature as permitted by Ind AS 7.

3.12 Earnings per share

In accordance with Ind AS 33 the basic earnings per share is computed by dividing the net profit / loss attributable to the equity shareholders for the period by the weighted average number of equity shares outstanding during the reporting period. The number of shares used in computing diluted earnings per share comprises the weighted average number of shares considered for deriving earnings per share, and also the weighted average number of equity shares, which could have been issued on the conversion of all dilutive potential shares. In computing diluted earnings per share, only potential equity shares that are dilutive and that reduce profit per share are included.

3.13 Impairment of non-financial assets

Assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognized for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use.

(All amounts in ₹ crores, unless otherwise stated)

For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or groups of assets (cash-generating units). Non-financial assets other than goodwill that suffered impairment are reviewed for possible reversal of the impairment at the end of each reporting period.

3.14 Lease

The Group evaluates each contract or arrangement, whether it qualifies as lease as defined under Ind AS 116. The Group as a lessee, assesses, whether the contract is, or contains a lease. A contract is, or contains a lease if the contract involves:–

- (a) the use of an identified asset,
- (b) the right to obtain substantially all the economic benefits from use of the identified asset,
- (c) the right to direct the use of the identified asset.

The Group at the inception of the lease contract recognizes a Right-of-Use (RoU) asset at cost and corresponding lease liability, except for leases with term of less than twelve months (short term) and low-value assets.

The cost of the right-of-use assets comprises the amount of the initial measurement of the lease liability, any lease payments made at or before the inception date of the lease plus any initial direct costs, less any lease incentives received. Subsequently, the right-of-use assets are measured at cost less any accumulated depreciation and accumulated impairment losses, if any. The right-of-use assets are depreciated using the straight-line method from the commencement date over the shorter of lease term or useful life of right-of-use assets.

For lease liabilities at inception, the Group measures the lease liability at the present value of the lease payments that are not paid at that date.

The lease payments are discounted using the incremental borrowing rate.

For short-term leases and low value assets (assets of less than INR 500,000 in value) the Group recognizes the lease payments as an operating expense on a straight-line basis over the lease term.

Lease payments have been classified as Cash flow used in financing activities.

3.15 Segment reporting

There is no separate reportable segment as per Ind AS 108 on 'Operating Segments' in respect of the Group.

3.16 Provisions

A provision is recorded when the Group has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation and the amount can be reasonably estimated.

3.17 Contingent liabilities

Wherever there is a possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity or a present obligation that arises from past events but is not recognized because (a) it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation; or (b) the amount of the obligation cannot be measured with sufficient reliability are considered as contingent liabilities. Show cause notices are not considered as Contingent Liabilities unless converted into demand.

3.18 Equity

Equity shares are classified as equity. Distributions to holders of an equity instrument are recognized by the entity directly in equity. Transaction costs of an equity transaction shall be accounted for as a deduction from equity.

(All amounts in ₹ crores, unless otherwise stated)

NOTE 4 Cash and cash equivalents

S.No.	Description	As at 31 st March 2026	As at 31 st March 2025
a)	Cash on hand*	0.49	0.33
b)	Balance with banks		
	-current accounts	3,327.73	3,590.65
	-deposits	16.49	15.59
	Total	3,344.71	3,606.57

* Includes cash collected from borrowers as on Balance Sheet date subsequently deposited with bank.

NOTE 5 Bank balance other than cash and cash equivalents*

S.No.	Description	As at 31 st March 2026	As at 31 st March 2025
a)	Balances with banks to the extent held as margin money or security against borrowings, guarantees, other commitments	0.21	5.95
	Total	0.21	5.95

*Balance maintained in fixed deposits with original maturity more than 3 months as cash collateral towards cash credit (CC)

NOTE 6 Derivative financial instruments

S No	Description	As at 31 st March 2026		
		Notional amounts	Fair Value - Assets	Fair Value - Liabilities
a)	Part I - Currency derivatives- Cross currency interest rate swaps	854.83	103.43	-
	Part II - Derivatives included in above are derivatives held for hedging and risk management purposes as cash flow hedges	854.83	103.43	-
	Total	854.83	103.43	-

S No	Description	As at 31 st March 2025		
		Notional amounts	Fair Value - Assets	Fair Value - Liabilities
a)	Part I - Currency derivatives- Cross currency interest rate swaps	300.13	-	2.24
	Part II - Derivatives included in above are derivatives held for hedging and risk management purposes as cash flow hedges	300.13	-	2.24
	Total	300.13	-	2.24

The Group does not undertake derivative transactions for trading purposes.

During the financial year, the Group entered into derivative contracts (cross-currency interest rate swaps) solely for hedging foreign exchange and interest rate exposures arising from its External Commercial Borrowings (ECBs). In line with the Parent Company's Asset Liability Management Policy approved by Board, all foreign currency borrowings are fully hedged at the time of drawdown and remain fully hedged until repayment. The front office and back-office role is defined and segregated. All the derivatives transactions is quarterly monitored and reviewed.

The notional amount for CCIRS represents underlying foreign currency borrowings for which the Parent Company has entered to hedge the variable interest rate and foreign exchange risks. Refer Note 38 for foreign currency risk management and interest rate sensitivity on derivative financial instruments respectively.

(All amounts in ₹ crores, unless otherwise stated)

NOTE 7 Trade receivables

S No.	Particulars	As at 31 st March 2026	As at 31 st March 2025
(i)	Receivables considered good - secured	-	-
(ii)	Receivables considered good - unsecured *	214.66	141.25
(iii)	Receivables which have significant increase in credit risk	-	-
(iv)	Receivables - credit impaired	0.98	1.73
	Total (A)	215.64	142.98
	Less: Allowance for impairment loss (B)	0.98	1.73
	Net (C) = (A-B)	214.66	141.25

Notes:

- *Includes dues from related parties (Refer note 41)
- There are no dues by Directors or other officers of the Group or any of them either severally or jointly with any other person or debts due by firms or private companies respectively in which any director is a partner or a director or a member.

NOTE 7 Trade receivables (Ageing schedule)

S No.	Particulars	Unbilled	Outstanding for following periods from date of transaction as at 31 st March 2026					Total
			Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	
(i)	Undisputed trade receivable – considered good	138.90	75.76	-	-	-	-	214.66
(ii)	Undisputed trade receivable – which have significant increase in credit risk	-	-	-	-	-	-	-
(iii)	Undisputed trade receivable – credit impaired	-	-	0.75	0.23	-	-	0.98
(iv)	Disputed trade receivable – considered good	-	-	-	-	-	-	-
(v)	Disputed trade receivable – which have significant increase in credit risk	-	-	-	-	-	-	-
(vi)	Disputed trade receivable – credit impaired	-	-	-	-	-	-	-
	Total (A)	138.90	75.76	0.75	0.23	-	-	215.64
	Less: Allowance for impairment loss (B)	-	-	0.75	0.23	-	-	0.98
	Net (C) = (A-B)	138.90	75.76	-	-	-	-	214.66

S No.	Particulars	Unbilled	Outstanding for following periods from due date of payment as at 31 st March 2025					Total
			Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	
(i)	Undisputed trade receivable – considered good	61.09	80.16	-	-	-	-	141.25
(ii)	Undisputed trade receivable – which have significant increase in credit risk	-	-	-	-	-	-	-
(iii)	Undisputed trade receivable – credit impaired	-	-	1.60	0.13	-	-	1.73
(iv)	Disputed trade receivable – considered good	-	-	-	-	-	-	-
(v)	Disputed trade receivable – which have significant increase in credit risk	-	-	-	-	-	-	-
(vi)	Disputed trade receivable – credit impaired	-	-	-	-	-	-	-
	Total (A)	61.09	80.16	1.60	0.13	-	-	142.98
	Less: Allowance for impairment loss (B)	-	-	1.60	0.13	-	-	1.73
	Net (C) = (A-B)	61.09	80.16	-	-	-	-	141.25

(All amounts in ₹ crores, unless otherwise stated)

NOTE 8 Loans

S No.	Description	As at 31 st March 2026	As at 31 st March 2025
		Amortised Cost	
(A)	Term loans		
	i) Automobile financing	19,055.84	18,130.65
	ii) Consumer lending	11,559.30	8,428.23
	iii) Small business lending	600.87	620.54
	Total loans - Gross	31,216.01	27,179.42
	Less: Impairment loss allowance	930.54	880.58
	Total loans - Net	30,285.47	26,298.84
(B)	Nature		
a)	Secured by tangible assets	25,377.17	21,918.72
b)	Unsecured loans	5,838.83	5,260.70
c)	Total loans - Gross (a) + (b)	31,216.01	27,179.42
d)	Less: Impairment loss allowance	930.54	880.58
e)	Total loans - Net (c) - (d)	30,285.47	26,298.84
i)	Loans in India		
	Public Sector	-	-
	Others	31,216.01	27,179.42
	Total loans - Gross	31,216.01	27,179.42
	Less: Impairment loss allowance	930.54	880.58
	Total loans - Net	30,285.47	26,298.84
ii)	Loans outside India	-	-
iii)	Total Loans (i) +(ii)	30,285.47	26,298.84

- Secured indicates loans secured, wholly or partly, by way of hypothecation of automobile assets and / or equitable mortgage of property and / or equipment.
- The stock of loan (automobile finance) includes 3,380 nos repossessed vehicles as at Balance Sheet date. (As at 31st March 2025 : 6,266 nos).
- The term loans include loans given to related parties (refer note 41) and these loans which have been granted to related parties are specified with terms or period of repayment. These loans have been classified under Stage 1 category at the various reporting periods and related impairment provision as per the Group's accounting policy has been created.
- No loans and advances in the nature of loans are granted to promoters, directors, KMPs that are repayable on demand or without specifying any terms or period of repayment.
- Gold loans constitute 0.37% of the total assets of the Group as at 31st March 2026 (31st March 2025: 0.07%).

(All amounts in ₹ crores, unless otherwise stated)

NOTE 9 Investments

S No.	Description	As at 31 st March 2026	As at 31 st March 2025
A	At cost:		
a)	Investment in Government securities	288.98	282.12
B	At fair value through other comprehensive income:		
a)	Investment in Alternative investment fund:		
	80,000 units of Eight Innovate fund II (31 st March 2025: 60,000)	12.14	5.38
b)	Investment in Compulsory convertible debentures		
	25 (31 st March 2025 : 25) 0.001% compulsorily convertible debentures of Rs.1,00,000 each in Hyper Grocers Private Limited	0.25	0.25
	Total - Gross (A)	301.37	287.75
	(i) Investments outside India	-	-
	(ii) Investments in India	301.37	287.75
	Total	301.37	287.75
	Less: Impairment loss allowance (B)	-	-
	Total - Net = (A) -(B)	301.37	287.75

NOTE 10 Other financial assets

S No.	Description	As at 31 st March 2026	As at 31 st March 2025
	Unsecured - considered good		
	At amortised cost		
a)	Employees related receivables	17.65	18.06
b)	Security deposit for leased premises	15.51	13.29
c)	Other Financial Assets - Related Parties	2.77	-
d)	Other financial assets - Non related parties	5.34	5.34
e)	Deposit with service providers	2.39	2.12
	Total - Gross	43.66	38.81
	Less: Impairment loss allowance	14.36	10.56
	Total - Net	29.30	28.25

NOTE 11 Current tax assets (Net)

S No.	Description	As at 31 st March 2026	As at 31 st March 2025
a)	Opening balance	11.03	19.80
b)	Add: Taxes paid	397.96	315.30
c)	Less: Taxes payable	(400.76)	(324.07)
	Total	8.23	11.03

(All amounts in ₹ crores, unless otherwise stated)

NOTE 12 Deferred tax assets/(liabilities)

The balance comprises temporary differences attributable to:

S. No	Description	As at 31 st March 2024	Recognised in profit and loss	Recognized in OCI	As at 31 st March 2025	Recognised in profit and loss	Recognized in OCI	As at 31 st March 2026
a)	Deferred tax asset							
	Remeasurement of employee benefits	18.04	(5.72)	2.68	15.00	0.90	2.72	18.62
	Expected credit loss	205.61	16.90	-	222.51	10.19	-	232.70
	Property, plant and equipment and intangible assets	4.88	1.43	-	6.32	(0.88)	-	5.43
	Right-to-use assets	1.20	0.22	-	1.42	0.39	-	1.81
	Impact of effective interest rate adjustment on financial assets/ liabilities	66.79	35.84	-	102.63	60.67	-	163.30
	Other temporary differences	43.42	16.78	-	60.20	4.07	-	64.27
	Deferred tax assets (a)	339.94	65.45	2.68	408.07	75.34	2.72	486.13
b)	Deferred tax liabilities							
	Fair value on equity instruments designated under FVOCI	-	(0.16)	-	(0.16)	-	1.20	1.05
	Cash flow hedge reserve	1.98	-	(2.39)	(0.41)	-	3.48	3.07
	Deferred tax liabilities (b)	1.98	(0.16)	(2.39)	(0.57)	-	4.68	4.12
c)	Deferred tax assets/ (liabilities) - net (a-b)	337.96	65.61	5.07	408.64	75.34	(1.96)	482.01

NOTE 13 Investment property

Description	Land
As at 31st March 2026	
Gross carrying amount as at 1 st April 2025	85.16
Additions	-
Sub-total	85.16
Disposals	-
Closing gross carrying amount (A)	85.16
Depreciation and amortisation	
Opening accumulated depreciation	-
Depreciation for the year	1.58
Sub-total	1.58
Disposals	-
Closing accumulated depreciation and amortisation(B)	1.58
Net carrying value as at 31st March 2026 (A)-(B)	83.58
Net carrying value as at 31st March 2025	85.16

(All amounts in ₹ crores, unless otherwise stated)

Description	Land
As at 31st March 2025	
Gross carrying amount as at 1st April 2024	85.16
Additions	-
Sub-total	85.16
Disposals	-
Closing gross carrying amount (A)	85.16
Depreciation and amortisation	
Opening accumulated depreciation	-
Depreciation for the year	-
Sub-total	-
Disposals	-
Closing accumulated depreciation and amortisation(B)	-
Net carrying value as at 31st March 2025 (A)-(B)	85.16

(i) Fair value

Description	As at 31 st March 2026	As at 31 st March 2025
Investment property	443.22	422.11

- a) The fair value of the investment property is based on the independent valuation obtained by the Parent Company.
b) The title deed of the investment property is in the name of the Parent Company.

(ii) Sensitivity analysis

Particulars	Significant unobservable inputs	Range (Weighted Avg)	Sensitivity of the input to fair value	Fair Value (Rs. In crore)	Sensitivity (Rs. In crore)
As at 31st March 2026	Per/Acre	16,17,00,000 per acre	5%	16.17	16.98
As at 31st March 2025	Per/Acre	15,40,00,000 per acre	5%	15.40	16.17

(All amounts in ₹ crores, unless otherwise stated)

NOTE 14A Property, plant and equipment and intangible assets

Description	Property, plant and equipment							Right-to-use asset	Intangible assets (Computer Software)*
	Computers	Furniture & fixtures	Office equipment	Vehicles	Leasehold improvements	Building	Land		
As at 31st March 2026									
Gross carrying amount as at 1st April 2025	70.90	24.18	29.34	1.49	6.00	-	-	122.44	21.80
Additions and adjustments on account of modification	17.38	3.10	9.86	0.05	7.98	5.39	8.45	28.84	50.26
Adjustment due to revaluation and acquisitions through business combinations	-	-	-	-	-	-	-	-	-
Sub-total	88.28	27.28	39.20	1.54	13.98	5.39	8.45	151.28	72.06
Disposals	6.92	0.46	1.06	-	-	-	-	8.45	-
Closing gross carrying amount (A)	81.36	26.82	38.14	1.54	13.98	5.39	8.45	151.28	72.06
Depreciation and amortisation									
Opening accumulated depreciation	53.09	14.22	18.26	0.48	0.78	-	-	57.25	19.27
Depreciation/amortisation charge for the year	14.63	2.56	5.36	0.19	2.26	0.07	-	23.70	5.78
Sub-total	67.72	16.78	23.62	0.67	3.04	0.07	-	80.95	25.05
Disposals	6.93	0.43	1.01	-	-	-	-	8.37	-
Closing accumulated depreciation and amortisation(B)	60.79	16.35	22.61	0.67	3.04	0.07	-	80.95	25.05
Net carrying value as at 31st March 2026(A)-(B)	20.57	10.47	15.53	0.87	10.94	5.32	8.45	70.33	47.00
Net carrying value as at 31st March 2025	17.81	9.96	11.08	1.01	5.22	-	-	65.19	2.53

* Intangible assets included in the above schedule represent assets acquired/purchased during the year

(All amounts in ₹ crores unless otherwise stated)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2026



(All amounts in ₹ crores, unless otherwise stated)

Property, plant and equipment (Cont.)

Description	Property, plant and equipment							Right-to-use asset	Intangible assets (Computer Software)*
	Computers	Furniture & fixtures	Office equipment	Vehicles	Leasehold improvements	Building	Land	Total	
As at 31st March 2025									
Gross carrying Amount as at 1st April 2024	59.16	20.79	18.64	1.49	-	-	-	100.08	20.51
Additions and adjustments on account of modification	12.00	3.58	11.25	-	6.00	-	-	32.83	1.29
Adjustment due to revaluation and acquisitions through business combinations	-	-	-	-	-	-	-	-	-
Sub-total	71.16	24.37	29.89	1.49	6.00	-	-	132.91	21.80
Disposals	0.26	0.19	0.55	-	-	-	-	1.00	-
Closing gross carrying amount (A)	70.90	24.18	29.34	1.49	6.00	-	-	131.92	21.80
Depreciation and amortisation									
Opening accumulated depreciation	38.63	11.81	13.44	0.29	-	-	-	64.16	17.57
Depreciation/amortisation charge for the year	14.72	2.59	5.35	0.19	0.78	-	-	23.63	1.70
Sub-total	53.34	14.40	18.79	0.48	0.78	-	-	87.79	19.27
Disposals	0.25	0.18	0.53	-	-	-	-	0.96	-
Closing accumulated depreciation and amortisation(B)	53.09	14.22	18.26	0.48	0.78	-	-	86.84	19.27
Net carrying value as at 31st March 2025(A)-(B)	17.81	9.96	11.08	1.01	5.21	-	-	45.07	2.53

* Intangible assets included in the above schedule represent assets acquired/purchased during the year

(a) The Company follows cost model as per Ind AS 16 and the Company has not carried out any revaluation of property, plant and equipment (including Right-to-use asset) during the year ended 31st March, 2026 and year ended 31st March, 2025.

(b) The title deeds of immovable property (other than properties where the Parent Company is the lessee and the lease agreements are duly executed in favour of lessee) are held in the name of the Parent Company.

(All amounts in ₹ crores, unless otherwise stated)

NOTE 14B Capital work-in-progress and intangible assets under development

The Group discloses property, plant and equipment that are not ready for use as capital work-in-progress. These are carried at cost, comprising direct cost and related incidental expenses. Intangible assets not ready for their intended use on the date of Balance Sheet are disclosed as Intangible assets under development.

Capital work-in-progress

Particulars	As at 31 st March 2026	As at 31 st March 2025
Opening balance	2.40	2.73
Additions	10.29	6.93
Deductions	(12.06)	(7.26)
Closing balance	0.63	2.40

Ageing for capital work-in-progress

As at	Amount in CWIP for a period of				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
31st March 2026	0.63	-	-	-	0.63
31st March 2025	2.40	-	-	-	2.40

The Group does not have any project temporarily suspended or any CWIP which is overdue or has exceeded its cost compared to its original plan and hence CWIP completion schedule is not applicable.

Intangible Assets Under Development (ITUD)

Particulars	As at 31 st March 2026	As at 31 st March 2025
Opening balance	10.96	3.18
Additions	3.85	8.32
Deductions	(12.91)	(0.54)
Closing balance	1.90	10.96

Ageing for intangible assets under development

As at	Amount in ITUD for a period of				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
31st March 2026	1.90	-	-	-	1.90
31st March 2025	8.04	2.92	-	-	10.96

The Group does not have any project temporarily suspended or any intangible asset under development which is overdue or has exceeded its cost compared to its original plan and hence intangible asset under development completion schedule is not applicable.

(All amounts in ₹ crores, unless otherwise stated)

NOTE 15 Other non-financial assets

S No	Description	As at 31 st March 2026	As at 31 st March 2025
a)	Advances to dealers	0.18	0.17
b)	Prepaid expenses	20.92	33.00
c)	Vendor advances	4.41	12.97
d)	Balances with GST/ Service tax department	1.68	1.60
e)	Amount paid under protest	0.92	0.64
	Total	28.11	48.38

Impairment loss allowance recognised on other non-financial assets is Nil (31st March 2025: Nil).

NOTE 16 Trade payables

S No	Description	As at 31 st March 2026	As at 31 st March 2025
(a)	Total outstanding dues of micro enterprises and small enterprises	29.60	26.08
(b)	Total outstanding dues of creditors other than micro enterprises and small enterprises	979.90	1,061.21
	Total	1,009.50	1,087.29

16.1 Trade payables (Ageing schedule)

The following schedules reflect ageing of trade payables with respect to the date of transactions

S No	Description	Outstanding for following periods from date of transaction as at 31 st March 2026				
		<1 Year	1-2 years	2-3 years	More than 3 years	Total
	Undisputed					
(i)	MSME	29.60	-	-	-	29.60
(ii)	Others	979.90	-	-	-	979.90
	Disputed					
(iii)	MSME	-	-	-	-	-
(iv)	Others	-	-	-	-	-
	Total	1,009.50	-	-	-	1,009.50

S No	Particulars	Outstanding for following periods from date of transaction as at 31 st March 2025				
		<1 Year	1-2 years	2-3 years	More than 3 years	Total
	Undisputed					
(i)	MSME	26.08	-	-	-	26.08
(ii)	Others	1,061.04	0.09	0.08	-	1,061.21
	Disputed					
(iii)	MSME	-	-	-	-	-
(iv)	Others	-	-	-	-	-
	Total	1,087.12	0.09	0.08	-	1,087.29

Notes:

- Includes dues to related parties (Refer note 41)
- Dues to micro, medium and small enterprises have been determined to the extent such parties have been identified on the basis of information received by the management. The entire closing balance represents the principal amount payable to these enterprises. There are no interests due or outstanding on the same in terms of Section 16 of the Micro, Small and Medium Enterprises Development Act, 2006.

(All amounts in ₹ crores, unless otherwise stated)

16.2 Disclosure under Micro, Small and Medium Enterprises Development Act, 2006

Under Micro, Small and Medium Enterprises Development Act, 2006, (MSMED) certain disclosures are required to be made relating to micro, medium and small enterprises. Based on and to the extent of the information received by the Group from the suppliers during the year regarding their status under the Micro, Small and Medium Enterprises Development Act, 2006 (MSMED Act), the relevant particulars are furnished below:

Particulars	As at 31 st March 2026	As at 31 st March 2025
Principal amount due to suppliers under MSMED Act, as at the year end (since paid)	29.60	26.08
Interest accrued and due to suppliers under MSMED Act, on the above amount as at the year end	-	-
Payment made to suppliers (other than interest) beyond the appointed day, during the year	-	-
Interest paid to suppliers under MSMED Act (Section 16)	-	-
Interest due and payable to suppliers under MSMED Act, for payments already made	-	-
Interest accrued and remaining unpaid at the year end to suppliers under MSMED Act (since paid)	-	-

NOTE 17 Debt securities

Description	As at 31 st March 2026	As at 31 st March 2025
At amortised cost:		
Commercial paper (unsecured)	398.27	-
Non convertible debentures (secured)	2,911.59	2,625.39
Total (A)	3,309.86	2,625.39
Debt securities in India	3,309.86	2,625.39
Debt securities outside India	-	-
Total (B)	3,309.86	2,625.39

NOTE 18 Borrowings (Other than debt securities)

Description	As at 31 st March 2026	As at 31 st March 2025
At amortised cost		
(a) Term loans (secured)		
i) from banks	15,879.42	16,757.81
ii) from other parties	523.91	943.06
iii) External commercial borrowings	948.88	299.22
(b) Loans repayable on demand		
i) cash credit from banks (secured)	-	0.03
ii) working capital demand loan (secured)	4,735.84	1,792.35
Total (A)	22,088.05	19,792.47
Borrowings in India	21,139.17	19,493.25
Borrowings outside India	948.88	299.22
Total (B)	22,088.05	19,792.47

Period and amount of default: NIL (31st March 2025: NIL)

(All amounts in ₹ crores, unless otherwise stated)

NOTE 19 Subordinated liabilities

Description	As at 31 st March 2026	As at 31 st March 2025
At amortised cost-Unsecured		
(a) Perpetual debt instruments to the extent that do not qualify as equity	103.58	103.57
(b) Other subordinated liabilities		
(i) From banks	-	-
(ii) From others	2,166.38	2,165.74
Total (A)	2,269.96	2,269.31
Subordinated liabilities in India	2,269.96	2,269.31
Subordinated liabilities outside India	-	-
Total (B)	2,269.96	2,269.31

Period and amount of default: NIL (31st March 2025: NIL)

- Refer Annexure for the terms of the debt securities, borrowings and subordinated liabilities.
- The Group has utilised the borrowed funds for the purposes for which the fund is obtained.
- The Group has not been declared willful defaulter by any Bank or financial Institution or other lender.
- There are no charges or satisfaction yet to be registered with ROC beyond the statutory time period.
- Change in liabilities arising from financing activities

Particulars	As at 1 st April 2025	Cash Flows	Exchange Differences	Other*	As at 31 st March 2026
Debt securities	2,625.39	675.00	-	9.47	3,309.86
Borrowings other than debt securities	19,792.47	2,211.69	91.43	(7.55)	22,088.05
Subordinated liabilities	2,269.31	-	-	0.66	2,269.96
Total	24,687.17	2,886.69	91.43	2.58	27,667.87

Particulars	As at 1 st April 2024	Cash flows	Exchange differences	Other*	As at 31 st March 2025
Debt securities	1,510.99	1,100.00	-	14.40	2,625.39
Borrowings other than debt securities	19,043.77	821.98	(82.64)	9.36	19,792.47
Subordinated liabilities	2,212.96	50.00	-	6.34	2,269.31
Total	22,767.72	1,971.98	(82.64)	30.10	24,687.17

- * (i) Other column represents the amortisation of processing fees and movement in interest accrued but not due
(ii) Liabilities represents Debt securities, Borrowings (Other Than Debt Securities) and Subordinated Liabilities

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2026



(All amounts in ₹ crores, unless otherwise stated)

Annexure

Institution	Amount Outstanding as on 31st March 2026	Type of Security	Interest Rate	Total Installment	No of installments remaining	Frequency	Repayable from	Repayable to
Debt Securities								
Commercial Paper	199.29	Unsecured	6.55%	1	1	Bullet	21/04/2026	21/04/2026
Commercial Paper	198.97	Unsecured	6.60%	1	1	Bullet	30/04/2026	30/04/2026
Non Convertible Debentures	236.21	Secured	7.15%	1	1	Bullet	26/06/2026	26/06/2026
Non Convertible Debentures	516.08	Secured	8.35%	2	2	Bullet	29/10/2026	29/10/2027
Non Convertible Debentures	534.77	Secured	8.25%	2	2	Bullet	31/12/2026	31/12/2027
Non Convertible Debentures	502.95	Secured	8.25%	3	3	Bullet	03/03/2027	03/03/2028
Non Convertible Debentures	578.28	Secured	7.50%	3	3	Bullet	26/04/2028	27/06/2028
Non Convertible Debentures	543.31	Secured	7.55%	3	3	Bullet	19/07/2028	19/09/2028
	3,309.86							
Loan repayable on demand	4,735.84	Secured	6.35% to 7.32%	Repayable on demand				
	4,735.84							
Term Loan								
Bank	39.75	Secured	6.83%	15	6	Quarterly	31/03/2024	01/10/2027
Bank	120.00	Secured	6.83%	15	6	Quarterly	31/03/2024	01/10/2027
Bank	120.00	Secured	6.83%	15	6	Quarterly	31/03/2024	01/10/2027
Bank	40.00	Secured	6.83%	15	6	Quarterly	31/03/2024	01/10/2027
Bank	45.82	Secured	6.45%	39	18	Monthly	31/07/2024	30/09/2027
Bank	92.31	Secured	6.45%	39	18	Monthly	31/07/2024	30/09/2027
Bank	46.15	Secured	6.45%	39	18	Monthly	31/07/2024	30/09/2027
Bank	215.38	Secured	6.45%	39	21	Monthly	15/10/2024	15/12/2027
Bank	72.88	Secured	6.95%	15	11	Quarterly	30/06/2025	31/12/2028
Bank	146.67	Secured	6.95%	15	11	Quarterly	30/06/2025	31/12/2028
Bank	146.67	Secured	6.95%	15	11	Quarterly	30/06/2025	31/12/2028
Bank	230.51	Secured	5.30%	13	12	Quarterly	28/02/2026	28/02/2029
Bank	230.66	Secured	5.30%	13	12	Quarterly	31/03/2026	31/03/2029
Bank	249.80	Secured	5.30%	13	13	Quarterly	30/06/2026	30/06/2029
Bank	181.80	Secured	7.00%	11	4	Quarterly	01/10/2024	01/04/2027
Bank	131.26	Secured	7.80%	16	7	Quarterly	29/03/2024	29/12/2027
Bank	174.99	Secured	7.80%	12	6	Quarterly	30/12/2024	30/09/2027
Bank	75.02	Secured	7.80%	12	6	Quarterly	30/12/2024	30/09/2027
Bank	75.86	Secured	7.00%	21	15	Monthly	31/10/2025	30/06/2027
Bank	303.60	Secured	7.00%	21	15	Monthly	31/10/2025	30/06/2027
Bank	750.10	Secured	7.25%	36	36	Monthly	30/04/2026	31/03/2029
Bank	25.00	Secured	6.64%	6	1	Half Yearly	29/02/2024	31/08/2026

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2026



(All amounts in ₹ crores, unless otherwise stated)

Institution	Amount Outstanding as on 31st March 2026	Type of Security	Interest Rate	Total Installment	No of installments remaining	Frequency	Repayable from	Repayable to
Bank	166.67	Secured	7.18%	6	5	Half Yearly	29/03/2026	29/09/2028
Bank	31.42	Secured	7.25%	12	1	Quarterly	30/06/2023	28/04/2026
Bank	176.69	Secured	7.10%	16	5	Quarterly	30/09/2023	29/06/2027
Bank	58.86	Secured	7.10%	16	5	Quarterly	30/09/2023	29/06/2027
Bank	144.86	Secured	7.10%	16	6	Quarterly	27/12/2023	26/09/2027
Bank	43.35	Secured	5.85%	16	6	Quarterly	27/12/2023	26/09/2027
Bank	125.59	Secured	7.15%	13	4	Quarterly	29/02/2024	01/03/2027
Bank	31.38	Secured	5.95%	13	4	Quarterly	26/03/2024	27/03/2027
Bank	70.60	Secured	5.47%	26	7	Monthly	30/06/2024	30/10/2026
Bank	154.27	Secured	5.47%	10	5	Quarterly	30/03/2025	30/06/2027
Bank	68.00	Secured	5.79%	27	10	Monthly	29/09/2024	30/01/2027
Bank	138.90	Secured	5.79%	11	6	Quarterly	29/03/2025	29/09/2027
Bank	92.74	Secured	5.97%	27	13	Monthly	30/12/2024	27/04/2027
Bank	162.33	Secured	5.97%	13	7	Quarterly	30/12/2024	27/12/2027
Bank	243.46	Secured	5.60%	13	9	Quarterly	31/05/2025	29/05/2028
Bank	87.53	Secured	5.60%	31	18	Monthly	31/03/2025	27/09/2027
Bank	85.01	Secured	5.55%	13	11	Quarterly	28/10/2025	28/10/2028
Bank	145.54	Secured	5.55%	29	21	Monthly	28/08/2025	28/12/2027
Bank	127.52	Secured	5.55%	13	11	Quarterly	05/11/2025	28/10/2028
Bank	38.11	Secured	5.55%	29	22	Monthly	05/09/2025	28/12/2027
Bank	85.05	Secured	5.55%	13	11	Quarterly	30/12/2025	30/12/2028
Bank	119.55	Secured	5.55%	29	23	Monthly	30/10/2025	29/02/2028
Bank	216.56	Secured	5.55%	29	25	Monthly	19/12/2025	17/04/2028
Bank	100.46	Secured	5.40%	13	13	Quarterly	27/05/2026	26/05/2029
Bank	145.51	Secured	5.40%	29	28	Monthly	27/03/2026	26/07/2028
Bank	249.99	Secured	7.00%	1	1	Bullet	30/06/2026	30/06/2026
Bank	299.95	Secured	7.10%	1	1	Bullet	26/09/2027	26/09/2027
Bank	349.71	Secured	7.00%	10	10	Quarterly	01/07/2026	01/10/2028
Bank	100.77	Secured	8.00%	10	5	Quarterly	29/03/2025	29/06/2027
Bank	352.60	Secured	7.90%	10	7	Quarterly	30/09/2025	30/12/2027
Bank	30.11	Secured	6.61%	10	2	Quarterly	29/04/2024	29/07/2026
Bank	20.07	Secured	6.61%	10	2	Quarterly	29/04/2024	29/07/2026
Bank	75.28	Secured	6.48%	10	3	Quarterly	20/07/2024	20/10/2026
Bank	92.33	Secured	6.68%	11	5	Quarterly	26/11/2024	26/05/2027
Bank	225.80	Secured	7.08%	10	9	Quarterly	24/01/2026	24/04/2028
Bank	38.46	Secured	5.85%	13	5	Quarterly	30/06/2024	30/06/2027
Bank	126.85	Secured	5.60%	13	11	Quarterly	17/10/2025	17/10/2028
Bank	112.50	Secured	6.55%	8	3	Quarterly	11/03/2025	08/12/2026
Bank	400.18	Secured	8.10%	1	1	Bullet	29/05/2026	29/05/2026
Bank	350.14	Secured	7.12%	1	1	Bullet	21/05/2027	21/05/2027
Bank	350.14	Secured	7.13%	1	1	Bullet	14/07/2027	14/07/2027
Bank	300.12	Secured	7.09%	1	1	Bullet	26/08/2027	26/08/2027
Bank	16.65	Secured	7.80%	12	4	Quarterly	30/06/2024	31/03/2027
Bank	50.00	Secured	7.80%	12	4	Quarterly	30/06/2024	31/03/2027
Bank	49.99	Secured	7.95%	10	1	Quarterly	31/03/2024	30/06/2026
Bank	40.01	Secured	7.95%	10	2	Quarterly	30/04/2024	31/07/2026
Bank	10.00	Secured	7.95%	10	1	Quarterly	31/03/2024	30/06/2026

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2026



(All amounts in ₹ crores, unless otherwise stated)

Institution	Amount Outstanding as on 31st March 2026	Type of Security	Interest Rate	Total Installment	No of installments remaining	Frequency	Repayable from	Repayable to
Bank	20.00	Secured	7.95%	10	1	Quarterly	31/03/2024	30/06/2026
Bank	125.00	Secured	7.95%	12	3	Quarterly	29/02/2024	30/11/2026
Bank	250.00	Secured	7.95%	12	6	Quarterly	31/12/2024	30/09/2027
Bank	145.87	Secured	7.95%	12	7	Quarterly	28/02/2025	30/11/2027
Bank	145.87	Secured	7.95%	12	7	Quarterly	31/03/2025	31/12/2027
Bank	551.72	Secured	7.95%	15	11	Quarterly	29/05/2025	29/11/2028
Bank	184.57	Secured	7.95%	15	11	Quarterly	29/05/2025	29/11/2028
Bank	738.28	Secured	7.95%	15	11	Quarterly	29/05/2025	29/11/2028
Bank	738.28	Secured	7.95%	15	11	Quarterly	29/05/2025	29/11/2028
Bank	999.73	Secured	6.76%	7	7	Monthly	27/06/2026	27/12/2026
Bank	33.41	Secured	6.73%	12	4	Quarterly	27/06/2024	27/03/2027
Bank	33.59	Secured	6.73%	12	4	Quarterly	27/06/2024	27/03/2027
Bank	33.59	Secured	6.73%	12	4	Quarterly	27/06/2024	27/03/2027
Bank	167.77	Secured	6.73%	12	4	Quarterly	27/06/2024	27/03/2027
Bank	67.11	Secured	6.73%	12	4	Quarterly	27/06/2024	27/03/2027
Bank	136.35	Secured	7.75%	11	5	Quarterly	26/12/2024	26/06/2027
Bank	163.67	Secured	7.75%	11	6	Quarterly	30/01/2025	30/07/2027
Bank	218.23	Secured	7.75%	11	6	Quarterly	28/02/2025	31/08/2027
Bank	318.18	Secured	7.05%	11	7	Quarterly	30/06/2025	31/12/2027
Bank	363.71	Secured	7.05%	11	8	Quarterly	30/09/2025	31/03/2028
Bank	428.61	Secured	7.00%	21	18	Monthly	31/01/2026	30/09/2027
Others	147.27	Secured	7.19%	43	21	Monthly	10/06/2024	10/12/2027
Others	167.40	Secured	7.24%	12	4	Quarterly	10/06/2024	10/03/2027
Others	209.25	Secured	6.90%	12	5	Quarterly	10/08/2024	10/05/2027
Bank-ECB	331.42	Secured	7.77%	1	1	Bullet	27/03/2028	27/03/2028
Bank-ECB	285.62	Secured	7.50%	1	1	Bullet	15/05/2028	15/05/2028
Bank-ECB	331.84	Secured	7.59%	1	1	Bullet	19/06/2028	19/06/2028
	17,352.21							
Subordinated Liabilities								
Perpetual Debt	103.58	Unsecured	11.50%	1	1	Bullet	24/11/2027	24/11/2027
Other Subordinated Liabilities:								
Others	154.11	Unsecured	9.40%	1	1	Bullet	10/06/2026	10/06/2026
Others	151.14	Unsecured	9.40%	1	1	Bullet	26/08/2026	26/08/2026
Others	101.82	Unsecured	8.85%	1	1	Bullet	02/06/2027	02/06/2027
Others	359.29	Unsecured	8.85%	1	1	Bullet	11/06/2027	11/06/2027
Others	101.45	Unsecured	9.50%	1	1	Bullet	18/01/2028	18/01/2028
Others	324.77	Unsecured	9.50%	1	1	Bullet	31/01/2028	31/01/2028
Others	201.84	Unsecured	9.35%	1	1	Bullet	29/08/2028	29/08/2028
Others	512.18	Unsecured	9.30%	1	1	Bullet	27/06/2029	27/06/2029
Others	157.56	Unsecured	9.38%	1	1	Bullet	24/04/2030	24/04/2030
Others	102.22	Unsecured	10.00%	1	1	Bullet	01/07/2026	01/07/2026
Total	2,166.38							
Subordinated Liabilities Total	2,269.96							

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2026



(All amounts in ₹ crores, unless otherwise stated)

Institution	Amount Outstanding as on 31st March 2025	Type of Security	Interest Rate	Total Installment	No of installments remaining	Frequency	Repayable from	Repayable to
Debt Securities								
Non convertible debentures	833.78	Secured	8.30%	2	2	Bullet	14/08/2025	12/09/2025
Non convertible debentures	237.83	Secured	8.15%	1	1	Bullet	26/06/2026	26/06/2026
Non convertible debentures	516.09	Secured	8.35%	2	2	Bullet	29/10/2026	29/10/2027
Non convertible debentures	534.75	Secured	8.25%	2	2	Bullet	31/12/2026	31/12/2027
Non convertible debentures	502.94	Secured	8.25%	3	3	Bullet	03/03/2027	03/03/2028
	2,625.39							
Loan repayable on demand	1,792.38	Secured	7.50% - 7.82%	Repayable on demand				
	1,792.38							
Term Loan								
Bank	66.26	Secured	7.74%	15	10	Quarterly	31/03/2024	01/10/2027
Bank	200.00	Secured	7.74%	15	10	Quarterly	31/03/2024	01/10/2027
Bank	200.00	Secured	7.74%	15	10	Quarterly	31/03/2024	01/10/2027
Bank	66.67	Secured	7.74%	15	10	Quarterly	31/03/2024	01/10/2027
Bank	59.67	Secured	7.59%	10	3	Quarterly	30/09/2023	31/12/2025
Bank	90.00	Secured	7.59%	10	3	Quarterly	30/09/2023	31/12/2025
Bank	60.00	Secured	7.59%	10	3	Quarterly	30/09/2023	31/12/2025
Bank	99.99	Secured	7.00%	10	2	Quarterly	30/04/2023	30/07/2025
Bank	99.38	Secured	7.95%	15	15	Quarterly	30/06/2025	31/12/2028
Bank	76.92	Secured	7.45%	39	30	Monthly	31/07/2024	30/09/2027
Bank	153.85	Secured	7.45%	39	30	Monthly	31/07/2024	30/09/2027
Bank	76.92	Secured	7.45%	39	30	Monthly	31/07/2024	30/09/2027
Bank	337.91	Secured	7.45%	39	33	Monthly	15/10/2024	15/12/2027
Bank	411.93	Secured	8.25%	11	9	Quarterly	01/10/2024	01/04/2027
Bank	206.28	Secured	8.35%	16	11	Quarterly	29/03/2024	29/12/2027
Bank	291.73	Secured	8.35%	12	10	Quarterly	30/12/2024	30/09/2027
Bank	124.95	Secured	8.35%	12	10	Quarterly	30/12/2024	30/09/2027
Bank	75.00	Secured	7.87%	6	3	Half Yearly	29/02/2024	31/08/2026
Bank	72.33	Secured	7.10%	16	10	Quarterly	27/12/2023	26/09/2027
Bank	62.84	Secured	7.25%	13	8	Quarterly	26/03/2024	27/03/2027
Bank	278.05	Secured	6.39%	10	9	Quarterly	30/03/2025	30/06/2027
Bank	219.44	Secured	6.39%	26	19	Monthly	30/06/2024	30/10/2026
Bank	232.19	Secured	6.71%	11	10	Quarterly	29/03/2025	29/09/2027
Bank	149.42	Secured	6.71%	27	22	Monthly	29/09/2024	30/01/2027
Bank	255.45	Secured	6.89%	13	11	Quarterly	30/12/2024	27/12/2027
Bank	178.58	Secured	6.89%	27	25	Monthly	30/12/2024	27/04/2027
Bank	351.96	Secured	6.60%	13	13	Quarterly	31/05/2025	29/05/2028
Bank	146.00	Secured	6.60%	31	30	Monthly	31/03/2025	27/09/2027

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2026



(All amounts in ₹ crores, unless otherwise stated)

Institution	Amount Outstanding as on 31st March 2025	Type of Security	Interest Rate	Total Installment	No of installments remaining	Frequency	Repayable from	Repayable to
Bank	125.70	Secured	7.25%	12	3	Quarterly	23/03/2023	21/01/2026
Bank	27.19	Secured	7.60%	37	10	Monthly	02/02/2023	21/01/2026
Bank	20.13	Secured	7.75%	12	4	Quarterly	20/05/2023	21/03/2026
Bank	29.39	Secured	7.75%	37	12	Monthly	20/03/2023	21/03/2026
Bank	125.67	Secured	7.25%	12	4	Quarterly	30/06/2023	28/04/2026
Bank	317.88	Secured	7.10%	16	9	Quarterly	30/09/2023	29/06/2027
Bank	105.89	Secured	7.10%	16	9	Quarterly	30/09/2023	29/06/2027
Bank	241.35	Secured	7.10%	16	10	Quarterly	27/12/2023	26/09/2027
Bank	251.25	Secured	7.15%	13	8	Quarterly	29/02/2024	01/03/2027
Bank	13.64	Secured	5.60%	37	1	Monthly	30/04/2022	29/04/2025
Bank	81.61	Secured	6.35%	37	4	Monthly	29/07/2022	28/07/2025
Bank	249.99	Secured	8.00%	1	1	Bullet	29/09/2025	29/09/2025
Bank	249.96	Secured	8.00%	1	1	Bullet	30/06/2026	30/06/2026
Bank	299.92	Secured	8.10%	1	1	Bullet	26/09/2027	26/09/2027
Bank	100.70	Secured	8.40%	10	2	Quarterly	02/06/2023	02/09/2025
Bank	20.19	Secured	8.40%	10	2	Quarterly	29/06/2023	29/09/2025
Bank	80.83	Secured	8.40%	10	2	Quarterly	01/07/2023	01/10/2025
Bank	181.37	Secured	8.40%	10	9	Quarterly	29/03/2025	29/06/2027
Bank	503.44	Secured	8.30%	10	10	Quarterly	30/09/2025	30/12/2027
Bank	90.39	Secured	7.52%	10	6	Quarterly	29/04/2024	29/07/2026
Bank	60.27	Secured	7.52%	10	6	Quarterly	29/04/2024	29/07/2026
Bank	164.71	Secured	7.76%	11	9	Quarterly	26/11/2024	26/05/2027
Bank	175.76	Secured	7.65%	10	7	Quarterly	20/07/2024	20/10/2026
Bank	69.23	Secured	6.85%	13	9	Quarterly	30/06/2024	30/06/2027
Bank	262.50	Secured	7.72%	8	7	Quarterly	11/03/2025	08/12/2026
Bank	400.36	Secured	8.10%	1	1	Bullet	29/05/2026	29/05/2026
Bank	33.30	Secured	8.30%	12	8	Quarterly	30/06/2024	31/03/2027
Bank	100.00	Secured	8.30%	12	8	Quarterly	30/06/2024	31/03/2027
Bank	150.01	Secured	8.30%	10	7	Quarterly	30/09/2023	31/12/2025
Bank	249.97	Secured	8.50%	10	5	Quarterly	31/03/2024	30/06/2026
Bank	120.03	Secured	8.50%	10	6	Quarterly	30/04/2024	31/07/2026
Bank	50.01	Secured	8.50%	10	5	Quarterly	31/03/2024	30/06/2026
Bank	100.02	Secured	8.50%	10	5	Quarterly	31/03/2024	30/06/2026
Bank	291.67	Secured	8.50%	12	7	Quarterly	29/02/2024	30/11/2026
Bank	416.68	Secured	8.50%	12	10	Quarterly	31/12/2024	30/09/2027
Bank	229.22	Secured	8.50%	12	11	Quarterly	28/02/2025	30/11/2027
Bank	229.22	Secured	8.50%	12	11	Quarterly	31/03/2025	31/12/2027
Bank	39.99	Secured	8.00%	10	2	Quarterly	30/06/2023	30/09/2025
Bank	90.02	Secured	8.05%	10	3	Quarterly	31/07/2023	31/10/2025
Bank	31.46	Secured	7.84%	8	1	Quarterly	20/07/2023	20/04/2025
Bank	167.72	Secured	7.84%	12	4	Quarterly	10/05/2023	10/02/2026
Bank	66.81	Secured	7.69%	12	8	Quarterly	27/06/2024	27/03/2027
Bank	67.17	Secured	7.69%	12	8	Quarterly	27/06/2024	27/03/2027
Bank	67.17	Secured	7.69%	12	8	Quarterly	27/06/2024	27/03/2027
Bank	335.79	Secured	7.69%	12	8	Quarterly	27/06/2024	27/03/2027
Bank	134.31	Secured	7.69%	12	8	Quarterly	27/06/2024	27/03/2027
Bank	752.57	Secured	8.30%	15	15	Quarterly	29/05/2025	29/11/2028

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2026



(All amounts in ₹ crores, unless otherwise stated)

Institution	Amount Outstanding as on 31st March 2025	Type of Security	Interest Rate	Total Installment	No of installments remaining	Frequency	Repayable from	Repayable to
Bank	251.77	Secured	8.30%	15	15	Quarterly	29/05/2025	29/11/2028
Bank	1,007.09	Secured	8.30%	15	15	Quarterly	29/05/2025	29/11/2028
Bank	1,000.69	Secured	8.30%	15	15	Quarterly	29/05/2025	29/11/2028
Bank	245.44	Secured	8.45%	11	9	Quarterly	26/12/2024	26/06/2027
Bank	272.79	Secured	8.45%	11	10	Quarterly	30/01/2025	30/07/2027
Bank	363.72	Secured	8.45%	11	10	Quarterly	28/02/2025	31/08/2027
Bank	500.02	Secured	8.05%	11	11	Quarterly	30/06/2025	31/12/2027
Bank	500.11	Secured	8.05%	11	11	Quarterly	30/09/2025	31/03/2028
Others	231.41	Secured	8.32%	43	33	Monthly	10/06/2024	10/12/2027
Others	334.87	Secured	8.07%	12	9	Quarterly	10/06/2024	10/03/2027
Others	376.78	Secured	7.78%	12	9	Quarterly	10/08/2024	10/05/2027
Bank-ECB	299.22	Secured	7.77%	1	1	Bullet	27/03/2028	27/03/2028
Subordinated Liabilities	18,000.09							
Perpetual Debt	103.57	Unsecured	11.50%	1	1	Bullet	24/11/2027	24/11/2027
Other Subordinated Liabilities:								
Others	154.27	Unsecured	9.40%	1	1	Bullet	10/06/2026	10/06/2026
Others	151.35	Unsecured	9.40%	1	1	Bullet	26/08/2026	26/08/2026
Others	101.91	Unsecured	8.85%	1	1	Bullet	02/06/2027	02/06/2027
Others	359.39	Unsecured	8.85%	1	1	Bullet	11/06/2027	11/06/2027
Others	101.46	Unsecured	9.50%	1	1	Bullet	18/01/2028	18/01/2028
Others	324.01	Unsecured	9.50%	1	1	Bullet	31/01/2028	31/01/2028
Others	201.19	Unsecured	9.35%	1	1	Bullet	29/08/2028	29/08/2028
Others	512.31	Unsecured	9.30%	1	1	Bullet	27/06/2029	27/06/2029
Others	157.63	Unsecured	9.38%	1	1	Bullet	24/04/2030	24/04/2030
Others	102.22	Unsecured	10.00%	1	1	Bullet	01/07/2026	01/07/2026
Total	2,165.74							
Subordinated Liabilities Total	2,269.31							

Details of Security

i) Non convertible debentures of Rs. 2912 Crores inclusive of current and non-current dues (As at 31st March 2025 Rs. 2,625 Crores) is fully secured by exclusive floating charge against hypothecation of receivables under the financing activity of the Company.

ii) Term loan received from banks and other parties of Rs. 17,352 Crores inclusive of current and non-Current dues (As at 31st March 2025 Rs. 18,000 Crores) is fully secured by exclusive floating charge against hypothecation of receivables under the financing activity of the Company.

iii) Working capital demand loan and cash credit of Rs. 4,736 Crores (As at 31st March 2025 Rs.1,792 Crores) is fully secured by exclusive floating charge against hypothecation of receivables under the financing activity of the Company.

(All amounts in ₹ crores, unless otherwise stated)

NOTE 20 Other financial liabilities

S No.	Description	As at 31 st March 2026	As at 31 st March 2025
a)	Employee related liabilities	104.65	127.42
b)	Security deposit	19.87	15.51
c)	Lease liability (refer note 40)	77.50	71.43
d)	Other liability	7.83	6.99
	Total	209.85	221.35

NOTE 21 Provisions

S No.	Description	As at 31 st March 2026	As at 31 st March 2025
	Provision for employee benefits		
a)	Pension (refer note 36)	13.29	12.70
b)	Gratuity (refer note 36)	15.58	3.60
c)	Compensated absences (refer note 36)	45.05	43.28
	Others		
a)	Provision for expected credit loss towards undrawn commitments	1.23	-
	Total	75.15	59.58

NOTE 22 Other non-financial liabilities

S No.	Description	As at 31 st March 2026	As at 31 st March 2025
a)	Statutory dues	38.10	38.15
	Total	38.10	38.15

NOTE 23 Equity share capital

a) Terms/Rights attached to equity shares

The Group has only one class of equity shares having a par value of Rs. 10 per share. All these shares have the same rights and preferences with respect to payment of dividend, repayment of capital and voting. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting except for interim dividend. Repayment of capital will be in proportion to the number of equity shares held.

b) Terms/Rights attached to Compulsory convertible preference shares

The Group has only one class of compulsory convertible preference shares having a par value of Rs. 10 per share which shall convert into one equity share as laid out in the agreement . Upon conversion into equity shares, the shareholder shall be entitled to participate in the dividend on equity shares on pari passu basis along with holders of other equity shares.

	Description	As at 31 st March 2026	As at 31 st March 2025
c)	Authorised share capital:		
	300,000,000 (As at 31 st March 2025 : 300,000,000) equity shares of Rs.10 each	300.00	300.00
	20,000,000 (As at 31 st March 2025 : 20,000,000) 0.001% Compulsorily convertible preference shares of Rs.10 each	20.00	20.00
	Total	320.00	320.00

(All amounts in ₹ crores, unless otherwise stated)

NOTE 23 Equity share capital (Contd.)

Description	As at 31 st March 2026	As at 31 st March 2025
d) Issued, subscribed and paid up:		
Equity share: 239,667,485 (As at 31 st March 2025 : 236,272,706) equity shares of Rs.10 each	239.67	236.27
Total	239.67	236.27
Instruments entirely equity in nature: 18,384,684 (As at 31 st March 2025: 18,384,684) 0.001% Compulsorily convertible preference shares of Rs.10 each	18.38	18.38
Total	18.38	18.38

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

Equity Share:

Particulars	As at 31 st March 2026		As at 31 st March 2025	
	No. of shares	Amount	No. of shares	Amount
At the beginning of the year	236,272,706	236.27	228,223,926	228.22
Add: Issued during the year*	3,394,779	3.39	8,048,780	8.05
At the end of the year	239,667,485	239.67	236,272,706	236.27

Notes:

- During FY 25-26, the Company through preferential issue on private placement basis on 31st October 2025 & 13th November 2025 allotted 29,59,441 & 4,35,338 equity shares respectively to eligible buyers at a price of Rs.589.14 per equity share of Rs.10 face value (inclusive of premium of Rs.579.14 per share) aggregating to approximately Rs.200 crores.
- During FY 24-25, the Company through preferential issue on private placement basis on 28th June 2024 allotted 80,48,780 equity shares respectively to eligible buyers at a price of Rs.410 per equity share of Rs.10 face value (inclusive of premium of Rs.400 per share) aggregating to approximately Rs.330 crores.
- There were no shares allotted for contract(s) without payment being received in cash, buy back of shares or bonus shares issued during immediately preceeding 5 previous years.
- No shares has been reserved for issue under options and contracts/commitments for the sale of shares/ disinvestment during the preceeding 5 previous years.

0.001% Compulsorily convertible preference shares:

Particulars	As at 31 st March 2026		As at 31 st March 2025	
	No. of shares	Amount	No. of shares	Amount
At the beginning of the year	18,384,684	18.38	18,384,684	18.38
Add: Issued during the year	-	-	-	-
At the end of the year	18,384,684	18.38	18,384,684	18.38

f) Shares held by Holding Companies:

Particulars	As at 31 st March 2026	As at 31 st March 2025
Equity share: TVS Motor Company Limited	205,230,334	202,319,089
0.001% Compulsorily convertible preference shares: TVS Motor Company Limited	3,169,773	3,169,773

(All amounts in ₹ crores, unless otherwise stated)

NOTE 23 Equity share capital (Contd.)

Number of shares held by share holders more than 5% of total shares as at the end of the year

Name of the Shareholders	As at 31st March 2026		As at 31st March 2025	
	No. of shares	% of Holding	No. of shares	% of Holding
Equity share:				
TVS Motor Company Limited	205,230,334	85.63%	202,319,089	85.63%
PI Opportunities Fund I Scheme II	12,638,567	5.27%	12,272,143	5.19%
0.001% Compulsorily convertible preference shares:				
TVS Motor Company Limited	3,169,773	17.24%	3,169,773	17.24%
PI Opportunities Fund I Scheme II	15,214,911	82.76%	15,214,911	82.76%

g) Shares held by promoters at the end of year

Promotor Name	No. of shares	% of total shares	% change during the year
Equity share:			
TVS Motor Company Limited	205,230,334	85.63%	0.00%
0.001% Compulsorily convertible preference shares:			
TVS Motor Company Limited	3,169,773	17.24%	0.00%

NOTE 24 Other equity

Description	As at 31st March 2026	As at 31st March 2025
a) Securities premium	2,392.76	2,196.14
b) Statutory reserves	692.62	509.85
c) Share based payment reserve	0.96	0.27
d) Retained earnings	2,715.53	1,992.52
e) Other comprehensive income - Financial Instruments through OCI	3.08	(0.47)
f) Other comprehensive income - Cashflow Hedge reserve	9.61	(0.76)
Total reserves and surplus	5,814.56	4,697.55

a) Securities premium	As at 31st March 2026	As at 31st March 2025
Opening balance	2,196.14	1,874.19
Additions during the year	196.62	321.95
Deductions/Adjustments during the year	-	-
Closing balance	2,392.76	2,196.14

b) Statutory reserve	As at 31st March 2026	As at 31st March 2025
Opening balance	509.85	356.40
Transfer from retained earnings	182.77	153.45
Deductions/Adjustments during the year	-	-
Closing balance	692.62	509.85

(All amounts in ₹ crores, unless otherwise stated)

NOTE 24 Other equity (Contd.)

c) Share based payment reserve	As at 31st March 2026	As at 31st March 2025
Opening balance	0.27	-
Share based payment expense during the year	0.69	0.27
Closing balance	0.96	0.27

d) Retained earnings	As at 31st March 2026	As at 31st March 2025
Opening balance	1,992.52	1,385.86
Net profit for the year	913.86	768.07
Items of other comprehensive income recognised directly in retained earnings:		
- Remeasurements of post-employment benefit obligation net off tax	(8.08)	(7.96)
Transfer to statutory reserve	(182.77)	(153.45)
Closing balance	2,715.53	1,992.52

e) Other comprehensive income - Financial Instruments through OCI	As at 31st March 2026	As at 31st March 2025
Opening balance	(0.47)	-
Add: Fair value gain/(loss) on financial instruments net of tax	3.55	(0.47)
Closing balance	3.08	(0.47)

f) Other comprehensive income - Cashflow Hedge reserve	As at 31st March 2026	As at 31st March 2025
Opening balance	(0.76)	5.89
Add: Change in fair value of hedging instruments, net off tax for the year	10.37	(6.65)
Closing balance	9.61	(0.76)

Securities premium:

The reserve represents premium on issue of shares. It will be utilised in accordance with the provisions of the Companies Act, 2013.

Statutory reserves:

According to Section 45 - IC of the Reserve Bank of India Act, 1934, the Group transfers a sum not less than 20% of its net profit every year as disclosed in the statement of profit and loss and before declaration of any dividend to the statutory reserves.

Retained earnings:

Represents Group's cumulative undistributed earnings since its inception. This is available for distribution to shareholders through dividends/capitalisation.

Share based payment reserve:

It is created as required by Ind AS 102 'Share Based Payments' on the Employee Stock Option Scheme operated by the Parent Company for its employees.

Other comprehensive income - Financial Instruments through OCI:

It represents the cumulative gains/(losses) arising on revaluation of equity instruments measured at fair value through OCI.

Other comprehensive income - Cashflow Hedge reserve:

It represents the cumulative gains/(losses) arising on revaluation of the derivative instruments designated as cash flow hedges through OCI.

(All amounts in ₹ crores, unless otherwise stated)

NOTE 25 Interest income

Description	Year ended 31 st March 2026	Year ended 31 st March 2025
On financial assets measured at amortised cost:		
Interest on loans	6,175.12	5,752.94
Interest on deposits with bank	21.03	17.33
Interest on Government securities	18.27	6.79
Total	6,214.42	5,777.06

NOTE 26 Fees and commission income

Description	Year ended 31 st March 2026	Year ended 31 st March 2025
Fee based income	576.56	525.12
Service income	247.21	211.34
Total	823.77	736.46

NOTE 27 Net gain on fair value changes

Description	Year ended 31 st March 2026	Year ended 31 st March 2025
Net gain on financial instruments at fair value through profit or loss		
On trading portfolio		
Realised gain on investment at FVTPL	154.02	92.32
Total	154.02	92.32

NOTE 28 Other income

Description	Year ended 31 st March 2026	Year ended 31 st March 2025
Unwinding of discount on security deposits and receivable for investments	1.14	0.97
Other non-operating income	3.72	0.44
Interest on income tax refund	-	2.52
Total	4.86	3.93

NOTE 29 Finance costs

Description	Year ended 31 st March 2026	Year ended 31 st March 2025
Interest cost on financial liabilities measured at amortised cost		
- Interest on borrowings (other than debt securities)	1,445.82	1,476.13
- Interest on debt securities	268.60	169.54
- Interest on subordinated liabilities	206.71	203.74
Other interest expense:		
- Interest on lease liabilities	6.48	6.12
- Others	6.68	7.79
Total	1,934.29	1,863.32

(All amounts in ₹ crores, unless otherwise stated)

NOTE 30 Impairment of financial instruments

Description	Year ended 31 st March 2026	Year ended 31 st March 2025
On financial instruments measured at amortised cost:		
Bad Debts written off (net)	722.12	940.98
Net Loss on foreclosure/sale of repossessed assets	392.22	410.38
Impairment provision on loans	41.59	(57.20)
Provision for expected credit loss towards undrawn commitments	1.23	-
Impairment provision on trade receivables and other financial assets	(0.57)	1.20
Total	1,156.59	1,295.36

NOTE 31 Employee benefit expenses

Description	Year ended 31 st March 2026	Year ended 31 st March 2025
Salaries and wages	1,154.06	1,019.56
Contribution to provident and other funds	60.74	56.86
Gratuity expenses (refer note 36)	9.86	6.87
Share based payments to employees	0.69	0.27
Staff welfare expenses	48.88	52.02
Total	1,274.23	1,135.58

NOTE 32 Depreciation and amortization expenses

Description	Year ended 31 st March 2026	Year ended 31 st March 2025
Depreciation on investment property (refer note 13)	1.58	-
Depreciation on property, plant and equipment (refer note 14)	25.06	23.63
Depreciation on Right-to-use assets (refer note 14)	23.70	20.87
Amortisation of Intangible assets (refer note 14)	5.78	1.70
Total	56.12	46.20

NOTE 33 Other expenses

Description	Year ended 31 st March 2026	Year ended 31 st March 2025
Rent, taxes and energy costs (Refer Note 40d))	23.02	18.36
Repairs and maintenance	14.73	18.31
Communication costs	136.93	97.21
Printing and stationery	1.32	1.59
Directors sitting fees & commission expenses	1.53	1.03
Auditors fees and expenses*	1.04	0.73
Legal and professional charges	22.27	92.49
Insurance expenses	1.56	0.90
Travelling and conveyance	58.80	46.13
Information technology expenses	126.38	106.16
Manpower support expenses	579.43	274.49
Brand royalty	24.63	24.96
Corporate social responsibility (refer note 41)**	16.00	10.00
Donation	38.30	20.00
Others	8.87	3.26
Total	1,054.81	715.62

(All amounts in ₹ crores, unless otherwise stated)

***Auditors fees and expenses**

Description	Year ended 31 st March 2026	Year ended 31 st March 2025
Statutory audit	0.69	0.42
Limited review	0.12	0.12
Tax audit	0.10	0.08
Certification	0.09	0.05
Reimbursement of expenses	0.04	0.06
Auditors fees and expenses	1.04	0.73

**** Expenditure incurred on Corporate social responsibility activities:**

Particulars	Year ended 31 st March 2026	Year ended 31 st March 2025
(i) Amount required to be spent by the Group during the year	15.32	9.53
(ii) Amount of expenditure incurred	16.00	10.00
a. Construction/ acquisition of any asset	-	10.00
b. On purposes other than (a) above	16.00	10.00
(iii) Shortfall at the end of the year	-	-
(iv) Total of previous years shortfall	-	-
(v) Reason for shortfall	NA	NA
(vi) Details of related party transactions: Contribution to a trust, an Enterprise under common control	-	10.00
(vii) Where a provision is made with respect to a liability incurred by entering into a contractual obligation, the movements in position	16.00	-
Nature of CSR Activities : Economic development, health care, education, environment sustainability and water conservation		

NOTE 34 Income tax expense

Description	Year ended 31 st March 2026	Year ended 31 st March 2025
(a) Income tax expense		
Current tax on profits for the year	400.76	324.07
Tax profits relating to prior period	-	-
Total current tax expense	400.76	324.07
Deferred tax:		
Decrease (increase) in deferred tax assets	(75.34)	(65.61)
(Decrease) increase in deferred tax liabilities	-	-
Total deferred tax expense/(benefit)	(75.34)	(65.61)
Income tax expense for the year	325.42	258.46
(b) Reconciliation of tax expense and the accounting profit multiplied by India's tax rate:		
Profit before income tax expense	1,239.28	1,026.53
Tax at the Indian tax rate of 25.168% (Year ended 31st March 2024 – 25.168%)	311.90	258.36
Tax effect of amounts which are permanent differences in nature in calculation of taxable income	13.52	0.10
Income tax expense	325.42	258.46

(All amounts in ₹ crores, unless otherwise stated)

NOTE 35 Earnings per share

Description	Year ended 31 st March 2026	Year ended 31 st March 2025
(a) Basic earnings per share		
Basic earnings per share attributable to the equity holders of the Group	35.69	30.39
(b) Diluted earnings per share		
Diluted earnings per share attributable to the equity holders of the Group	35.69	30.39
(c) Reconciliations of earnings used in calculating earnings per share		
Basic earnings per share:		
Profit attributable to equity holders of the company used in calculating basis earnings per share	913.86	768.07
Diluted earnings per share:		
Profit attributable to equity holders of the company used in calculating diluted earnings per share	913.86	768.07
(d) Weighted average number of equity shares used as the denominator in calculating basic earnings per share	25,60,55,601	25,27,16,862
Effect of dilution:		
Employee stock options	13,390	2,782
(e) Weighted average number of equity shares used as the denominator in calculating diluted earnings per share	25,60,68,991	25,27,19,644

NOTE 36 Employee benefit plans

(I) Defined benefit plans

The Group provides gratuity for employees in India as per the Payment of Gratuity Act, 1972. Employees who are in continuous service for a period of 5 years are eligible for gratuity. The amount of gratuity payable on retirement/termination is the employee's last drawn basic salary per month computed proportionately for 15 days salary multiplied for the number of years of service. The gratuity plan is a funded plan and the Company makes contributions to recognised fund in India.

The Group operates defined benefit pension plan, which provide benefits to members in the form of a guaranteed level of pension payable for life. The level of benefits provided depends on members' length of service and their salary in the final years leading up to retirement.

Particulars	Gratuity			Pension		
	Present value of obligation	Fair value of plan assets	Total	Present value of obligation	Fair value of plan assets	Total
As at 1st April 2024	44.52	(43.95)	0.57	11.23	-	11.23
Current service cost	7.07	-	7.07	-	-	-
Interest expense/(income)	3.12	(3.32)	(0.20)	0.79	-	0.79
Total amount recognised in profit or loss	10.19	(3.32)	6.87	0.79	-	0.79
<i>Remeasurements</i>						
Return on plan assets, excluding amounts included in interest expense/(income)	-	0.44	0.44	-	-	-
(Gain)/loss from change in financial assumptions	0.76	-	0.76	0.84	-	0.84
Experience (gains)/losses	8.76	-	8.76	(0.16)	-	(0.16)
Total amount recognised in other comprehensive (income)/Losses	9.52	0.44	9.96	0.68	-	0.68
Employer contributions		(13.80)	(13.80)	-	-	-
Benefit payments	(7.14)	7.14	-	-	-	-
As at 31st March 2025	57.10	(53.48)	3.60	12.70	-	12.70

(All amounts in ₹ crores, unless otherwise stated)

NOTE 36 Employee benefit plans (Contd.)

Particulars	Gratuity			Pension		
	Present value of obligation	Fair value of plan assets	Total	Present value of obligation	Fair value of plan assets	Total
As at 1st April 2025	57.10	(53.48)	3.60	12.70	-	12.70
Current service cost	9.70	-	9.70	-	-	-
Past service cost	8.61	-	8.61	-	-	-
Interest expense/(income)	3.97	(3.81)	0.16	0.79	-	0.79
Return on plan assets, excluding amounts included in interest expense/(income)	-	-	-	-	-	-
(Gain)/loss from change in financial assumptions	-	-	-	-	-	-
Experience (gains)/losses	-	-	-	-	-	-
Total amount recognised in profit or loss	22.28	(3.81)	18.48	0.79	-	0.79
<i>Remeasurements</i>						
Return on plan assets, excluding amounts included in interest expense/(income)	-	0.92	0.92	-	-	-
(Gain)/loss from change in financial assumptions	0.05	-	0.05	0.87	-	0.87
Experience (gains)/losses	9.66	-	9.66	(0.71)	-	(0.71)
Total amount recognised in other comprehensive (income)/Losses	9.71	0.92	10.64	0.16	-	0.16
Employer contributions	-	(17.14)	(17.14)	-	-	-
Benefit payments	(4.12)	4.12	-	(0.36)	-	(0.36)
As at 31st March 2026	84.97	(69.39)	15.58	13.29	-	13.29

Details	Gratuity		Pension	
	31 st March 2026	31 st March 2025	31 st March 2026	31 st March 2025
Discount rate	6.23%	6.34%	5.75%	6.44%
Salary growth rate	6.00%	6.00%	5.50%	5.50%
Attrition rate	36.00%	36.00%	0.00%	0.00%
Retirement age	58	58	60	60
Mortality inclusive of provision for disability	100% of Indian assured lives mortality (IALM)			

(i) Sensitivity analysis

FY 2025-26

Particulars	Gratuity			Pension		
	Change in Assumption	Due to increase in assumption	Due to decrease in assumption	Change in Assumption	Due to increase in assumption	Due to decrease in assumption
Discount rate	0.50%	84.00	85.95	1.00%	12.08	14.73
Salary growth rate	0.50%	85.90	84.04	1.00%	14.80	12.01
Mortality	5.00%	84.97	84.96	5.00%	13.18	13.41
Attrition	5.00%	84.50	85.44	5.00%	13.29	13.29
Rs.10,00,000 benefit ceiling	-	80.58	-	-	-	-
No benefit ceiling	-	-	87.34	-	-	-

(All amounts in ₹ crores, unless otherwise stated)

NOTE 36 Employee benefit plans (Contd.)

FY 2024-25

Particulars	Gratuity			Pension		
	Change in Assumption	Due to increase in assumption	Due to decrease in assumption	Change in Assumption	Due to increase in assumption	Due to decrease in assumption
Discount rate	0.50%	56.42	57.76	1.00%	11.45	14.18
Salary growth rate	0.50%	57.74	56.43	1.00%	14.26	11.38
Mortality	5.00%	57.08	57.08	5.00%	12.60	12.81
Attrition	5.00%	56.68	57.49	5.00%	12.70	12.70
Rs.10,00,000 benefit ceiling	-	55.33	-	-	-	-
No benefit ceiling	-	-	57.86	-	-	-

(ii) Projected plan cash flow

Maturity profile	Amount (Rs. in crs)
Expected benefits for year 1	28.66
Expected benefits for year 2	23.43
Expected benefits for year 3	17.28
Expected benefits for year 4	12.82
Expected benefits for year 5	9.41
Expected benefits for year 6 and above	22.15
Total	113.75

(iii) Risk associated with defined benefit plan

Through its defined benefit plans, the Company is exposed to a number of risks, the most significant of which are detailed below:

a. Changes in discount rate

The present value of defined benefit plan liabilities is calculated using a discount rate which is determined by reference to Government bonds' yields at the end of the reporting period.

A decrease/(increase) in discount rate will increase/(decrease) present values of plan liabilities.

b. Salary escalation risk

The present value of the defined benefit plan liability is calculated by reference to the future salaries of plan participants calculated by applying estimated salary escalation rate. Any deviation in actual salary escalation can have impact on plan liability.

c. Attrition rate risk

If the actual employee withdrawal rate in the future turns out to be more or less than expected then it may result in increase/decrease in the liability.

d. Mortality rate 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/decrease in the life expectancy of the plan participants can have impact on plan liability.

(iv) Category of Plan Assets

100% in insurer managed funds

Defined contribution plans

A defined contribution plan is a post-employment benefit plan under which the Group pays fixed contributions. The Group's contribution to defined contribution plan viz. provident fund & ESI, of Rs. 59.95 crore (As at 31st March 2025: Rs. 55.80 crore) has been recognised in the Statement of Profit and Loss.

(All amounts in ₹ crores, unless otherwise stated)

NOTE 36 Employee benefit plans (Contd.)

(III) Other long-term employee benefits

Compensated absences

Particulars	31st March 2026	31st March 2025
Present value of obligations	45.05	43.28
Expense recognised in the Statement of Profit and Loss	1.77	(12.51)

Assumptions		
Discount rate	6.19%	6.34%
Salary growth rate	6.00%	6.00%
Attrition rate	36.00%	36.00%
Retirement age	58	58

NOTE 37 Fair value measurements

The fair value of financial instruments is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction in the principal (or most advantageous) market at the measurement date under current market conditions (i.e. an exit price) regardless of whether that price is directly observable or estimated using another valuation technique. When the fair values of financial assets and financial liabilities recorded in the balance sheet cannot be derived from active markets, they are determined using a variety of valuation techniques that include the use of valuation models. The inputs to these models are taken from observable markets where possible, but where this is not feasible, estimation is required in establishing fair values.

The carrying value and fair value of other financial instruments by categories as of 31st March 2026 were as follows:

Particulars	Carrying amount	Fair value			
	Amortised cost	Level 1	Level 2	Level 3	Total
Financial assets:					
Cash and cash equivalents	3,344.71	-	-	3,344.71	3,344.71
Other bank balances	0.21	-	-	0.21	0.21
Trade receivables	214.66	-	-	214.66	214.66
Loans	30,285.47	-	-	30,285.47	30,285.47
Investment in Government securities	288.98	288.98	-	-	288.98
Other financial assets	29.30	-	-	29.30	29.30
Total financial assets	34,163.32	288.98	-	33,874.34	34,163.32
Trade payables	1,009.50	-	-	1,009.50	1,009.50
Debt securities	3,309.86	-	3,309.86	-	3,309.86
Borrowings other than debt securities	22,088.05	-	-	22,088.05	22,088.05
Subordinated liabilities	2,269.96	-	2,269.96	-	2,269.96
Other financial liabilities	209.85	-	-	209.85	209.85
Total financial liabilities	28,887.21	-	5,579.82	23,307.39	28,887.21

The carrying value and fair value of other financial instruments by categories as of 31st March 2025 were as follows:

Particulars	Carrying amount	Fair value			
	Amortised cost	Level 1	Level 2	Level 3	Total
Financial assets:					
Cash and cash equivalents	3,606.57	-	-	3,606.57	3,606.57
Other bank balances	5.95	-	-	5.95	5.95
Trade receivables	141.25	-	-	141.25	141.25
Loans	26,298.84	-	-	26,298.84	26,298.84
Investment in Government securities	282.12	282.12	-	-	282.12
Other financial assets	28.25	-	-	28.25	28.25
Total financial assets	30,362.98	282.12	-	30,080.86	30,362.98
Trade payables	1,087.29	-	-	1,087.29	1,087.29
Debt securities	2,625.39	-	2,625.39	-	2,625.39
Borrowings other than debt securities	19,792.47	-	-	19,792.47	19,792.47
Subordinated liabilities	2,269.31	-	2,269.31	-	2,269.31
Other financial liabilities	221.35	-	-	221.35	221.35
Total financial liabilities	25,995.81	-	4,894.70	21,101.11	25,995.81

(All amounts in ₹ crores, unless otherwise stated)

NOTE 37 Fair value measurements (Contd.)

Financial assets and financial liabilities measured at fair value:

Particulars	Fair value hierarchy	31 st March 2026	31 st March 2025
Financial assets			
Derivative financial instruments	Level 2	103.43	-
Investment in alternate investment fund	Level 3	12.14	5.38
Investment in compulsory convertible debentures	Level 3	0.25	0.25
Total financial assets		115.82	5.63
Financial liabilities			
Derivative financial instruments	Level 2	-	2.24
Total financial liabilities		-	2.24

There were no transfers between any levels during the year.

(i) Fair value hierarchy

Ind AS 113, 'Fair Value Measurement' requires classification of the valuation method of financial instruments measured at fair value in the Statement of Balance sheet, using a three level fair-value-hierarchy (which reflects the significance of inputs used in the measurements). The hierarchy gives the highest priority to un-adjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and lowest priority to un-observable inputs (Level 3 measurements). Fair value of derivative financial assets and liabilities are estimated by discounting expected future contractual cash flows using prevailing market interest rate curves. The three levels of the fair-value-hierarchy under Ind AS 113 are described below.

Level 1 : Level 1 hierarchy includes financial instruments measured using quoted prices. This includes publicly traded derivatives and mutual funds that have a quoted price. The quoted market price used for financial assets held by the Group is the current bid price.

Level 2: The fair value of financial instruments that are not traded in an active market (for example over-the-counter derivatives) is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3. That is, level 3 inputs incorporate market participants' assumptions about risk and the risk premium required by market participants in order to bear that risk. The Group develops level 3 inputs based on the best information available in the circumstances.

(ii) Valuation technique used to determine fair value

Specific valuation techniques used to value financial instruments include:

- The Management assessed that cash and cash equivalents, bank balance other than cash and cash equivalents, receivable, other financial assets, payables and other financial liabilities approximates their carrying amount largely due to short term maturities of these instruments.
- The majority of borrowings are floating rate borrowings, the carrying value is representative of the fair value.
- The fair values for advance to related parties and rent advance were calculated based on cash flows discounted using a current lending rate. They are classified as level 3 fair values in the fair value hierarchy due to the inclusion of unobservable inputs including counterparty credit risk.
- The fair value of forward foreign exchange contracts and cross currency interest rate swaps (CCIRS) is determined using forward exchange rates at the balance sheet date.

(All amounts in ₹ crores, unless otherwise stated)

NOTE 38 Financial risk management

The Group's financial assets include loan and advances, investments and cash and cash equivalents that derive directly from its operations. The Group's financial liabilities comprise mainly borrowings from banks, financial institutions, commercial papers, debentures and subordinated liabilities in the form of debentures.

The Group is exposed to various risks such as credit risk, liquidity risk, foreign currency risks and interest rate risks.

The Board of Directors have the overall responsibility for the establishment of governance and oversight in relation to the Group's risk management framework. The Board of Directors have established committees such as the Risk Management Committee and Asset Liability Committee for developing and monitoring the Group's risk management policies and treasury policies. The Committees reports regularly to the Board of Directors on its activities.

The Group's Risk management policies are established to identify and analyse the various risks faced by the Group, to set appropriate risk benchmarks limits and controls and to monitor risks and adherence to limits from time to time. The Risk Management Committee oversees how management monitors compliance with the risk management policies and procedures and other governance framework and reviews the adequacy of the risk management framework in relation to the various risks faced by the Group from time to time.

(A) Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Group. The Group has adopted a policy of only dealing with creditworthy counterparties and obtaining sufficient collateral, where appropriate, as a means of mitigating the risk of financial loss from defaults. The exposure is continuously monitored to determine significant increase in credit risk. The Group monitors the credit assessment on a portfolio basis, assesses all credit exposures in excess of designated limits. The Group does a risk grading based upon the credit worthiness of the borrowers. All these factors are taken into consideration for computation of Expected Credit Loss (ECL).

Loans

The following table sets out information about credit quality of retail loan assets measured at amortised cost based on number of days past due information. The amount represents the gross carrying value of assets as on each reporting date.

Particulars	31st March 2026	31st March 2025
Gross carrying value of loans		
Stage-1 (Up to 30 days)	29,566.06	25,066.76
Stage-2 (31-90 days)	892.13	1,329.68
Stage-3 (More than 90 days)*	757.82	782.98
Total gross carrying value as of year end	31,216.01	27,179.42

* Includes restructured contracts under Reserve Bank of India (Non-Banking Financial Companies – Resolution of Stressed Assets) Directions, 2025 dated 28th November 2025 irrespective of days past due on the reporting date.

Other financial assets

Credit risk with respect to other financial assets are extremely low except "Other Financial Assets - Non Related Parties". Based on the credit assessment the historical trend of low default is expected to continue. No provision for ECL has been created for Other financial Assets except full provision on "Other financial assets - Non related parties".

Credit quality

The Group has a comprehensive framework for monitoring credit quality of its retail and other loans based on days past due monitoring. Repayment by individual customers and portfolio is tracked regularly and required steps for recovery is taken through follow ups and legal recourse.

Inputs considered in the ECL model

In assessing the impairment of loan assets under ECL model, the loan assets have been segmented into three stages.

The three stages reflect the general pattern of credit deterioration of a financial instrument. The differences in accounting between stages relate to the recognition of expected credit losses and the calculation and presentation of interest revenue.

The Group categories loan assets into stages based on the days past due status:

(All amounts in ₹ crores, unless otherwise stated)

NOTE 38 Financial risk management (Contd.)

- Stage 1: Up to 30 Days Past Due
- Stage 2: 31-90 Days Past Due
- Stage 3: More than 90 Days Past Due

Assumptions considered in the ECL model

The Group has made the following assumptions in the ECL Model:

- Loss Given Default (LGD) is common for all three stages and is based on loss in past portfolio. Actual cash flows are discounted with average rate for arriving at loss rate. EIR has been taken as discount rate for all loans

Estimation technique

The Group has applied the following estimation technique in its ECL model :

- Probability of Default (PD) is applied on Stage 1 and Stage 2 on portfolio basis and for Stage 3 PD is 100%.
- PD for Stage 1 loan assets is calculated as average of historical trend from Stage 1 to Stage 3 in next 12 months.
- PD for Stage 2 loan assets is calculated based on the lifetime PD as average of historical trend from Stage 2 to Stage 3 for the remaining tenor.
- LGD is calculated based on discounted actual cash flow on past portfolio in default along with reversals.

There is no change in estimation techniques or significant assumptions during the reporting period.

The Group considers a broad range of forward looking information with reference to external forecasts of economic parameters such as GDP growth, government borrowing, private consumption expenditure, policy interest rates, etc., as considered relevant so as to determine the impact of macroeconomic factors on the Group's ECL estimates. The internal estimates of PD, LGD rates used in the ECL model may not always capture all the characteristics of the market / external environment as at the date of the financial statements. To reflect this, qualitative adjustments or overlays are made as temporary adjustments to reflect the emerging risks reasonably.

Assessment of significant increase in credit risk

When determining whether the risk of default has increased significantly since initial recognition, the Group considers both quantitative and qualitative information and analysis based on the business historical experience, including forward-looking information. The Group considers reasonable and supportable information that is relevant and available without undue cost and effort.

The financial services business uses the number of days past due to classify a financial instrument in low credit risk category and to determine significant increase in credit risk in retail. As a backstop, the financial services business considers that a significant increase in credit risk occurs no later than when an asset is more than 30 days past due.

As at 31st March 2026, the outstanding exposure in respect of accounts restructured under the COVID-19 One-Time Resolution framework vide RBI circular dated 6th August 2020 and RBI/2021-22/31/DOR.STR.REC.11/21.04.048/2021-22 dated 5th May 2021 is Nil.

The Company has classified all restructured accounts done under Reserve Bank of India (Non-Banking Financial Companies – Resolution of Stressed Assets) Directions, 2025 dated 28th November 2025 in Stage 3.

Definition of default

The Group considers a financial instrument is in default when the borrower becomes 90 days past due on its contractual payments. The Group considers loans under default as 'credit impaired' and classified as Stage-3 except for restructured contracts as disclosed above.

Forward Looking Economic Conditions

The Group measures Expected Credit Loss ("ECL") using reasonable and supportable information, including historical, current and forward looking information, in accordance with Ind AS 109.

The Historical Probability of Default ("PD") estimates are adjusted to reflect forward looking economic conditions by incorporating relevant macro economic factors such as GDP growth, government borrowing, private consumption expenditure, policy interest rates, etc., that impact the overall economic environment. The macro economic inputs used in the model are based on external forecasts, including data sourced from the International Monetary Fund (IMF).

Sensitivity

The ECL allowance is sensitive to changes in macro economic assumptions and scenario weightage. Any changes in these assumptions may result in variations in the impairment provision in future periods. The Group continuously reviews economic developments and updates its assumptions to ensure that the ECL provision remains adequate and prudent.

(All amounts in ₹ crores, unless otherwise stated)

NOTE 38 Financial risk management (Contd.)

Impairment loss

The expected credit loss allowance provision is determined as follows:

FY 25-26	Stage 1	Stage 2	Stage 3	Grand Total
Gross carrying value	29,566.06	892.13	757.82	31,216.01
Allowance for ECL	335.82	184.60	410.12	930.54
ECL coverage ratio	1.14%	20.69%	54.12%	2.98%

FY 24-25	Stage 1	Stage 2	Stage 3	Grand Total
Gross carrying value	25,066.76	1,329.68	782.98	27,179.42
Allowance for ECL	210.70	244.71	425.17	880.58
ECL coverage ratio	0.84%	18.40%	54.30%	3.24%

Reconciliation of expected credit loss

Particulars	Stage-1	Stage-2	Stage-3	Grand Total
Balance as at 1st April 2024	289.48	253.54	393.05	936.07
Transfer from Stage 1	(19.06)	8.64	10.42	-
Transfer from Stage 2	13.19	(117.14)	103.95	-
Transfer from Stage 3	5.27	2.57	(7.84)	-
Loans that have derecognised during the period	(51.64)	(67.96)	(104.94)	(224.54)
New loans originated during the year	91.52	47.32	50.74	189.58
Net remeasurement of loss allowance	(118.06)	117.74	(20.21)	(20.53)
Balance as at 31st March 2025	210.70	244.71	425.17	880.58
Transfer from Stage 1	(13.77)	5.64	8.13	-
Transfer from Stage 2	10.74	(106.71)	95.97	-
Transfer from Stage 3	4.13	3.16	(7.29)	-
Loan that have derecognised during the period	(50.10)	(77.01)	(119.89)	(247.00)
New loans originated during the year	194.08	33.72	32.06	259.85
Net remeasurement of loss allowance	(19.72)	80.85	(24.02)	37.11
Balance as at 31st March 2026	336.06	184.36	410.13	930.54

Concentration of credit risk

The business manages concentration of risk primarily by geographical region. The following details show the geographical concentrations of the loans at the year end:

Particulars	31st March 2026	31st March 2025
Carrying value		
Concentration by geographical region in India		
South	12,158.53	11,173.70
West	7,559.69	6,927.67
East	6,262.85	4,736.87
North	5,234.94	4,341.18
Total loans as at reporting period	31,216.01	27,179.42

(All amounts in ₹ crores, unless otherwise stated)

NOTE 38 Financial risk management (Contd.)

(B) Liquidity risk

Liquidity risk is a risk that an entity will encounter difficulty in meeting financial obligations.

As per Group's policy, management ensures availability of sufficient fund either through installment receivables/ sourcing through debts at each point of time. The fund requirement is ascertained at the beginning of the period by taking into consideration installment receivable, likely disbursement, loan installment payment & other operational expenses. The Group is continuously getting good support from Bankers & Financial Institutions at the time of need.

(i) Financing arrangements

The Group had access to the following undrawn borrowing facilities at the end of the reporting period:

	31st March 2026	31st March 2025
Floating rate		
Expiring within one year	1,932	4,820
Expiring beyond one year	-	-
	1,932	4,820

(ii) Maturities of financial assets and liabilities

The tables below analyse the Group's financial assets and liabilities into relevant maturity groupings based on their contractual maturities for:

- All non-derivative financial assets and liabilities, and
- Net and gross settled derivative financial instruments for which the contractual maturities are essential for an understanding of the timing of the cash flows.

The table below summaries the maturity profile of the Group's financial assets and financial liabilities based on contractual undiscounted payments as at the balance sheet date.

Particulars	Less than 3 months	3 to 6 months	6 months to 1 year	Between 1 and 5 years	More than 5 years	Total
As at 31st March 2026						
Financial assets:						
Derivative financial instruments	-	-	-	103.43	-	103.43
Cash and cash equivalents	3,344.71	-	-	-	-	3,344.71
Fixed deposits	-	-	0.21	-	-	0.21
Trade receivables	214.66	-	-	-	-	214.66
Loans	7,880.34	5,779.07	8,774.30	15,325.93	8.05	37,767.69
Investments	-	-	304.56	-	24.39	328.95
Other financial assets	1.28	4.23	9.38	14.13	0.28	29.56
Total	11,440.99	5,783.30	9,088.45	15,443.49	32.72	41,788.95
Financial Liabilities:						
Borrowings	4,036.13	3,065.25	10,044.77	12,556.25	0.00	29,702.40
Security deposit	-	-	4.80	15.07	-	19.87
Trade payables	112.83	452.27	444.40	-	-	1,009.50
Other financial liabilities	22.55	8.40	106.82	66.43	0.93	205.13
Total	4,171.51	3,525.92	10,600.79	12,637.75	0.93	30,936.90

(All amounts in ₹ crores, unless otherwise stated)

NOTE 38 Financial risk management (Contd.)

Particulars	Less than 3 months	3 to 6 months	6 months to 1 year	Between 1 and 5 years	More than 5 years	Total
As at 31st March 2025						
Financial assets:						
Cash and cash equivalents	3,606.57	-	-	-	-	3,606.57
Fixed deposits	-	-	5.95	-	-	5.95
Trade receivables	38.64	38.14	64.47	-	-	141.25
Loans	6,920.21	4,872.60	7,383.26	14,009.22	3.83	33,189.12
Investments	-	-	300.00	-	17.63	317.63
Other financial assets	2.01	4.78	6.40	12.31	2.75	28.25
Total	10,567.43	4,915.52	7,760.08	14,021.53	24.20	37,288.77
Financial liabilities:						
Derivative financial instruments	-	-	-	2.24	-	2.24
Borrowings	2,497.56	3,562.25	7,232.59	14,073.57	150.58	27,516.55
Security deposit	-	-	9.25	6.26	-	15.51
Trade payables	637.50	208.44	241.36	-	-	1,087.30
Other financial liabilities	7.82	6.99	144.00	51.39	10.90	221.11
Total	3,142.88	3,777.68	7,627.20	14,133.46	161.48	28,842.71

The table below summaries the contractual maturity profile of carrying value of assets and liabilities:

Particulars	Less than 3 months	3 to 6 months	6 months to 1 year	Between 1 and 5 years	More than 5 years	Total
As at 31st March 2026						
Financial assets:						
Derivative financial instruments	-	-	-	103.43	-	103.43
Cash and cash equivalents	3,344.71	-	-	-	-	3,344.71
Fixed deposits	-	-	0.21	-	-	0.21
Trade receivables	214.66	-	-	-	-	214.66
Loans	6,720.63	4,594.34	6,882.06	12,666.05	352.94	31,216.01
Investments	-	-	288.98	-	12.39	301.37
Other financial assets	1.29	4.23	9.38	14.13	0.28	29.56
Total	10,281.29	4,598.57	7,180.63	12,783.61	365.61	35,209.69
Financial liabilities:						
Borrowings	3,608.99	2,728.32	9,522.39	11,808.18	-	27,667.88
Security deposit	-	-	4.80	15.07	-	19.87
Trade payables	112.82	452.27	444.40	-	-	1,009.49
Other financial liabilities	21.18	7.03	104.07	57.71	-	189.99
Total	3,742.99	3,187.62	10,075.66	11,880.96	-	28,887.23

(All amounts in ₹ crores, unless otherwise stated)

NOTE 38 Financial risk management (Contd.)

Particulars	Less than 3 months	3 to 6 months	6 months to 1 year	Between 1 and 5 years	More than 5 years	Total
As at 31st March 2025						
Financial assets:						
Cash and cash equivalents	3,606.57	-	-	-	-	3,606.57
Fixed deposits	-	-	5.95	-	-	5.95
Trade receivables	38.64	38.14	64.47	-	-	141.25
Loans	5,994.70	3,796.80	5,793.35	11,591.81	2.76	27,179.42
Investments	-	-	282.12	-	5.63	287.75
Other financial assets	2.01	4.78	6.40	12.31	2.75	28.25
Total	9,641.92	3,839.72	6,152.29	11,604.12	11.14	31,249.19
Financial liabilities:						
Derivative financial instruments	-	-	-	2.24	-	2.24
Borrowings	2,034.39	3,152.20	6,577.72	12,772.86	150.00	24,687.17
Security deposit	-	-	9.25	6.26	-	15.51
Trade payables	637.50	208.44	241.36	-	-	1,087.30
Other financial liabilities	6.49	5.66	141.35	42.49	9.85	205.84
Total	2,678.38	3,366.30	6,969.68	12,823.85	159.86	25,998.06

(a) Foreign currency risk exposure:

Foreign exchange risk arises on financial instruments being denominated in a currency that is not the functional currency of the entity. The Group is exposed to foreign exchange risk due to continuous fluctuation in the foreign currency(USD) of the loan originated. The Group has entered into cross currency swaps (CCS) /forward contracts/ Interest rate swap to fully hedge all foreign currency exchange risk on the principal and interest amount payable on borrowings.

Particulars	31 st March 2026	31 st March 2025
Financial liabilities		
Variable Foreign Currency Borrowings(USD 100 million) (Year ended 31st March 2025 : USD 35 million)	854.83	300.13
Derivative liabilities		
Hedged through forward contracts and CCS	854.83	300.13
Net exposure to foreign currency risk (liabilities)	-	-

(b) Sensitivity analysis

The Group has hedged all its foreign currency exposures by entering into CCS/ forward contracts, hence it shall not be subjected to any sensitivity on settlement due to foreign currency fluctuation due to the movements in foreign exchanges i.e. USD. Forward contract & cross current swap are to buy USD for hedging foreign currency loan.

Impact on profit after tax		
USD sensitivity	31 st March 2026	31 st March 2025
INR/USD Increases by 5%	-	-
INR/USD Decreases by 5%	-	-

(All amounts in ₹ crores, unless otherwise stated)

NOTE 38 Financial risk management (Contd.)

(C) Fair value interest rate risk

The Group's main interest rate risk arises from long-term borrowings with variable rates, which expose the Group to cash flow interest rate risk. During the year ended 31st March 2026 and 31st March 2025, the Group's borrowings at variable rate were mainly denominated in INR.

The Group's floating rate borrowings are carried at amortised cost. For NBFC business, loan is the major source for running the business. In India, loans are generally available at floating rate interest. And there are no such option available to obtain swap option for floating rate interest linked to respective bank MCLR with Fixed Interest. Hence except foreign currency loans, other loans are not hedged.

(a) Interest rate risk exposure

The exposure of the Group's borrowing to interest rate changes at the end of the reporting period are as follows:

Particulars	31 st March 2026	31 st March 2025
Variable rate borrowings	20,836.05	17,493.01
Total borrowings	27,667.87	24,687.17

As at the end of the reporting period, the Group had the following variable rate borrowings outstanding:

	31 st March 2026		
	Weighted average interest rate	Balance	% of total loans
Cash credits, bank loans etc.	6.91%	20,836.05	75.31%

	31 st March 2025		
	Weighted average interest rate	Balance	% of total loans
Cash credits, bank loans etc.	7.93%	17,493.01	70.86%

An analysis by maturities is provided in note 38 B (ii) above.

(b) Sensitivity

Profit or loss is sensitive to higher/lower interest expense from borrowings as a result of changes in interest rates. Other components of equity change as a result of an increase/decrease in the fair value of the cash flow hedges related to borrowings.

Impact on profit after tax		
Particulars	31 st March 2026	31 st March 2025
Interest rates – increase by 50 basis points (50 bps) *	(77.96)	(65.45)
Interest rates – decrease by 50 basis points (50 bps) *	77.96	65.45

* Holding all other variables constant

(All amounts in ₹ crores, unless otherwise stated)

NOTE 39 Capital management

(a) Risk management

The Risk management policy includes identification of element of risks, including those which in the opinion of Board may lead to Group not meeting its financial objectives. The risk management process has been established across the Group and design to identify, access & frame a response to threat that affect the achievement of its objectives. Further, it is embedded across all the major functions and revolve around the goals and objectives of the Group.

Maintaining optimal capital to debt is one such measure to ensure healthy returns to the shareholders. Group envisages maintaining gearing ratio of maximum 7 times to the total equity, the Group monitors the ratio as below.

Particulars	31 st March 2026	31 st March 2025
Net debt (total borrowings, less cash and cash equivalents)	24,323.15	21,080.60
Total equity (as shown in the balance sheet)	6,072.61	4,952.20
Net debt to equity ratio	4.01	4.26

(b) Externally imposed capital restrictions

- 1) As per RBI requirements Capital Adequacy Ratio should be minimum 15%, not meeting RBI requirements will lead to cancellation of NBFC license issued by RBI.
- 2) As per various lending arrangements with banks, TOL (Total Outside Liability) to TNW (Tangible Net Worth) ratio should be less than 8.5 times, not meeting the said requirements may lead to higher interest rates.
- 3) Shareholding of the promoter shall not be less than 51% without prior approval from lenders.

The Group has complied with these covenants throughout the reporting period.

NOTE 40 Leases

a) Lease disclosures pertaining to right-to-use asset

Particulars	31 st March 2026	31 st March 2025
Opening balance	65.19	26.58
Add: Adjustments on account of modification	-	35.95
Add: Additions during the year	28.84	23.53
Less: Deletions during the year	-	-
Less: Depreciation during the year	(23.70)	(20.87)
Closing balance	70.33	65.19

b) Lease liability movement

Particulars	31 st March 2026	31 st March 2025
Opening balance	71.41	31.36
Add: Adjustments on account of modification	-	34.72
Add: Additions during the year	27.69	23.53
Add: Interest accrued during the year	6.48	6.12
Less: Interest paid during the year	(6.48)	(6.12)
Less: Deletions during the year	-	-
Less: Principal repayment during the year	(21.60)	(18.20)
Closing balance	77.50	71.41

- The Group has offices across the country with varied lease period. The lease term considered for arriving at the Right to use Asset and Lease liabilities are based on the lease period of the respective agreements.
- The Group has exercised the option of short term leases and low value asset exemption.

(All amounts in ₹ crores, unless otherwise stated)

NOTE 40 Leases (Contd.)

e) Lease disclosures pertaining to Statement of Profit & Loss

Particulars		31 st March 2026	31 st March 2025
Amounts recognised in the Statement of Profit and Loss			
i.	Depreciation charge of right-of-use assets (included in depreciation, amortisation and impairment)	23.70	20.87
ii.	Interest expense (included in finance costs)	6.48	6.12
iii.	Expense relating to short-term leases (included in other expenses)	7.42	6.68
iv.	Expense relating to leases of low-value assets that are not short-term leases (included in other expenses)	-	-
v.	Expense relating to variable lease payments not included in the measurement of lease liabilities	-	-
	Total	37.60	33.67

f) Addition disclosures in cash flow statement

Particulars		31 st March 2026	31 st March 2025
	Cash flow financing activities		
	Principal repayments related to lease liabilities	21.60	18.20
	Interest payments related to lease liabilities	6.48	6.12

g) Contractual maturities of lease liabilities outstanding

Particulars		31 st March 2026	31 st March 2025
	Less than one year	22.13	19.07
	One to five years	46.49	42.49
	More than five years	8.88	9.85
	Total	77.50	71.41

NOTE 41 Related party disclosure

Disclosure in respect of Related Parties and their relationship where transaction exists:

Nature of relationship	Parties name
Holding company	TVS Motor Company Limited
Ultimate holding company	TVS Holdings Limited
Fellow subsidiary	TVS Motor Services Limited Sundaram Auto Components Limited TVS Digital Pte Limited TVS Digital Limited Home Credit India Finance Private Limited Drive X Mobility Millennial Solutions Private Limited
Enterprise under common control	Sundaram-Clayton Limited Srinivasan Services Trust Vee Yes Charities Foundation TVS Emerald Limited
Associate of holding company	Scienaptic Systems Private Limited (Upto 27th December 2024) TVS Training And Services Ltd

(All amounts in ₹ crores, unless otherwise stated)

NOTE 41 Related party disclosure (Contd.)

Non-executive directors	Mr. Venu Srinivasan (upto 3rd February 2026) Mr. Sudarshan Venu Mr. K.N. Radhakrishnan Mr. Sanjiv Chadha
Independent directors	Mr. R. Gopalan Mr. B. Sriram Ms. Kalpana Unadkat Ms. Deepali Pant Joshi (upto 6th November 2025) Mr. T. C. Suseel Kumar
Director and CEO	Mr. Ashish Sapra, Director and Chief Executive Officer
Key managerial personnel	Ms. Roopa Sampath Kumar, Chief Financial Officer Mr. Chetan Nage, Company Secretary

A. Transactions with related parties during the year:

Sl. No.	Name of the Related Party	Nature of Transactions	31st March 2026	31st March 2025
1	TVS Motor Company Limited	Contribution towards issuance of equity shares Receipt of subvention income Reimbursement of IT expense Payment towards business support service	171.51 29.34 4.45 1.54	282.67 10.11 2.46 3.70
2	TVS Holdings Limited	Payment towards brand royalty fees Payment towards business support service	24.63 4.36	22.87 2.82
3	TVS Digital Pte. Limited	Payment towards software license fees Payment towards digital advertisement Payment towards business support service	2.26 36.05 -	1.97 - 0.01
4	TVS Digital Ltd	Payment towards business support service	4.35	0.36
5	Drive X Mobility Millennial Solutions Private Limited	Receipt towards sale of repossessed vehicles	1.50	7.87
6	Sundaram Clayton Limited	Payment towards business support service	1.66	1.27
7	Srinivasan Services Trust	Contribution towards corporate social responsibility	16.00	10.00
8	Vee Yes Charities Foundation	Contribution towards Donation	10.62	7.10
9	TVS Training and Services Limited	Interest on loan received Loan recovered	0.01 0.05	0.02 0.06
10	Home Credit India Finance Private Limited	Receipt of Lead generation fee Receipt towards Seat rental Reimbursement of expenses	0.32 0.10 1.03	- - -
11	Scienaptic Systems Private Limited	Payment towards business support service	-	0.89

(All amounts in ₹ crores, unless otherwise stated)

NOTE 41 Related party disclosure (Contd.)

B. Remuneration to Key Managerial Personnel*

Particulars	2025-26	2024-25
Short term benefits	11.15	8.69
Post retirement benefits	0.40	0.28
Share based payment	0.17	0.27

*Remuneration to Key Managerial Personnel excludes provision for gratuity, pension and compensated absences, since it is provided on actuarial basis for the Group as a whole

The Group has not granted any loans or advances in the nature of loans to promoters, directors, key managerial personnel and the related parties, either severally or jointly with any other person, which are (a) repayable on demand; or (b) without specifying any terms or period of repayment.

C. Directors' Sitting Fees and Commission

S. No.	Name of the Director	Nature	2025-26	2024-25
1	Mr. Venu Srinivasan	Sitting fees*	0.01	0.00
		Commission	-	-
2	Mr. K.N. Radhakrishnan	Sitting fees	0.03	0.03
		Commission	-	-
3	Mr. B.Sriram	Sitting fees	0.03	0.05
		Commission	0.30	0.20
4	Mr. R.Gopalan	Sitting fees	0.04	0.03
		Commission	0.30	0.20
5	Ms. Kalpana Unadkat	Sitting fees	0.03	0.04
		Commission	0.30	0.20
6	Ms. Deepali Pant Joshi	Sitting fees	0.01	0.01
		Commission	0.18	0.13
7	Mr. T.C. Suseel Kumar	Sitting fees	0.01	0.01
		Commission	0.30	0.13
TOTAL			1.53	1.03

1. The amounts mentioned are actual payments made during the year.

2. * The sitting fees paid during year ended 31st March 2025 represents amount less than rounding off norm adopted by the Group

3. Transaction values are excluding taxes and duties

D. Balance outstanding as at the end of the year:

S. No.	Name of the Related Party	31 st March 2026	31 st March 2025
1	Amounts due from:		
	TVS Motor Company Limited	23.61	-
	Home Credit India Finance Private Limited	0.05	-
	TVS Training and Services Limited	0.07	0.12
2	Amounts due to:		
	TVS Motor Company Limited	-	0.94
	TVS Holdings Limited	2.33	0.72
	TVS Digital Pte Limited	-	0.18
	TVS Digital Limited	1.13	0.16
	Sundaram-Clayton Limited	0.24	0.18
	Scienaptic Systems Private Limited	-	0.17

(All amounts in ₹ crores unless otherwise stated)

NOTE 41 Related party disclosure (Contd.)

Related Party disclosure pursuant to Reserve Bank of India (Non-Banking Financial Companies – Financial Statements: Presentation and Disclosures) Directions, 2025 requirements vide notification no. RBI/DOR/2025-26/359 DOR.ACC.REC.No.278/21.04.018/2025-26::

Related Party Balance outstanding:

Related Party Items	Parent (as per ownership or control)		Associates / Joint ventures		Entity under common control		KMP*		Relatives of KMP*		Fellow subsidiaries and others		Total	
	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year
Borrowings:														
Outstanding at the year end	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Maximum outstanding during the year	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Deposits:														
Outstanding at the year end	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Maximum outstanding during the year	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Placement of deposits:														
Outstanding at the year end	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Maximum outstanding during the year	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Advances:														
Outstanding at the year end	-	-	0.07	0.12	-	-	-	-	-	-	-	-	0.07	0.12
Maximum outstanding during the year	-	-	0.12	0.18	-	-	-	-	-	-	-	-	0.12	0.18
Investments:														
Outstanding at the year end	-	-	-	-	-	-	-	-	-	-	-	-	12.01	12.01
Maximum outstanding during the year	-	-	-	-	-	-	-	-	-	-	-	-	12.01	12.01
Purchase of fixed/other assets:														
Outstanding at the year end	-	-	-	-	-	-	-	-	-	-	(0.18)	-	-	(0.18)
Maximum outstanding during the year	-	-	-	-	-	-	-	-	-	(36.05)	(0.77)	(36.05)	(0.77)	(0.77)
Sale of fixed/other assets:														
Outstanding at the year end	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Maximum outstanding during the year	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Interest paid:														
Outstanding at the year end	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Maximum outstanding during the year	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Interest received:														
Outstanding at the year end	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Maximum outstanding during the year	-	-	0.00	0.00	-	-	-	-	-	-	-	-	0.00	0.00
Others:														
Outstanding at the year end	21.28	(1.66)	-	(0.17)	(0.24)	(0.18)	-	-	-	(1.08)	(0.16)	(0.16)	20.21	(2.14)
Maximum outstanding during the year	19.84	5.08	(0.17)	(0.17)	(0.52)	(0.09)	-	-	-	(1.50)	(0.75)	(0.75)	17.90	4.12

(All amounts in ₹ crores unless otherwise stated)

NOTE 41 Related party disclosure (Contd.)

Related Party Transactions during the year:

Related Party Items	Parent (as per ownership or control)		Associates / Joint ventures		Entity under common control		KMP*		Relatives of KMP*		Fellow subsidiaries and others		Total	
	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year
Contribution towards issuance of equity shares	171.51	282.67	-	-	-	-	-	-	-	-	-	-	171.51	282.67
Receipt of subvention income	29.34	10.11	-	-	-	-	-	-	-	-	-	-	29.34	10.11
Reimbursement of IT expense	4.45	2.46	-	-	-	-	-	-	-	-	-	-	4.45	2.46
Payment towards business support service	5.89	6.52	-	0.89	1.66	1.27	-	-	-	-	4.35	0.37	11.91	9.05
Payment towards brand royalty fees	24.63	22.87	-	-	-	-	-	-	-	-	-	-	24.63	22.87
Reimbursement of expenses	-	-	-	-	-	-	-	-	-	-	1.03	-	1.25	0.18
Payment towards software license fees	-	-	-	-	-	-	-	-	-	-	2.26	1.97	2.26	1.97
Payment towards software purchase	-	-	-	-	-	-	-	-	-	-	36.05	-	36.05	-
Receipt towards sale of repossessed vehicles	-	-	-	-	-	-	-	-	-	-	1.50	7.87	1.50	7.87
Receipt of Lead generation fee	-	-	-	-	-	-	-	-	-	-	0.32	-	0.32	-
Receipt towards Seat rental	-	-	-	-	-	-	-	-	-	-	0.10	-	0.10	-
Contribution towards corporate social responsibility	-	-	-	-	16.00	10.00	-	-	-	-	-	-	16.00	10.00
Contribution towards Donation	-	-	-	-	10.62	7.10	-	-	-	-	-	-	10.62	7.10
Disbursal of loan	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Loan recovered	-	-	0.05	0.06	-	-	-	-	-	-	-	-	0.05	0.06
Interest on loan received	-	-	0.01	0.02	-	-	-	-	-	-	-	-	0.01	0.02

* There is no transaction with directors and relatives of directors.

(All amounts in ₹ crores, unless otherwise stated)

NOTE 42 Employee stock option plan

(A) Employee stock option plan

The Employee Stock Options Scheme titled "ESOP 2024" or "Plan" was approved by the shareholders of the Parent Company through the special resolution passed on 11th November 2024. The Plan grants upto 5,34,800 options. The Plan allows the issue of options to employees who are permanent employees of the Parent Company which are convertible to one equity share of the Parent Company subject to payment / recovery of requisite exercise price. As per the Plan, the Nomination and Remuneration Committee grants the options to the employees deemed eligible. The options granted vest over a period of 4 years from the date of the grant in proportions specified in the ESOP Plan. The fair value as on the date of the grant of the options, representing Stock compensation charge, is expensed over the vesting period. Details of grants given upto the reporting date under the scheme are given as under:

Plan	No. of options granted	Grant Date	No. of options outstanding	Vesting condition and vesting period	Exercise Price (Rs.)	Weighted average fair value of the options at the grant date (Rs.)
ESOP 2024	1,55,400	12th November 2024	1,55,400	1461 days	440.00	178.45
ESOP 2024	1,42,008	28th April 2025	1,42,008	1461 days	440.00	178.45

(B) Method used for accounting for share based payment plan

The Parent Company has used the fair value method to account for the compensation cost of stock options to employees. The fair value of options granted are estimated on the date of grant using the Black – Scholes Model. The key assumptions used in Black – Scholes Model for calculating fair value as on the date of respective grants are:

Grant Date	Weighted average fair value of the options at the grant date	Weighted average share price	Exercise Price	Expected Volatility*	Option life (years)	Dividend yield (%)	Risk-free interest rate (%)
12th November 2024	178.45	461.54	440.00	33.16%	4	-	6.86%
28th April 2025	178.45	461.54	440.00	33.16%	4	-	6.86%

* Expected volatility calculation is based on volatility of stock prices of comparable companies on NSE based on ex-dividend price

For the year ended 31st March 2026, the Parent Company has accounted expense of Rs.0.69 crores as employee benefits expense (note no. 31) on the aforementioned employee stock option plan (31st March 2025: Rs.0.27 crores)

(C) Movement in ESOP

Particulars	As at 31st March 2026		As at 31st March 2025	
	No of options	Weighted average fair value of the options at the grant date (Rs per share)	No of options	Weighted average fair value of the options at the grant date (Rs per share)
Outstanding at the beginning of the year	1,55,400	178.45	-	-
Granted during the year	1,42,008	178.45	1,55,400	178.45
Forfeited/ cancelled during the year	-	-	-	-
Exercised during the year	-	-	-	-
Outstanding at the end of the year	2,97,408	178.45	1,55,400	178.45
Exercisable at the end of the year	-	-	-	-

Particulars	As at 31st March 2026 (In days)	As at 31st March 2025 (In days)
Weighted average remaining contractual life of options outstanding as at year end	1,036	1,321

(All amounts in ₹ crores, unless otherwise stated)

NOTE 43 Additional notes forming part of Consolidated Financial Statements for the nine year ended 31st March 2026

1 Capital commitments

Description	31 st March 2026	31 st March 2025
Estimated amount of contracts remaining to be executed on capital account not provided for	2.88	13.38

2 Other commitments

Description	31 st March 2026	31 st March 2025
Undrawn loans sanctioned to borrowers	195.23	41.29
Undrawn investments	2.00	4.00

3 Contingent Liabilities not provided for

Claims against the Group not acknowledged as debts

Description	31 st March 2026	31 st March 2025
Disputed Service Tax and GST demand inclusive of penalty (Pre-deposit of Rs. 0.70 Cr, as on 31st March 2025 Rs. 0.63 Cr)	10.28	10.65
Legal cases filed by borrowers against the Company	15.54	13.15

The Group's pending litigations comprise of claims against the Group and proceedings pending with statutory authorities. The future cash flows on the above items are determinable only on receipt of decisions/judgments that are pending at various forums/authorities. The Group does not expect the outcome of these proceedings to have a materially adverse effect on its financial results.

- 4 The New Labour Codes which became effective November 21, 2025, resulted in a past period provision for gratuity of Rs. 8.61 Crores, the same has been reported as an Exceptional items in the financials for the quarter ended December 31, 2025 and the year ended March 31, 2026. After the balance sheet date, while the Central Government notified the Rules on May 8, 2026, the State Rules are yet to be notified. The impact relating to Labour Codes is subject to finalisation of rules and regulatory framework thereunder.
- 5 Pursuant to para 2 of general instructions for preparation of financial statements of an NBFC as mentioned in Division III of Schedule III of The Companies Act, 2013, the current and non-current classification has not been provided.
- 6 The Group is in compliance with the number of layers prescribed under clause (87) of section 2 of the Act read with the Companies (Restriction on number of Layers) Rules, 2017.
- 7 No funds (which are material either individually or in the aggregate) have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Group to or in any other person or entity, including foreign entity ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Group ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
- 8 No funds (which are material either individually or in the aggregate) have been received by the Group from any person or entity, including foreign entity ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Group shall, whether, 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.
- 9 The Group has not traded or invested in crypto currency or virtual Currency during the financial year.
- 10 The Group has no transactions with companies struck off under section 248 of the Companies Act, 2013 or section 560 of Companies Act, 1956.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2026



(All amounts in ₹ crores, unless otherwise stated)

11 Additional information as required by Paragraph 2 of the General Instructions for Preparation of Consolidated Financial Statements to Schedule III to the Companies Act, 2013 for the year ended 31st March 2026 and 31st March 2025

As at 31st March 2026

Name of the entity	Net assets		Share in profit/(loss)		Share in Other comprehensive income		Share in Total comprehensive income	
	As a % of consolidated net assets	₹ in crores	As a % of consolidated profit/(Loss)	₹ in crores	As a % of consolidated Other comprehensive income	₹ in crores	As a % of consolidated Total comprehensive income	₹ in crores
Parent								
TVS Credit Services Limited	99.72%	6,055.62	99.92%	913.17	100.00%	5.85	99.92%	919.00
Subsidiaries								
TVS Housing Finance Private Limited	0.28%	17.24	0.08%	0.74	0.00%	-	0.08%	0.74
Haritha ARC Private Limited	0.00%	0.00	0.00%	(0.01)	0.00%	-	0.00%	(0.01)
Haritha Two Wheeler Mall Private Limited	0.00%	0.00	0.00%	(0.01)	0.00%	-	0.00%	(0.01)
Total	100.00%	6,072.87	100.00%	913.86	100.00%	5.85	100.00%	919.71

As at 31st March 2025

Name of the entity	Net assets		Share in profit/(loss)		Share in Other comprehensive income		Share in Total comprehensive income	
	As a % of consolidated net assets	₹ in crores	As a % of consolidated profit/(Loss)	₹ in crores	As a % of consolidated Other comprehensive income	₹ in crores	As a % of consolidated Total comprehensive income	₹ in crores
Parent								
TVS Credit Services Limited	99.67%	4,935.90	99.89%	767.25	100.00%	(15.08)	99.89%	752.17
Subsidiaries								
TVS Housing Finance Private Limited	0.33%	16.30	0.11%	0.82	0.00%	-	0.11%	0.82
Haritha ARC Private Limited	0.00%	0.00	0.00%	(0.00)	0.00%	-	0.00%	(0.00)
Haritha Two Wheeler Mall Private Limited	0.00%	0.00	0.00%	(0.00)	0.00%	-	0.00%	(0.00)
Total	100.00%	4,952.20	100.00%	768.07	100.00%	(15.08)	100.00%	752.99

12 There have been no events after the reporting date that require disclosure in the Financial Statements.

13 Prior period figures have been regrouped, wherever necessary, to confirm to the current period presentation.

As per our report of even date

For and on behalf of the Board of Directors of
TVS Credit Services Limited

For Brahmayya & Co.,
Chartered Accountants
ICAI Regn. No. FRN 000511S

K Jitendra Kumar
Partner
Membership No. 201825

Place : Chennai
Date : 12th May 2026

For Suri & Co.,
Chartered Accountants
ICAI Regn. No. FRN 004283S

Sanjeev Aditya M
Partner
Membership No. 229694

Sudarshan Venu
Chairman
DIN-03601690

Roopa Sampath Kumar
Chief Financial Officer

Place : Bengaluru
Date : 12th May 2026

Ashish Sapra
Director and Chief Executive Officer
DIN-09805893

Chetan Nage
Company Secretary

Directors' Report to the Shareholders

The directors present the Ninth Annual Report together with the Annual audited statement of accounts for the year ended 31st March 2026.

Financial Highlights:

The Company is yet to commence its operations and the Company incurred an expense of Rs. 82,377/- towards regulatory requirements.

Share Capital:

During the year, the Company has not made any issuance of shares, and the paid-up equity share capital of the Company as on 31st March 2026, stood at Rs. 25,000.

Dividend

The directors of the Company do not recommend any dividend for the period ended 31st March 2026.

Amount transferred to Reserves:

The Company has not transferred any amount to the reserves during the Financial Year ended 31st March, 2026.

Details of Subsidiaries, Joint Ventures and Associates:

During the year under review, the Company does not have any Subsidiary, Joint Venture or an Associate Company.

Directors Appointment/Cessation:

There were no appointment or resignation of directors during the year under review.

Directors liable to retire by rotation:

In terms of the provisions of the Companies Act, 2013, Mr N Srinivasa Ramanujam, director of the Company, retire from the office at the ensuing annual general meeting and being eligible, offer himself for re-appointment.

Statutory Auditors:

M/s. Raghavan, Chaudhuri & Narayanan, Chartered Accountants were appointed as the Statutory Auditors of the Company at the 4th Annual General Meeting for a term of five consecutive years pursuant to Section 139 of the Companies Act, 2013. The said term of appointment concludes at the conclusion of this Annual General Meeting.

The Board of Directors placed on record its appreciation for the valuable services rendered by the auditors during their tenure as Statutory Auditors of the Company. Considering their satisfactory performance, the Board of Directors, at its meeting, has recommended the re-appointment of M/s. Raghavan, Chaudhuri & Narayanan, Chartered Accountants, as Statutory Auditors of the Company, to hold office for a further term of five consecutive years commencing from the conclusion of this Annual General Meeting, subject to the approval of the members, at such remuneration as may be decided by the Board of Directors of the Company.

The Company has received consent from M/s. Raghavan, Chaudhuri & Narayanan, Chartered Accountants to act as Statutory Auditor of the Company and a certificate pursuant to Section 139 of the Companies Act, 2013 read with Rule 4 of the Companies (Audit and Auditors) Rules, 2014, confirming eligibility for re-appointment.

The Auditors' Reports for the financial year 2025-26 do not contain any qualifications, reservations and adverse remarks and the same is attached with the annual financial statements.

Secretarial Audit Report:

During the period under review, the Secretarial Audit under Section 204(1) of the Companies Act, 2013 was not applicable to the Company and hence the Company has not obtained a Secretarial Audit Report.

Compliance of secretarial standards issued by The Institute of Companies Secretaries of India:

The Company complies with Secretarial Standards on Meetings of the Board of Directors (SS-1) and General Meetings (SS-2) issued by the Institute of Company Secretaries of India.

Directors' responsibility statement:

Pursuant to the requirement of Section 134(3)(c) read with 134(5) of the Companies Act, 2013 (Act, 2013) with respect to Director's Responsibility Statement, it is hereby stated that:

- (a) in the preparation of the annual accounts for the period from 1st April 2025 to 31st March 2026, the applicable accounting standards had been followed along with proper explanation relating to material departures.
- (b) the directors had selected such accounting policies and applied them consistently and made judgments and estimates that were reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year and of the loss of the Company for that period.
- (c) the directors had taken proper and sufficient care for maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities.
- (d) the directors had prepared the annual accounts on a going concern basis; and
- (e) the directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

Website link of Annual Return:

The Company does not have functional website where it can provide Annual Return of the Company as required under Section 92 (3) of Companies Act, 2013.

Number of board meetings held:

During the period under review, the board met 4 times on 26th April 2025, 28th July 2025, 17th November 2025 and 21st February 2026 and the gap between two meetings did not exceed one hundred and twenty days.

Number of general meetings held:

There were no Extra – Ordinary General Meeting of the Company held during the year under the review.

The Annual General Meeting of the Company for the period ended March 31, 2025 was held on 30th July 2025.

Policy on director's appointment and remuneration under section 178 (3):

The Company being a private Company is not required to constitute Nomination and Remuneration Committee under the provisions of the Companies Act, 2013.

The requirement to formulate a policy under Section 178(3) of the Companies Act, 2013 is not applicable to the Company.

Details of contracts or arrangements made with related parties:

During the year under review, no related party transactions referred to in sub-section (1) of section 188, were entered into by the Company. Hence, no particulars are being provided in Form AOC-2 and it does not form part of this Report.

Risk Management:

During the year, the risk assessment parameters were reviewed. In the opinion of the Board, since there are no business activities, there are no major elements of risk which has the potential of threatening the existence of the Company.

During the year under review, the company has not developed and implemented risk management policy.

Adequacy of internal financial control:

The Company has internal financial control system in place which is commensurate with its size and nature of business to ensure efficiency of operations, including adherence to company's policies, safeguarding of its assets, prevention and detection of frauds and errors, accuracy and completeness of the accounting records and timely preparation and reporting of reliable financial information.

Internal Auditor:

The Company is not required to appoint Internal Auditor as it does not fall within purview of section 138(1) of Companies Act, 2013 and Rule 13 of Companies (Accounts) Rules, 2014 and it is not applicable to your Company.

Corporate Social Responsibility:

The provisions of Section 135 of the Companies Act, 2013 read with the relevant rules are not applicable to the Company and therefore, the Company is not required to adopt the CSR Policy or constitute CSR Committee during the year under review.

Disclosure in terms of Sexual Harassment of Women at workplace (Prevention, Prohibition and Redressal) Act, 2013:

The Company was not required to constitute an Internal Complaints Committee as required under The Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 since there are no employees in the Company.

During the year under review, there were no cases filed pursuant to the provisions of Sexual Harassment of Women at workplace (Prevention, Prohibition and Redressal) Act 2013.

During the period under review, there was no foreign earning or expenditure in the Company.

Compliance with Maternity Benefit Act, 1961:

During the year under review, since there were no employees of the Company, the Company was not required to comply with the provisions of Maternity Benefit Act, 1961.

Disclosures:

During the year, there were no transaction requiring disclosure or reporting in respect of matters relating to:

- (a) details relating to deposits covered under Chapter V of the Act;
- (b) issue of equity shares with differential rights as to dividend, voting or otherwise;
- (c) issue of shares (including sweat equity shares) to employees of the Company under any scheme;
- (d) raising of funds through preferential allotment or qualified institutions placement;
- (e) significant or material order passed by the Regulators or Courts or Tribunals which impact the going concern status and Company's operations in future;
- (f) pendency of any proceeding under the Insolvency and Bankruptcy Code, 2016 and instance of one-time settlement with any bank or financial institution.

Details of difference between amount of valuation done at the time of one-time settlement and the valuation done while taking loan from banks or financial institutions with the reason there of:

During the year under review, there has been no one-time settlement of loans taken from banks and financial institutions.

Conservation of energy, technology absorption, foreign exchange earnings and outgo:

The provisions of Section 134(3)(m) of the Act 2013 and the rules made there-under relating to the information and details on conservation of energy, technology absorption do not apply to the Company, as the Company is not a manufacturing company.

Material changes and commitments:

There have been no material changes and commitments affecting the financial position of the Company, which have occurred between the end of the financial year of the Company to which the financial statements relate and the date of the report.

Employee's remuneration:

There are currently no employees in the Company, hence the requirement of attaching a statement under Section 197 of the Companies Act 2013, read with Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 containing the details of employee's remuneration is not applicable.

Details of loans / guarantees / investments made:

The disclosure under this head is not applicable as the Company has not extended any guarantee or loans to other companies as per Section 186 of the Act, 2013 for the period ended 31st March 2026.

Reporting of fraud:

The Auditors of the Company have not reported any fraud as specified under Section 143(12) of the Act 2013.

Maintenance of cost records:

Pursuant to Section 148(1) of the Companies Act, 2013 cost records are required to be maintained by specified class of Companies whose turnover exceeds 35 Crores during the immediately preceding financial year. Further, companies covered under Table B of Rule 3 to Companies (Cost Records and Audit) Rules, 2014 whose overall annual turnover exceeds 100 Crores are required to get its cost records audited.

The Company's operations do not fall under any of the activities requiring maintenance and subsequent audit of cost records.

Acknowledgement

The Directors gratefully acknowledge the continued support and co-operation received from the holding company viz., TVS Credit Services Limited. The directors thank the bankers for their continued support and assistance.

For and on behalf of the Board

Place : Chennai	N SRINIVASA RAMANUJAM	B RAJARAM
Date : 07 th May 2026	Director	Director
	DIN: 07384809	DIN: 08475988

HARITA ARC PRIVATE LIMITED

INDEPENDENT AUDITOR'S REPORT FOR THE YEAR ENDED 31ST MARCH 2026

To the Members of Harita ARC Private Limited

Report on the Audit of the Standalone financial statements

Opinion

We have audited the accompanying standalone financial statements of **Harita Arc Private Limited** ("the Company"), having its registered office at "Chaitanya", No.12, Khader Nawaz Khan Road, Nungambakkam, Chennai-600 006, Tamil Nadu which comprise the Balance Sheet as at 31st March 2026, the Statement of Profit and Loss, the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and a summary of the 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 standalone financial statements give the information required by the Companies Act, 2013 ('Act') in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India including Indian Accounting Standards ('Ind AS') specified under section 133 of the Act, of the state of affairs of the Company as at 31st March 2026, and its loss, total comprehensive loss, its cash flows and the changes in equity for the year ended on that date.

Basis for Opinion

We conducted our audit of the standalone financial statements in accordance with the Standards on Auditing specified under section 143(10) of the Act. Our responsibilities under those standards are further described in *the Auditor's Responsibilities for the Audit of the 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 Standalone financial statements under the provisions of the Act and the rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Information Other than the Standalone Financial Statements and Auditor's Report Thereon

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in Annual Report to the Shareholders but does not include the standalone financial statements and our auditor's report thereon. The Annual Report to the Shareholders is expected to be made available to us after the date of this Auditor's Report.

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

In connection with our audit of the standalone financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

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

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these standalone financial statements that give a true and fair view of the state of affairs (financial position), profit or loss (financial performance) including other comprehensive income, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Ind AS specified under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of 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 standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the standalone financial statements, management 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 management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

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

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

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

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

- Identify and assess the risks of material misstatement of the standalone 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 controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of 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 standalone 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 standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

We also provide those charged with governance, 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.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone financial statements of the current period and are therefore the key

INDEPENDENT AUDITOR'S REPORT FOR THE YEAR ENDED 31ST MARCH 2026

audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter, or when in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2020 (the "Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by section 143(3) of the Act, we report that
 - (a) we have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
 - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
 - (c) The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, Statement of Changes in Equity and the Statement of Cash Flows dealt with by this Report are in agreement with the books of account;
 - (d) In our opinion, the aforesaid standalone financial statements comply with Ind AS specified under section 133 of the Act;
 - (e) On the basis of the written representations received from the directors and taken on record by the Board of Directors, none of the directors is disqualified as on 31st March 2026 from being appointed as a director in terms of section 164(2) of the Act;
 - (f) With respect to the adequacy of the internal financial controls with reference to Financial Statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls with reference to Financial Statements
 - (g) With respect to the matter to be included in the Auditors' Report under Section 197(16) of the Act. In our opinion and according to the information and explanations given to us, the Company has not paid any remuneration to its directors;
 - (h) With respect to the other matters to be included in the Auditor's Report in accordance with rule 11 of the Companies (Audit and Auditors) Rules, 2014 (as amended), in our opinion and to the best of our information and according to the explanations given to us:
 - (i) There are no pending litigations as at 31st March 2026;
 - (ii) The company did not have any long-term contracts including derivatives contracts for which there were any material foreseeable losses as at 31st March 2026;
 - (iii) There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company;
 - (iv) (a) The Management has represented that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company

to or in any other person or entity, including foreign entity ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

- (b) The Management has represented, that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been received by the Company from any person or entity, including foreign entity ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, 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;
- (c) Based on the audit procedures that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (a) and (b) above, contain any material misstatement;
- (v) The Company has not declared any dividends during the year;
- (vi) Based on our examination, which included test checks, the Company has used accounting software systems for maintaining its books of account for the financial year ended March 31, 2026 which have the feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the software systems. Further, during the course of our audit we did not come across any instance of the audit trail feature being tampered with and the audit trail has been preserved by the Company as per the statutory requirements for record retention.

For RAGHAVAN, CHAUDHURI & NARAYANAN
Chartered Accountants
FRN: 007761S
UDIN: 26027716CAJFEE3155

Place : Bengaluru
Date : 7th May 2026

V. SATHYANARAYANAN
Partner
Membership No. 027716

HARITA ARC PRIVATE LIMITED

Annexure "A" to Independent Auditors' Report 31st March 2026

(Referred to in our report of even date)

To the best of our information and according to the explanations provided to us by the Company and the books of account and records examined by using the normal course of audit, we state that:

- i. (a to d) The Company does not own any property plant & equipment, Intangible assets & right to use assets. Accordingly, Clause 3(i)(a) to 3(i)(d) of the Order is not applicable to the company;
- (e) No proceedings have been initiated during the year or are pending against the Company as at March 31, 2026 for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (as amended in 2016) and rules made thereunder;
- ii. (a) The Company does not have any inventory. Accordingly, Clause 3(ii)(a) of the Order is not applicable to the company;
- (b) The Company has not been sanctioned working capital limits in excess of ₹ 5 crore, in aggregate, at any points of time during the year, from banks or financial institutions on the basis of security of current assets and hence reporting under clause 3(ii)(b) of the Order is not applicable;
- iii. The Company has not made investments and has not provided any Guarantee or security or granted any loans or advances in nature of loans secured or unsecured to companies, firms, Limited Liability Partnerships, or any other parties, during the year. Accordingly, the provision of clause 3(iii)(a) to 3(iii)(f) of the order is not applicable;
- iv. In our opinion, the Company has not entered any transaction covered under Sections 185 and 186 of the Act. Accordingly, the provisions of clause 3(iv) of the Order are not applicable;
- v. The Company has not accepted any deposit or amounts which are deemed to be deposits. Hence, reporting under clause 3(v) of the Order is not applicable;
- vi. The Central Government has not prescribed the maintenance of cost records under section 148 (1) of the Act. Therefore, the provisions of Clause (vi) of the Order are not applicable to the Company;
- vii. In respect of statutory dues:
 - (a) According to the records of the Company, the Company does not have the liability to deposit statutory dues including Provident Fund, Employees' State Insurance, Custom duty, Income Tax, Goods and Service Tax and Cess and other material statutory dues with the appropriate authorities;
 - (b) According to the information and explanations given to us, there are no dues of Income Tax and Goods and Service Tax which have not been deposited on account of any dispute.
- viii. There were no transactions relating to previously unrecorded income that have been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (Section 43 of 1961);
- ix. (a) The Company has not obtained any loans or borrowings from any lender during the year. Accordingly, the provisions of clause 3(ix)(a) of the Order are not applicable;
- (b) The Company has not been declared wilful defaulter by any bank or financial institution or government or any government authority;
- (c) The Company has not obtained term loan during the year. Accordingly, the provisions of clause 3(ix)(c) of the Order are not applicable;
- (d) The Company has not raised any short-term funds during the year. Accordingly, the provisions of clause 3(ix)(d) of the Order are not applicable;
- (e) The Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries and hence reporting on clause 3(ix)(e) of the order is not applicable;
- (f) The Company has not raised any loans during the year on the pledge of securities held in its subsidiaries, joint ventures or associate companies and hence reporting on clause 3(ix)(f) of the Order is not applicable;
- x. (a) The Company has not raised moneys by way of initial public offer or further public offer (including debt instruments) during the year and hence reporting under clause 3(x)(a) of the Order is not applicable;
- (b) During the year, the Company has not made any preferential allotment or private placement of shares or convertible debentures (fully or partly or optionally) and hence reporting under clause 3(x)(b) of the Order is not applicable;
- xi. (a) No fraud by the Company and no material fraud on the Company has been noticed or reported during the year;
- (b) No report under sub-section (12) of section 143 of the Companies Act has been filed in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government, during the year and up to the date of this report;
- (c) As represented to us by the management, there are no whistle blower complaints received by the company during the year;
- xii. The Company is not a Nidhi Company and hence reporting under clause (xii) of the Order is not applicable;
- xiii. In our opinion, all transactions with the related parties are in compliance with Section 188 of the Act, where applicable, and the requisite details have been disclosed in the financial statements, as required by the applicable Ind AS. Further, in our opinion, the company is not required to constitute audit committee under Section 177 of the Act;
- xiv. In our opinion and based on our examination, the company does not have an internal audit system and is not required to have an internal audit system as per provisions of the Companies Act 2013 and hence reporting under clause 3(xiv)(a) and clause 3(xiv)(b) of the Order is not applicable;
- xv. In our opinion during the year the Company has not entered into any non-cash transactions with its Directors or persons connected with its directors and hence provisions of section 192 of the Companies Act, 2013 are not applicable to the Company;
- xvi. (a) In our opinion, the Company is not required to be registered under section 45-IA of
- (b) the Reserve Bank of India Act, 1934 Hence, reporting under clause 3 (xvi)(a), (b) and (c) of
- (c) the Order is not applicable;
- (d) Based on the information and explanations given to us and as represented by the management of the Company, the Group has 1 Core Investment Company;
- xvii. The Company has incurred cash losses during the financial year and in immediately preceding financial year amounting to Rs. 82,377 & Rs. 24,628 covered by our audit;
- xviii. There has been no resignation of the statutory auditors of the Company during the year;

Annexure "A" to Independent Auditors' Report 31st March 2026

(Referred to in our report of even date)

xix. On the basis of the financial ratios, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the financial statements and our knowledge of the Board of Directors and Management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report indicating that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due;

xx. The provision of section 135 of Companies Act, is not applicable to company and hence reporting under clause 3(xx)(a) and 3(xx)(b) of the Order is not applicable;

For RAGHAVAN, CHAUDHURI & NARAYANAN
Chartered Accountants
FRN: 007761S
UDIN: 26027716CAJFEE3155

Place : Bengaluru
Date : 7th May 2026

V. SATHYANARAYANAN
Partner
Membership No. 027716

Annexure “B” to Independent Auditors’ Report 31st March 2026

(Referred to in paragraph 2(f) under ‘Report on Other Legal and Regulatory Requirements’ section of our report to the Members of Harita Arc Private Limited

Report on the Internal Financial Controls Over Financial Reporting under Clause (i) of subsection 3 of Section 143 of the Companies Act, 2013 (the “Act”)

We have audited the internal financial controls over financial reporting of Harita Arc Private Limited as of 31st March 2026 in conjunction with our audit of the Ind AS financial statements of the Company for the year ended on that date.

Management’s Responsibility for Internal Financial Controls

The Management of the Company is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (the “ICAI”). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company’s policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act

Auditor’s Responsibility

Our responsibility is to express an opinion on the Company’s internal financial controls over financial reporting of the Company based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the “Guidance Note”) issued by the ICAI and the Standards on Auditing prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

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

We believe that the audit evidence we have obtained, is sufficient and appropriate to provide a basis for our audit opinion on the Company’s internal financial controls system over financial reporting.

Meaning of Internal Financial Controls over Financial Reporting

A company’s internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company’s internal financial control over financial reporting includes those policies and procedures that

- (1) Pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;
- (2) Provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and
- (3) Provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company’s assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls over Financial Reporting

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

Opinion

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31st March 2026 based on the criteria for internal financial control over financial reporting established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the ICAI.

For RAGHAVAN, CHAUDHURI & NARAYANAN
Chartered Accountants
FRN: 007761S
UDIN: 26027716CAJFEE3155

Place : Bengaluru
Date : 7th May 2026

V. SATHYANARAYANAN
Partner
Membership No. 027716

HARITA ARC PRIVATE LIMITED

Balance Sheet as at 31st March 2026

(All numbers are in hundreds unless otherwise stated)

Particulars ⁶	Note No	As at 31st March 2026	As at 31st March 2025
ASSETS			
Current Assets			
Financial Assets			
Cash and Cash Equivalents	1	239	239
TOTAL ASSETS		239	239
EQUITY AND LIABILITIES			
Equity			
Equity Share Capital	2	250	250
Other Equity	3	(2,745)	(1,922)
TOTAL EQUITY		(2,495)	(1,672)
LIABILITIES			
Current Liabilities			
Financial Liabilities			
(i) Borrowings		-	-
(ii) Trade Payables			
a) Total outstanding dues of creditors other than micro enterprises and small enterprises	4	100	100
b) Total outstanding dues of other than (ii) (a) above		-	-
(iii) Other Financial Liabilities	5	2,635	1,811
TOTAL LIABILITIES		2,735	1,911
TOTAL EQUITY AND LIABILITIES		239	239

As per our report annexed

N SRINIVASA RAMANUJAM

Director
DIN: 07384809

Chennai
Dated: 07th May 2026

B RAJARAM

Director
DIN: 08475988

Chennai
Dated: 07th May 2026

For Raghavan, Chaudhuri & Narayanan

Chartered Accountants
Firm Regn No.: 007761S

V. SATHYANARAYANAN

Partner
Membership No.: 02771
UDIN : 26027716CAJFEE3155

Bengaluru
Dated: 07th May 2026

HARITA ARC PRIVATE LIMITED

Statement of Profit and Loss for the year ended 31st March 2026

(All numbers are in hundreds unless otherwise stated)

Particulars	Note No	For the year ended 31st March 2026	For the year ended 31st March 2025
INCOME			
Revenue from operations		-	-
TOTAL INCOME		-	-
EXPENSES			
Other expenses	6	824	246
TOTAL EXPENSE		824	246
Profit/(Loss) before tax		(824)	(246)
Tax expense:		-	-
Profit/(Loss) after tax for the year		(824)	(246)
Other Comprehensive Income			
Total Comprehensive Income		(824)	(246)
Earning per equity share:			
Basic & Diluted earnings per share (in Rs)	7	(32.95)	(9.85)

As per our report annexed

N SRINIVASA RAMANUJAM
Director
DIN: 07384809

Chennai
Dated: 07th May 2026

B RAJARAM
Director
DIN: 08475988

Chennai
Dated: 07th May 2026

For Raghavan, Chaudhuri & Narayanan
Chartered Accountants
Firm Regn No.: 007761S

V. SATHYANARAYANAN
Partner
Membership No.: 02771
UDIN : 26027716CAJFEE3155

Bengaluru
Dated: 07th May 2026

HARITA ARC PRIVATE LIMITED

CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2026

(All numbers are in hundreds unless otherwise stated)

	Year ended 31st March 26	Year ended 31st March 25
A. Cash Flow from Operating Activities		
1. Profit/(Loss) Before Tax	(824)	(246)
B. Operating Profit before Working Capital Changes	(824)	(246)
C. Change in Working Capital		
(Increase)/Decrease in Loans & Advances	824	246
Changes in liability arising from financing activities	-	-
Change in Working Capital	824	246
D. Cash generated from Operations (B+C)	-	-
E. Net Cash from Operating Activities	-	-
F. Net Cash Flow from Financing Activities		
Proceeds from Issue of Equity Shares		
Net Cash from Financing Activities	-	-
G. Net Cash Flow from Investing Activities		
Payments for Property, Plant and Equipment and Investment Property		
Net Cash from Investing Activities	-	-
H. Net change in Cash and Cash Equivalents (E+F+G)	-	-
I. Add: Cash and Cash Equivalents at beginning of the year	239	239
J. Less: Cash and cash equivalents at the end of the year	239	239

As per our report annexed

N SRINIVASA RAMANUJAM

Director
DIN: 07384809

Chennai
Dated: 07th May 2026

B RAJARAM

Director
DIN: 08475988

Chennai
Dated: 07th May 2026

For Raghavan, Chaudhuri & Narayanan
Chartered Accountants
Firm Regn No.: 007761S

V. SATHYANARAYANAN

Partner
Membership No.: 02771
UDIN : 26027716CAJFEE3155

Bengaluru
Dated: 07th May 2026

HARITA ARC PRIVATE LIMITED

STATEMENT OF CHANGES IN EQUITY

(All numbers are in hundreds unless otherwise stated)

A	Equity	Note No.	Amount
	Balance as at April 1, 2024	2	250
	Changes in Equity share capital during the year	2	
	Balance as at March 31, 2025		250
	Changes in Equity share capital during the year	2	-
	Balance as at March 31, 2026		250

B	Other Equity	Note No.	Retained Earnings	Total
	Balance as at April 1, 2024	3	(1,675)	(1,675)
	Total Comprehensive Income	3	(246)	(246)
	Balance as at March 31, 2025		(1,922)	(1,922)
	Total Comprehensive Income	3	(824)	(824)
	Balance as at March 31, 2026		(2,745)	(2,745)

As per our report annexed

N SRINIVASA RAMANUJAM
Director
DIN: 07384809

Chennai
Dated: 07th May 2026

B RAJARAM
Director
DIN: 08475988

Chennai
Dated: 07th May 2026

For Raghavan, Chaudhuri & Narayanan
Chartered Accountants
Firm Regn No.: 007761S

V. SATHYANARAYANAN
Partner
Membership No.: 02771
UDIN : 26027716CAJFEE3155

Bengaluru
Dated: 07th May 2026

Brief Description of the Company:

The Company was incorporated on 22nd August 2017 under the name of Harita ARC Private Limited, wholly owned subsidiary of TVS Credit Services Limited. The Company is yet to commence its business

Material Accounting Policies forming part of Financial Statements

a. Basis of preparation of financial statements

The financial statements are prepared on historical cost convention, on a going concern basis and in accordance with the applicable Indian Accounting Standard (Ind AS) as notified under Section 133 in the Companies Act, 2013. All expenses and income to the extent ascertained with reasonable certainty are accounted for on accrual basis.

b. Use of estimates

The preparation of the financial statements in conformity with the applicable Accounting Standard requires management to make estimates and assumptions that affect the reported amount of assets, liabilities, revenues and expenses and disclosure of contingent liabilities on the date of financial statement. The

recognition, measurement, classification or disclosure of an item or information in the financial statement has been made relying on these estimates.

c. Cash Flow Statement

Cash flow statement is prepared under "Indirect Method" and the same is annexed.

d. Contingencies and events occurring after balance sheet date

There are no contingencies that need to be provided as on the balance sheet date.

e. Functional Currency:

Functional and presentation currencies:

Items included in the financial statements are measured using the currency of the primary economic environment in which the Company operates ('the functional currency'). i.e in Indian rupees (INR) and all values are rounded off to nearest hundreds except where otherwise indicated.

HARITA ARC PRIVATE LIMITED

NOTES TO BALANCE SHEET

(All numbers are in hundreds unless otherwise stated)

	As at 31st March 2026	As at 31st March 2025
1 Cash and cash equivalents		
Balances with banks	239	239
Total cash and cash equivalents	239	239

2 Share Capital

	Number of Shares	Amount
i) Authorised Share Capital:		
Equity shares of Rs.10/- each	2,500	250

ii) Issued, Subscribed and Fully Paid up Share Capital:		
Equity shares of Rs.10/- each	2,500	250

iii) Movement in equity share capital

	Number of Shares	Amount
Equity Shares as at March 31, 2024	2,500	250
Additions	-	-
Equity Shares as at March 31, 2025	2500	250
Additions	-	-
Equity Shares as at March 31, 2026	2500	250

iv) Details of share holders holding more than 5% & Shares held by holding company

Name of the Share Holder	As at March 31, 2025
No. of Shares	%
TVS Credit Services Limited	2,500 1%

Name of the Share Holder	As at March 31, 2026
No. of Shares	%
TVS Credit Services Limited	2,500 1%

v) Terms / Rights attached

The company has only one class of equity shares having a par value of Rs.10/- per share. Each shareholder has a right to participate in General Meeting and is eligible for one vote per share held. Residual interest in the assets of the company. Every shareholder is also entitled to right of inspection of documents as provided in the Companies Act, 2013.

	As at 31st March 2026	As at 31st March 2025
3 Other Equity		
Retained Earnings	(2,745)	(1,922)
Total Other Equity	(2,745)	(1,922)

Retained Earnings		
Opening Balance	(1,922)	(1,675)
Add: Net profit for the year	(824)	(246)
Closing Balance	(2,745)	(1,922)

*Dues to Micro and Small Enterprises have been determined to the extent such parties have been identified on the basis of information collected by the management. The entire closing balance represents the principal amount payable to these enterprises. There are no undisputed overdues on Principal and no interest due or outstanding.

4 Trade Payables

Particulars	Outstanding for the following periods from due date of payment as at 31st march 2026				
	<1 year	1-2 years	2-3 years	More than 3 Years	Total
Undisputed dues- MSME	-	-	-	-	-
Undisputed dues- Others	100	-	-	-	100
Disputed dues- MSME	-	-	-	-	-
Disputed dues- Others	-	-	-	-	-
TOTAL	100	-	-	-	100

Particulars	Outstanding for the following periods from due date of payment as at 31st march 2025				
	<1 year	1-2 years	2-3 years	More than 3 Years	Total
Undisputed dues- MSME	-	-	-	-	-
Undisputed dues- Others	100	-	-	-	100
Disputed dues- MSME	-	-	-	-	-
Disputed dues- Others	-	-	-	-	-
TOTAL	100	-	-	-	100

*Dues to Micro and Small Enterprises have been determined to the extent such parties have been identified on the basis of information collected by the management. The entire closing balance represents the principal amount payable to these enterprises. There are no undisputed overdues on Principal and no interest due or outstanding.

5 Other Financial Liabilities

	As at March 31, 2026	As at March 31, 2025
Payable to Holding Company	2,635	1,811
Total Other Financial Liabilities	2,635	1,811

NOTES TO STATEMENT OF PROFIT AND LOSS

	For the year ended 31st March 2026	For the year ended 31st March 2025
6 Other Expenses		
Professional charges	714	120
Rates and taxes	10	26
Payment to Auditors		
- As Auditor	100	100
Bank Charges	-	-
Total Other Expenses	824	246

7 Earnings per share (Basic and Diluted)

Earnings attributable to equity share holders	(824)	(246)
Number of Shares	2,500	2,500
Earnings per Share in Rs	(32.95)	(9.85)

HARITA ARC PRIVATE LIMITED

8. Additional Notes forming part of Financial Statements for year ended 31st March 26

1 There are no dues to micro medium small enterprises and hence the particulars required under notification no GSR 719(E) dt. 16.11.07 is not furnished.

2 Related Party Disclosures:

Reporting Entity:

Relationship	Name
Enterprise having Control	TVS Credit Services Limited
Subsidiary Company	Nil
Associate Companies	Nil
Key Management Personnel	Nil

Transactions with Related Parties

		(In Hundreds)	
		Amount (Rs.)	Amount (Rs.)
Nature of Transaction	Name of the Related Party	FY 2025-26	FY 2024-25
Advance Received	TVS Credit Services Limited	823	382
Balance Payable as at the end of the year	TVS Credit Services Limited	2,634	1,811

3 Additional regulatory information not disclosed elsewhere in the standalone financial statements

(a) There are no properties / assets which are not held or registered in the name of the Company (benami property). No proceedings have been initiated on or are pending against the Company for holding benami property under the Benami Transactions (Prohibition) Act, 1988 (as amended in 2016) and rules made thereunder.

(b) Transactions and balances with companies which have been removed from register of Companies [struck off companies under section 248 of the Companies Act, 2013 or section 560 of the Companies Act, 1956.] as at the above reporting periods is Nil.

(c) The Company has not traded / invested in Crypto currency or Virtual Currency during the year.

(d) The Company does not have any charges or satisfaction which is yet to be registered with Registrar of Companies beyond the statutory period.

(e) The Company has not advanced or loaned or invested funds to any other person(s) or entities, including foreign entities (Intermediaries) with the understanding that the Intermediary shall:

(i) 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

(ii) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries

(f) The Company has not received any fund from any person(s) or entities, including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Company shall

(i) 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

(ii) provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries,

(g) The Company has no 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).

(h) The Company has not granted any loans or advances in the nature of loans to promoters, directors, KMPs and the related parties (as defined under Companies Act, 2013), either severally or jointly with any other person.

(i) The Company has not been declared wilful defaulter by any bank or financial institution or other lender or government or any government authority.

HARITA ARC PRIVATE LIMITED

4 DISCLOSURE OF RATIOS

Ratio	Description of numerator	Description of denominator	Ratio 31.03.2026	Ratio 31.03.2025	Variance	Reasons for variance
(a) Current ratio	Current Assets	Current Liabilities	0.09	0.13	-30.12%	Decrease in Liabilities
(b) Debt-equity ratio	Short term borrowings + Long term Borrowings	Shareholders' fund	NA	NA	NA	
(c) Debt service coverage ratio	Profit after Tax + Non Cash Expense + Interest on borrowings + Loss on sale of fixed assets	Interest on term loans + Principal of term loans	NA	NA	NA	
(d) Return on equity ratio	Profit after tax	Equity share capital	0.33	0.15	124.07%	Decrease in expenses
(e) Inventory turnover ratio	Cost of goods sold	Average Inventory	NA	NA	NA	
(f) Trade receivables turnover ratio	Net Credit Sales	Average accounts receivable	NA	NA	NA	
(g) Trade payables turnover ratio	Net Credit Purchase	Average accounts payable	NA	NA	NA	
(h) Net capital turnover ratio	Revenue from Operations	Working Capital	NA	NA	NA	
(i) Net profit ratio	Profit after tax	Revenue from operations	NA	NA	NA	
(j) Return on capital employed	EBIT	Shareholders' fund+ Long term borrowings	33.01%	14.73%	124.07%	Decrease in expenses
(k) Return on investment	Profit after tax	Equity shareholders' Fund	33.01%	14.73%	124.07%	Decrease in expenses

5 All the numbers have been rounded off to nearest hundreds except shares and EPS.

N SRINIVASA RAMANUJAM
Director
DIN: 07384809

Chennai
Dated: 07th May 2026

B RAJARAM
Director
DIN: 08475988

Chennai
Dated: 07th May 2026

As per our report annexed
For Raghavan, Chaudhuri & Narayanan
Chartered Accountants
Firm Regn No.: 007761S

V. SATHYANARAYANAN
Partner
Membership No.: 02771
UDIN : 26027716CAJFEE3155

Bengaluru
Dated: 07th May 2026

HARITA TWO WHEELER MALL PRIVATE LIMITED (Formerly known as TVS Two Wheeler Mall Private Limited)

Directors' Report to the Shareholders:

The directors present the Ninth Annual Report together with the Annual Audited Statement of Accounts for the year ended 31st March 2026.

Financial Highlights:

The Company is yet to commence its operations and the Company incurred an expense of Rs. 90,075/- towards regulatory requirements.

Share Capital:

During the year, the Company has not made any issuance of shares, and the paid-up equity share capital of the Company as on March 31, 2026, stood at Rs. 25,000.

Dividend:

The directors of the Company do not recommend any dividend for the period ended 31st March 2026.

Amount transferred to Reserves:

The Company has not transferred any amount to the reserves during the Financial Year ended 31st March, 2026.

Details of Subsidiaries, Joint Ventures and Associates:

During the year under review, the Company does not have any Subsidiary, Joint Venture or an Associate Company.

Directors Appointment/Cessation:

There was no appointment or resignation of directors during the year under review.

Directors liable to retire by rotation:

In terms of the provisions of the Companies Act, 2013, Mr N Srinivasa Ramanujam, director of the Company, retire from the office at the ensuing annual general meeting and being eligible, offer himself for re-appointment.

Statutory Auditors:

M/s. Raghavan, Chaudhuri & Narayanan, Chartered Accountants were appointed as the Statutory Auditors of the Company at the 4th Annual General Meeting for a term of five consecutive years pursuant to Section 139 of the Companies Act, 2013. The said term of appointment concludes at the conclusion of this Annual General Meeting.

The Board of Directors placed on record its appreciation for the valuable services rendered by the auditors during their tenure as Statutory Auditors of the Company. Considering their satisfactory performance, the Board of Directors, at its meeting, has recommended the re-appointment of M/s. Raghavan, Chaudhuri & Narayanan, Chartered Accountants, as Statutory Auditors of the Company, to hold office for a further term of five consecutive years commencing from the conclusion of this Annual General Meeting, subject to the approval of the members, at such remuneration as may be decided by the Board of Directors of the Company.

The Company has received consent from M/s. Raghavan, Chaudhuri & Narayanan, Chartered Accountants to act as Statutory Auditor of the Company and a certificate pursuant to Section 139 of the Companies Act, 2013 read with Rule 4 of the Companies (Audit and Auditors) Rules, 2014, confirming eligibility for re-appointment.

The Auditors' Reports for the financial year 2025-26 do not contain any qualifications, reservations and adverse remarks and the same is attached with the annual financial statements.

Secretarial Audit Report:

During the period under review, the Secretarial Audit under Section 204(1) of the Companies Act, 2013 was not applicable to the Company and hence the Company has not obtained a Secretarial Audit Report.

Compliance of secretarial standards issued by The Institute of Companies Secretaries of India:

The Company complies with Secretarial Standards on Meetings of the Board of Directors (SS-1) and General Meetings (SS-2) issued by the Institute of Company Secretaries of India.

Directors' responsibility statement:

Pursuant to the requirement of Section 134(3)(c) read with 134(5) of the Companies Act, 2013 (Act, 2013) with respect to Director's Responsibility Statement, it is hereby stated that:

- (a) in the preparation of the annual accounts for the period from 1st April 2025 to 31st March 2026, the applicable accounting standards had been followed along with proper explanation relating to material departures.
- (b) the directors had selected such accounting policies and applied them consistently and made judgments and estimates that were reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year and of the loss of the Company for that period.
- (c) the directors had taken proper and sufficient care for maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities.
- (d) the directors had prepared the annual accounts on a going concern basis; and
- (e) the directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

Website link of Annual Return:

The Company does not have functional website where it can provide Annual Return of the Company as required under Section 92 (3) of Companies Act, 2013.

Number of board meetings held:

During the period under review, the board met 4 times on 26th April 2025, 28th July 2025, 17th November 2025 and 21st February 2026 and the gap between two meetings did not exceed one hundred and twenty days.

Number of general meetings held:

There were no Extra – Ordinary General Meeting of the Company held during the year under the review.

The Annual General Meeting of the Company for the period ended March 31, 2025 was held on 30th July 2025.

Policy on director's appointment and remuneration under section 178 (3):

The Company being a private Company is not required to constitute Nomination and Remuneration Committee under the provisions of the Companies Act, 2013.

The requirement to formulate a policy under Section 178(3) of the Companies Act, 2013 is not applicable to the Company.

Details of contracts or arrangements made with the related parties:

During the year under review, no related party transactions referred to in sub-section (1) of section 188, were entered into by the Company. Hence, no particulars are being provided in Form AOC-2 and it does not form part of this Report.

Risk Management:

During the year, the risk assessment parameters were reviewed. In the opinion of the Board, since there are no business activities, there are no major elements of risk which has the potential of threatening the existence of the Company.

During the year under review, the company has not developed and implemented risk management policy.

Adequacy of internal financial control:

The Company has internal financial control system in place which is commensurate with its size and nature of business to ensure efficiency of operations, including adherence to company's policies, safeguarding of its assets, prevention and detection of frauds and errors, accuracy and completeness of the accounting records and timely preparation and reporting of reliable financial information.

HARITA TWO WHEELER MALL PRIVATE LIMITED (Formerly known as TVS Two Wheeler Mall Private Limited)

Internal Auditor:

The Company is not required to appoint Internal Auditor as it does not fall within purview of section 138(1) of Companies Act, 2013 and Rule 13 of Companies (Accounts) Rules, 2014 and it is not applicable to your Company.

Corporate Social Responsibility:

The provisions of Section 135 of the Companies Act, 2013 read with the relevant rules are not applicable to the Company and therefore, the Company is not required to adopt the CSR Policy or constitute CSR Committee during the year under review.

Disclosure in terms of Sexual Harassment of Women at workplace (Prevention, Prohibition and Redressal) Act, 2013:

The Company was not required to constitute an Internal Complaints Committee as required under The Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 since there are no employees in the Company.

During the year under review, there were no cases filed pursuant to the provisions of Sexual Harassment of Women at workplace (Prevention, Prohibition and Redressal) Act 2013.

During the period under review, there was no foreign earning or expenditure in the Company.

Compliance with Maternity Benefit Act, 1961:

During the year under review, since there were no employees of the Company, the Company was not required to comply with the provisions of Maternity Benefit Act, 1961.

Disclosures:

During the year, there were no transaction requiring disclosure or reporting in respect of matters relating to:

- (a) details relating to deposits covered under Chapter V of the Act;
- (b) issue of equity shares with differential rights as to dividend, voting or otherwise;
- (c) issue of shares (including sweat equity shares) to employees of the Company under any scheme;
- (d) raising of funds through preferential allotment or qualified institutions placement;
- (e) significant or material order passed by the Regulators or Courts or Tribunals which impact the going concern status and Company's operations in future;
- (f) pendency of any proceeding under the Insolvency and Bankruptcy Code, 2016 and instance of one-time settlement with any bank or financial institution.

Details of difference between amount of valuation done at the time of one-time settlement and the valuation done while taking loan from banks or financial institutions with the reason there of:

During the year under review, there has been no one-time settlement of loans taken from banks and financial institutions.

Conservation of energy, technology absorption, foreign exchange earnings and outgo:

The provisions of Section 134(3)(m) of the Act 2013 and the rules made there-under relating to the information and details on conservation of energy, technology absorption do not apply to the Company, as the Company is not a manufacturing company.

Material changes and commitments:

There have been no material changes and commitments affecting the financial position of the Company, which have occurred between the end of the financial year of the Company to which the financial statements relate and the date of the report.

Employee's remuneration:

There are currently no employees in the Company, hence the requirement of attaching a statement under Section 197 of the Companies Act 2013, read with Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 containing the details of employee's remuneration is not applicable.

Details of loans / guarantees / investments made:

The disclosure under this head is not applicable as the Company has not extended any guarantee or loans to other companies as per Section 186 of the Act, 2013 for the period ended 31st March 2026.

Reporting of fraud:

The Auditors of the Company have not reported any fraud as specified under Section 143(12) of the Act 2013.

Maintenance of cost records:

Pursuant to Section 148(1) of the Companies Act, 2013 cost records are required to be maintained by specified class of Companies whose turnover exceeds 35 Crores during the immediately preceding financial year. Further, companies covered under Table B of Rule 3 to Companies (Cost Records and Audit) Rules, 2014 whose overall annual turnover exceeds 100 Crores are required to get its cost records audited.

The Company's operations do not fall under any of the activities requiring maintenance and subsequent audit of cost records.

Acknowledgement

The Directors gratefully acknowledge the continued support and co-operation received from the holding company viz., TVS Credit Services Limited. The directors thank the bankers for their continued support and assistance.

For and on behalf of the Board

	N Srinivasa Ramanujam	B Rajaram
Place : Chennai	Director	Director
Date : 07 th May 2026	DIN: 07384809	DIN: 08475988

HARITA TWO WHEELER MALL PRIVATE LIMITED (Formerly known as TVS Two Wheeler Mall Private Limited)

INDEPENDENT AUDITOR'S REPORT FOR THE YEAR ENDED 31ST MARCH 2026

To the Members of Harita Two Wheeler Mall Private Limited

Report on the Audit of the Stand-alone financial statements

Opinion

We have audited the accompanying standalone financial statements of **Harita Two Wheeler Mall Private Limited** ("the Company"), having its registered office at "Chaitanya", No.12, Khader Nawaz Khan Road, Nungambakkam, Chennai-600 006, Tamil Nadu which comprise the Balance Sheet as at 31st March 2026, the Statement of Profit and Loss, the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and a summary of the 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 standalone financial statements give the information required by the Companies Act, 2013 ('Act') in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India including Indian Accounting Standards ('Ind AS') specified under section 133 of the Act, of the state of affairs of the Company as at 31st March 2026, and its loss, total comprehensive loss, its cash flows and the changes in equity for the year ended on that date.

Basis for Opinion

We conducted our audit of the standalone financial statements in accordance with the Standards on Auditing specified under section 143(10) of the Act. Our responsibilities under those standards are further described in *the Auditor's Responsibilities for the Audit of the 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 Standalone financial statements under the provisions of the Act and the rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Information Other than the Standalone Financial Statements and Auditor's Report Thereon

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in Annual Report to the Shareholders but does not include the standalone financial statements and our auditor's report thereon. The Annual Report to the Shareholders is expected to be made available to us after the date of this Auditor's Report.

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

In connection with our audit of the standalone financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

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

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these standalone financial statements that give a true and fair view of the state of affairs (financial position), profit or loss (financial performance) including other comprehensive income, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Ind AS specified under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of 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 standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the standalone financial statements, management 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 management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

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

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

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

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

- Identify and assess the risks of material misstatement of the standalone 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 controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of 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 standalone 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 standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

We also provide those charged with governance, 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.

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

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2020 (the "Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order.

2. As required by section 143(3) of the Act, we report that:

- (a) we have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
- (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
- (c) The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, Statement of Changes in Equity and the Statement of Cash Flows dealt with by this Report are in agreement with the books of account;
- (d) In our opinion, the aforesaid standalone financial statements comply with Ind AS specified under section 133 of the Act;
- (e) On the basis of the written representations received from the directors and taken on record by the Board of Directors, none of the directors is disqualified as on 31st March 2026 from being appointed as a director in terms of section 164(2) of the Act;
- (f) With respect to the adequacy of the internal financial controls with reference to Financial Statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls with reference to Financial Statements.
- (g) With respect to the matter to be included in the Auditors' Report under Section 197(16) of the Act. In our opinion and according to the information and explanations given to us, the Company has not paid any remuneration to its directors;
- (h) With respect to the other matters to be included in the Auditor's Report in accordance with rule 11 of the Companies (Audit and Auditors) Rules, 2014 (as amended), in our opinion and to the best of our information and according to the explanations given to us:
 - (i) There are no pending litigations as at 31st March 2026;
 - (ii) The company did not have any long-term contracts including derivatives contracts for which there were any material foreseeable losses as at 31 March 2026;

- (iii) There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company;
- (iv) (a) The Management has represented that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person or entity, including foreign entity ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;
- (b) The Management has represented, that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been received by the Company from any person or entity, including foreign entity ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, 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;
- (c) Based on the audit procedures that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (a) and (b) above, contain any material misstatement;
- (v) The Company has not declared any dividends during the year;
- (vi) Based on our examination, which included test checks, the Company has used accounting software systems for maintaining its books of account for the financial year ended March 31, 2026 which have the feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the software systems. Further, during the course of our audit we did not come across any instance of the audit trail feature being tampered with and the audit trail has been preserved by the Company as per the statutory requirements for record retention.

For RAGHAVAN, CHAUDHURI & NARAYANAN
Chartered Accountants
FRN: 007761S

V. SATHYANARAYANAN
Partner

Place : Bengaluru
Date : 7th May, 2026

Membership No. 027716
UDIN : 26027716XJRVYT1967

HARITA TWO WHEELER MALL PRIVATE LIMITED (Formerly known as TVS Two Wheeler Mall Private Limited)

Annexure "A" to Independent Auditors' Report 31st March 2026

(Referred to in our report of even date)

To the best of our information and according to the explanations provided to us by the Company and the books of account and records examined by us in the normal course of audit, we state that:

- i. (a to d) The Company does not own any property plant & equipment, Intangible assets & right to use assets. Accordingly, Clause 3(i)(a) to 3(i)(d) of the Order is not applicable to the company;
(e) No proceedings have been initiated during the year or are pending against the Company as at March 31, 2026 for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (as amended in 2016) and rules made thereunder;
- ii. (a) The Company does not have any inventory. Accordingly, Clause 3(ii)(a) of the Order is not applicable to the company;
(b) The Company has not been sanctioned working capital limits in excess of ₹ 5 crore, in aggregate, at any points of time during the year, from banks or financial institutions on the basis of security of current assets and hence reporting under clause 3(ii)(b) of the Order is not applicable;
- iii. The Company has not made investments and has not provided any Guarantee or security or granted any loans or advances in nature of loans secured or unsecured to companies, firms, Limited Liability Partnerships, or any other parties, during the year. Accordingly, the provision of clause 3(iii)(a) to 3 (iii)(f) of the order is not applicable;
- iv. In our opinion, the Company has not entered any transaction covered under Sections 185 and 186 of the Act. Accordingly, the provisions of clause 3(iv) of the Order are not applicable;
- v. The Company has not accepted any deposit or amounts which are deemed to be deposits. Hence, reporting under clause 3(v) of the Order is not applicable;
- vi. The maintenance of cost records has not been specified by the Central Government under sub- section (1) of section 148 of the Companies Act, 2013 for the business activities carried out by the Company. Hence, reporting under clause (vi) of the Order is not applicable to the Company;
- vii. In respect of statutory dues:
 - (a) According to the records of the Company, the Company does not have the liability to deposit statutory dues including Provident Fund, Employees' State Insurance, Custom duty, Income Tax, Goods and Service Tax and Cess and other material statutory dues with the appropriate authorities;
 - (b) According to the information and explanations given to us, there are no dues of Income Tax and Goods and Service Tax which have not been deposited on account of any dispute;
- viii. There were no transactions relating to previously unrecorded income that have been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (Section 43 of 1961);
- ix. (a) The Company has not obtained any loans or borrowings from any lender during the year. Accordingly, the provisions of clause 3(ix) (a) of the Order are not applicable;
(b) The Company has not been declared wilful defaulter by any bank or financial institution or government or any government authority;
(c) The Company has not obtained term loan during the year. Accordingly, the provisions of clause 3(ix)(c) of the Order are not applicable;
(d) The Company has not raised any short-term funds during the year. Accordingly, the provisions of clause 3(ix)(d) of the Order are not applicable;
(e) The Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries and hence reporting on clause 3(ix)(e) of the order is not applicable;
(f) The Company has not raised any loans during the year on the pledge of securities held in its subsidiaries, joint ventures or associate companies and hence reporting on clause 3(ix)(f) of the Order is not applicable;
- x. (a) The Company has not raised moneys by way of initial public offer or further public offer (including debt instruments) during the year and hence reporting under clause 3(x)(a) of the Order is not applicable;
(b) During the year, the Company has not made any preferential allotment or private placement of shares or convertible debentures (fully or partly or optionally) and hence reporting under clause 3(x) (b) of the Order is not applicable;
- xi. (a) No fraud by the Company and no material fraud on the Company has been noticed or reported during the year;
(b) No report under sub-section (12) of section 143 of the Companies Act has been filed in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government, during the year and up to the date of this report;
(c) As represented to us by the management, there are no whistle blower complaints received by the company during the year;
- xii. The Company is not a Nidhi Company and hence reporting under clause (xii) of the Order is not applicable;
- xiii. In our opinion, all transactions with the related parties are in compliance with Section 188 of the Act, where applicable, and the requisite details have been disclosed in the financial statements, as required by the applicable Ind AS. Further, in our opinion, the company is not required to constitute audit committee under Section 177 of the Act;
- xiv. In our opinion and based on our examination, the company does not have an internal audit system and is not required to have an internal audit system as per provisions of the Companies Act 2013 and hence reporting under clause 3(xiv)(a) and clause 3(xiv)(b) of the Order is not applicable;
- xv. In our opinion during the year the Company has not entered into any non-cash transactions with its Directors or persons connected with its directors and hence provisions of section 192 of the Companies Act, 2013 are not applicable to the Company;
- xvi. (a) In our opinion, the Company is not required to be registered
(b) under section 45-IA of the Reserve Bank of India Act, 1934.
(c) Hence, reporting under clause 3(xvi)(a), (b) and (c) of the Order is not applicable;
(d) Based on the information and explanations given to us and as represented by the management of the Company, the Group has 1 Core Investment Company;
- xvii. The Company has incurred cash losses during the financial year and in immediately preceding financial year amounting to Rs.90,075 & Rs. 12,429 covered by our audit;
- xviii. There has been no resignation of the statutory auditors of the Company during the year;
- xix. On the basis of the financial ratios, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the financial statements and our knowledge of the Board of Directors and Management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report indicating that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date.
We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due;
- xx. The provision of section 135 of Companies Act, is not applicable to company and hence reporting under clause 3(xx)(a) and 3(xx)(b) of the Order is not applicable;

For RAGHAVAN, CHAUDHURI & NARAYANAN
Chartered Accountants
FRN: 007761S

V. SATHYANARAYANAN
Partner

Place : Bengaluru
Date : 07th May, 2026

Membership No. 027716
UDIN : 26027716XJRVYT1967

HARITA TWO WHEELER MALL PRIVATE LIMITED (Formerly known as TVS Two Wheeler Mall Private Limited)

Annexure “B” to the Independent Auditors’ Report

(Referred to in paragraph 2(f) under ‘Report on Other Legal and Regulatory Requirements’ section of our report to the Members of Harita Two Wheeler Mall Private Limited)

Report on the Internal Financial Controls Over Financial Reporting under Clause (i) of subsection 3 of Section 143 of the Companies Act, 2013 (the “Act”)

We have audited the internal financial controls over financial reporting of Harita Two Wheeler Mall Private Limited as of 31st March 2026 in conjunction with our audit of the Ind AS financial statements of the Company for the year ended on that date.

Management’s Responsibility for Internal Financial Controls

The Management of the Company is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (the “ICAI”). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company’s policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act

Auditor’s Responsibility

Our responsibility is to express an opinion on the Company’s internal financial controls over financial reporting of the Company based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the “Guidance Note”) issued by the ICAI and the Standards on Auditing prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

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

We believe that the audit evidence we have obtained, is sufficient and appropriate to provide a basis for our audit opinion on the Company’s internal financial controls system over financial reporting.

Meaning of Internal Financial Controls over Financial Reporting

A company’s internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company’s internal financial control over financial reporting includes those policies and procedures that

- (1) Pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;
- (2) Provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and
- (3) Provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company’s assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls over Financial Reporting

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

Opinion

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31st March 2026 based on the criteria for internal financial control over financial reporting established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the ICAI.

For RAGHAVAN, CHAUDHURI & NARAYANAN
Chartered Accountants
FRN: 007761S

V. SATHYANARAYANAN
Partner

Place : Bengaluru
Date : 07th May, 2026

Membership No. 027716
UDIN : 26027716XJRVYT1967

HARITA TWO WHEELER MALL PRIVATE LIMITED (Formerly known as TVS Two Wheeler Mall Private Limited)

Balance Sheet as at 31st March 2026

(All numbers are in hundreds unless otherwise stated)

Particulars	Note No	As at 31st March 2026	As at 31st March 2025
ASSETS			
Current Assets			
Financial Assets			
Cash and Cash Equivalents	1	239	239
TOTAL ASSETS		239	239
EQUITY AND LIABILITIES			
Equity			
Equity Share Capital	2	250	250
Other Equity	3	(2,710)	(1,810)
TOTAL EQUITY		(2,460)	(1,560)
LIABILITIES			
Current Liabilities			
Financial Liabilities			
(i) Borrowings		-	-
(ii) Trade Payables			
a) Total outstanding dues of creditors other than micro enterprises and small enterprises	4	120	122
b) Total outstanding dues of other than (ii) (a) above		-	-
(iii) Other Financial Liabilities	5	2,579	1,677
TOTAL LIABILITIES		2,699	1,799
TOTAL EQUITY AND LIABILITIES		239	239

N SRINIVASA RAMANUJAM
Director
DIN: 07384809

Chennai
Dated: 07th May 2026

B RAJARAM
Director
DIN: 08475988

Chennai
Dated: 07th May 2026

As per our report annexed
For Raghavan, Chaudhuri & Narayanan
Chartered Accountants
ICAI Regn No. FRN 007761S

V. SATHYANARAYANAN
Partner
Membership No.: 02771
UDIN : 26027716XJRVYT1967

Bengaluru
Dated: 07th May 2026

HARITA TWO WHEELER MALL PRIVATE LIMITED (Formerly known as TVS Two Wheeler Mall Private Limited)

Statement of Profit and Loss for the year ended 31st March 2026

(All numbers are in hundreds unless otherwise stated)

Particulars	Note No	Year ended March 31, 2026	Year ended March 31, 2025
INCOME			
Revenue from operations		-	-
TOTAL INCOME			
EXPENSES			
Other expenses	6	901	124
TOTAL EXPENSE		901	124
Profit/(Loss) before tax		(901)	(124)
Tax expense:		-	-
Profit/(Loss) after tax for the year		(901)	(124)
Other Comprehensive Income		-	-
Total Comprehensive Income		(901)	(124)
Earning per equity share:			
Basic & Diluted earnings per share (in Rs)	7	(36.03)	(4.97)

N SRINIVASA RAMANUJAM
Director
DIN: 07384809

Chennai
Dated: 07th May 2026

B RAJARAM
Director
DIN: 08475988

Chennai
Dated: 07th May 2026

As per our report annexed
For Raghavan, Chaudhuri & Narayanan
Chartered Accountants
ICAI Regn No. FRN 007761S

V. SATHYANARAYANAN
Partner
Membership No.: 02771
UDIN : 26027716XJRVYT1967

Bengaluru
Dated: 07th May 2026

HARITA TWO WHEELER MALL PRIVATE LIMITED (Formerly known as TVS Two Wheeler Mall Private Limited)

CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2026

(All numbers are in hundreds unless otherwise stated)

	Year ended March 31, 2026	Year ended March 31, 2025
A. Cash Flow from Operating Activities		
Profit/(Loss) Before Tax	(901)	(124)
Operating Profit before Working Capital Changes	(901)	(124)
Change in Working Capital		
(Increase)/Decrease in Loans & Advances		
Changes in liability arising from financing activities	901	124
Change in Working Capital	901	124
Cash generated from Operations	-	-
Net Cash from Operating Activities	-	-
B. Net Cash Flow from Financing Activities		
Proceeds from Issue of Equity Shares		
Net Cash from Financing Activities	-	-
C. Net Cash Flow from Investing Activities		
Payments for Property, Plant and Equipment and Investment Property		
Net Cash from Investing Activities	-	-
Net change in Cash and Cash Equivalents	-	-
Add: Cash and Cash Equivalents as at beginning of the year	239	239
Cash and Cash Equivalents as at End of the year	239	239

N SRINIVASA RAMANUJAM

Director
DIN: 07384809

Chennai
Dated: 07th May 2026

B RAJARAM

Director
DIN: 08475988

Chennai
Dated: 07th May 2026

As per our report annexed
For Raghavan, Chaudhuri & Narayanan
Chartered Accountants
ICAI Regn No. FRN 007761S

V. SATHYANARAYANAN

Partner
Membership No.: 02771
UDIN : 26027716XJRVYT1967

Bengaluru
Dated: 07th May 2026

HARITA TWO WHEELER MALL PRIVATE LIMITED (Formerly known as TVS Two Wheeler Mall Private Limited)

STATEMENT OF CHANGES IN EQUITY FOR YEAR ENDED 31ST MARCH 2026

(All numbers are in hundreds unless otherwise stated)

A	Equity	Note No.	Amount
	Balance as at April 1, 2024	2	250
	Changes in Equity share capital during the year	2	
	Balance as at March 31, 2025		250
	Changes in Equity share capital during the year	2	-
	Balance as at March 31, 2026		250

B	Other Equity	Note No.	Retained Earnings	Total
	Balance as at April 1, 2024	3	(1,685)	(1,685)
	Total Comprehensive Income	3	(124)	(124)
	Balance as at March 31, 2025		(1,810)	(1,810)
	Total Comprehensive Income	3	(901)	(901)
	Balance as at March 31, 2026		(2,710)	(2,710)

N SRINIVASA RAMANUJAM
Director
DIN: 07384809

Chennai
Dated: 07th May 2026

B RAJARAM
Director
DIN: 08475988

Chennai
Dated: 07th May 2026

As per our report annexed
For Raghavan, Chaudhuri & Narayanan
Chartered Accountants
ICAI Regn No. FRN 007761S

V. SATHYANARAYANAN
Partner
Membership No.: 02771
UDIN : 26027716XJRVYT1967

Bengaluru
Dated: 07th May 2026

HARITA TWO WHEELER MALL PRIVATE LIMITED (Formerly known as TVS Two Wheeler Mall Private Limited)

Brief Description of the Company:

The Company was incorporated on 22nd August 2017 under the name of Harita two Wheeler Mall Private Limited, wholly owned subsidiary of TVS Credit Services Limited. The Company is yet to commence its business

Material Accounting Policies forming part of Financial Statements

a. Basis of preparation of financial statements

The financial statements are prepared on historical cost convention, on a going concern basis and in accordance with the applicable Indian Accounting Standard (Ind AS) as notified under Section 133 in the Companies Act, 2013. All expenses and income to the extent ascertained with reasonable certainty are accounted for on accrual basis.

b. Use of estimates

The preparation of the financial statements in conformity with the applicable Accounting Standard requires management to make estimates and assumptions that affect the reported amount of assets, liabilities, revenues and expenses

and disclosure of contingent liabilities on the date of financial statement. The recognition, measurement, classification or disclosure of an item or information in the financial statement has been made relying on these estimates.

c. Cash Flow Statement

Cash flow statement is prepared under "Indirect Method" and the same is annexed.

d. Contingencies and events occurring after balance sheet date

There are no contingencies that need to be provided as on the balance sheet date.

e. Functional Currency:

Functional and presentation currencies:

Items included in the financial statements are measured using the currency of the primary economic environment in which the Company operates ('the functional currency'). i.e in Indian rupees (INR) and all values are rounded off to nearest hundreds except where otherwise indicated.

HARITA TWO WHEELER MALL PRIVATE LIMITED (Formerly known as TVS Two Wheeler Mall Private Limited)

NOTES TO BALANCE SHEET

(All numbers are in hundreds unless otherwise stated)

	As at 31st March 2026	As at 31st March 2025
1 Cash and cash equivalents		
Balances with banks	239	239
Total cash and cash equivalents	239	239

2 Share Capital

	Number of Shares	Amount
i) Authorised Share Capital:		
Equity shares of Rs.10/- each	2,500	250
ii) Issued, Subscribed and Fully Paid up Share Capital:		
Equity shares of Rs.10/- each	2,500	250
iii) Movement in equity share capital		
	Number of Shares	Amount
Equity Shares as at April 1, 2024	2,500	250
Additions	-	-
Equity Shares as at March 31, 2025	2,500	250
Additions	-	-
Equity Shares as at March 31, 2026	2,500	250

iv) Details of share holders holding more than 5% & Shares held by holding company

Name of the Share Holder	As on March 31, 2025	
	No. of Shares	%
TVS Credit Services Limited	2,500	100%

Name of the Share Holder	As on March 31, 2026	
	No. of Shares	%
TVS Credit Services Limited	2,500	100%

v) Terms / Rights attached

The company has only one class of equity shares having a par value of Rs.10/- per share. Each shareholder has a right to participate in General Meeting and is eligible for one vote per share held. Residual interest in the assets of the company. Every shareholder is also entitled to right of inspection of documents as provided in the Companies Act, 2013.

	As at 31st March 2026	As at 31st March 2025
3 Other Equity		
Retained Earnings	(2,710)	(1,810)
Total Other Equity	(2,710)	(1,810)
Retained Earnings		
Opening Balance	(1,810)	(1,685)
Add: Net profit for the year	(901)	(124)
Closing Balance	(2,710)	(1,810)

4 Trade Payables

Particulars	Outstanding for the following periods from due date of payment as at 31st march 2026				
	<1 year	1-2 years	2-3 years	More than 3 Years	Total
Undisputed dues- MSME	-	-	-	-	-
Undisputed dues- Others	120	-	-	-	120
Disputed dues- MSME	-	-	-	-	-
Disputed dues- Others	-	-	-	-	-
TOTAL	120	-	-	-	120

Particulars	Outstanding for the following periods from due date of payment as at 31st march 2025				
	<1 year	1-2 years	2-3 years	More than 3 Years	Total
Undisputed dues- MSME	-	-	-	-	-
Undisputed dues- Others	100	-	22	-	122
Disputed dues- MSME	-	-	-	-	-
Disputed dues- Others	-	-	-	-	-
TOTAL	100	-	22	-	122

*Dues to Micro and Small Enterprises have been determined to the extent such parties have been identified on the basis of information collected by the management. The entire closing balance represents the principal amount payable to these enterprises. There are no undisputed overdues on Principal and no interest due or outstanding.

5 Other Financial Liabilities

	Amount as at March 31, 2026	Amount as at March 31, 2025
Payable to Holding Company	2,579	1,677
Total Other Financial Liabilities	2,579	1,677

NOTES TO STATEMENT OF PROFIT AND LOSS

	For the Year ended March 31, 2026	For the Year ended March 31, 2025
6 Other Expenses		
Professional charges	793	-
Rates and taxes	8	24
Payment to Auditors		
- As Auditor	100	100
Bank Charges	-	-
Total Other Expenses	901	124

7 Earnings per share (Basic and Diluted)

Earnings attributable to equity share holders	(901)	(124)
Number of Shares	2,500	2,500
Earnings per Share (in Rs.)	(36.03)	(4.97)

HARITA TWO WHEELER MALL PRIVATE LIMITED (Formerly known as TVS Two Wheeler Mall Private Limited)

Additional Notes forming part of Financial Statements for year ended 31st March 2026

i. There are no dues to micro medium small enterprises and hence the particulars required under notification no GSR 719(E) dt. 16.11.07 is not furnished.

ii. Related Party Disclosures:

Reporting Entity:

Relationship	Name
Enterprise having Control	TVS Credit Services Limited
Subsidiary Company	Nil
Associate Companies	Nil
Key Management Personnel	Nil

Transactions with Related Parties

Nature of Transaction	Name of the Related Party	(In Hundreds)	
		Amount (Rs.) FY 2025-26	Amount (Rs.) FY 2024-25
Advance Received	TVS Credit Services Limited	902	260.29
Balance Payable as at the end of the year	TVS Credit Services Limited	2,579	1,677

iii. Additional regulatory information not disclosed elsewhere in the standalone financial statements

- (a) There are no properties / assets which are not held or registered in the name of the Company (benami property). No proceedings have been initiated on or are pending against the Company for holding benami property under the Benami Transactions (Prohibition) Act, 1988 (as amended in 2016) and rules made thereunder.
- (b) Transactions and balances with companies which have been removed from register of Companies [struck off companies under section 248 of the Companies Act, 2013 or section 560 of the Companies Act, 1956.] as at the above reporting periods is Nil.
- (c) The Company has not traded / invested in Crypto currency or Virtual Currency during the year.
- (d) The Company does not have any charges or satisfaction which is yet to be registered with Registrar of Companies beyond the statutory period.
- (e) The Company has not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall:
 - (i) 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
 - (ii) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.
- (f) The Company has not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Company shall
 - (i) 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
 - (ii) provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries,
- (g) The Company has no 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).
- (h) The Company has not granted any loans or advances in the nature of loans to promoters, directors, KMPs and the related parties (as defined under Companies Act, 2013), either severally or jointly with any other person.
- (i) The Company has not been declared wilful defaulter by any bank or financial institution or other lender or government or any government authority.

HARITA TWO WHEELER MALL PRIVATE LIMITED (Formerly known as TVS Two Wheeler Mall Private Limited)

iv. DISCLOSURE OF RATIOS

Ratio	Description of numerator	Description of denominator	Ratio 31.03.2026	Ratio 31.03.2025	Variance	Reasons for variance
(a) Current ratio	Current Assets	Current Liabilities	0.09	0.13	-33.35%	Decrease in Liabilities
(b) Debt-equity ratio	Short term borrowings + Long term Borrowings	Shareholders' fund	NA	NA	NA	
(c) Debt service coverage ratio	Profit after Tax + Non Cash Expense + Interest on borrowings + Loss on sale of fixed assets	Interest on term loans + Principal of term loans	NA	NA	NA	
(d) Return on equity ratio	Profit after tax	Equity share capital	0.37	0.08	359.39%	Increase in expenses
(e) Inventory turnover ratio	Cost of goods sold	Average Inventory	NA	NA	NA	
(f) Trade receivables turnover ratio	Net Credit Sales	Average accounts receivable	NA	NA	NA	
(g) Trade payables turnover ratio	Net Credit Purchase	Average accounts payable	NA	NA	NA	
(h) Net capital turnover ratio	Revenue from Operations	Working Capital	NA	NA	NA	
(i) Net profit ratio	Profit after tax	Revenue from operations	NA	NA	NA	
(j) Return on capital employed	EBIT	Shareholders' fund+ Long term borrowings	36.61%	7.97%	359.39%	Increase in expenses
(k) Return on investment	Profit after tax	Equity shareholders' Fund	36.61%	7.97%	359.39%	Increase in expenses

v. All the numbers have been rounded off to nearest hundreds except shares and EPS.

TVS HOUSING FINANCE PRIVATE LIMITED

Directors' Report to the Shareholders of the Company

The directors present the Eighth Annual Report together with the Annual Audited Statement of Accounts for the year ended 31st March 2025.

Financial Highlights

The Company is yet to commence its operations. However, the Company has generated an interest income of Rs. 1,08,32,000/- and earned a profit of Rs. 81,28,000/- for FY 2024-25.

Dividend

The directors, in order to conserve the resources for its future business activities, have not proposed any dividend for the period under review.

Internal control systems

The Company has adequate internal control systems to ensure operational efficiency, accuracy and promptness in financial report and compliance of various laws and regulations.

The Company has well-documented Standard Operating Procedures (SOPs), policies and procedures for various processes which are periodically reviewed.

Risk Management

The Company has in place a mechanism to identify, assess, monitor and mitigate various risks to key business objectives. Major risks identified would be systematically addressed through mitigating actions on a continuous basis. These are being discussed at the meetings of the audit committee and the Board of directors of the Company.

As a process, the risks associated with the business are identified and prioritized based on Severity, Likelihood and Effectiveness of current detection. Such risks are reviewed by the senior management on a quarterly basis. Process owners are identified for each risk and matrix are developed for monitoring and reviewing the risk mitigation.

Directors' responsibility statement

Pursuant to the requirement of Section 134(3)(c) read with 134(5) of the Companies Act, 2013 (Act, 2013) with respect to Director's Responsibility Statement, it is hereby stated that:

- (a) in the preparation of the annual accounts for the period from 1st April 2024 to 31st March 2025, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- (b) the directors had selected such accounting policies and applied them consistently and made judgments and estimates that were reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year and of the loss of the Company for that period;
- (c) the directors had taken proper and sufficient care for maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;
- (d) the directors had prepared the annual accounts on a going concern basis; and
- (e) the directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

Directors liable to retire by rotation

In terms of the provisions of the Companies Act, 2013 all the directors, viz., Mr Venu Srinivasan and Mr Sudarshan Venu directors of the Company retire from the office at the ensuing Annual General Meeting and being eligible, offer themselves for re-appointment.

Number of board meetings held

During the period under review, the board met 4 times on 3rd May 2024, 14th August 2024, 22nd November 2024 and on 10th February 2025 and the gap between the two meetings did not exceed one hundred and twenty days.

Key Managerial Personnel (KMPs)

During the year, Mr V Gopalakrishnan had resigned as Chief Financial Officer of the Company with effect from 10th February 2025 and Mr N S Ramanujam was appointed as Chief Financial Officer with effect from 10th February 2025. Mr N S Ramanujam, Chief Financial Officer and Ms Priyaavarshini, Company Secretary are the Key Managerial Personnels of the Company pursuant to Section 2(51) and Section 203 of the Act 2013, read with the Rules framed thereunder.

Statutory Auditors

On the recommendation of the Board of Directors of the Company, members of the Company appointed M/s. Raghavan, Chaudhuri & Narayanan, Chartered Accountants as Statutory Auditors of the Company at the 4th Annual General Meeting of the Company for a term of 5 consecutive years pursuant to Section 139 of the Act, 2013, at such remuneration in addition to applicable taxes, out of pocket expenses, travelling and other expenses as may be mutually agreed between the Board of Directors of the Company and the Auditors. The Statutory Auditors will continue to hold office for the fifth year in the term of five consecutive years, from the conclusion of this Annual General Meeting.

The Auditors' Reports for the financial year 2024-25 do not contain any qualifications, reservations and adverse remarks and the same is attached with the annual financial statements.

The Company has obtained necessary certificate under Section 141 of the Act 2013 conveying their eligibility for being statutory auditors of the Company for the year 2025-26.

Disclosures

During the year, there were no transactions requiring disclosure or reporting in respect of matters relating to:

- (a) details relating to deposits covered under Chapter V of the Act;
- (b) issue of equity shares with differential rights as to dividend, voting or otherwise;
- (c) issue of shares (including sweat equity shares) to employees of the Company under any scheme;
- (d) raising of funds through preferential allotment or qualified institutions placement;
- (e) significant or material order passed by the Regulators or Courts or Tribunals which impact the going concern status and Company's operations in future;
- (f) pendency of any proceeding under the Insolvency and Bankruptcy Code, 2016 and instance of one-time settlement with any bank or financial institution.

Material changes and commitments

There have been no material changes and commitments affecting the financial position of the Company, which have occurred between the end of the financial year of the Company to which the financial statements relate and the date of the report.

Details of material related party transactions:

All contracts / arrangements entered by the Company during the period ended 31st March 2025 with related parties were in the ordinary course of business and at arm's length price in terms of section 188 read with the Companies (Meetings of board and its powers) Rules, 2014.

Pursuant to the provisions of section 134(h) of the Act 2013 read with rule 8(2) of the Companies (Accounts) Rules 2014, the particulars of contracts or arrangements entered into by the Company with Related Parties have been done at arm's length and are in the ordinary course of business.

Related Party disclosures as per the Indian Accounting Standards have been provided in Note 3 of Additional Notes forming part of the financial statements.

Employee's remuneration:

There are currently no employees in the Company, hence the requirement of attaching a statement under Section 197 of the Companies Act 2013, read with Rule 5(2) of the Companies (Appointment

and Remuneration of Managerial Personnel) Rules, 2014 containing the details of employee's remuneration is not applicable.

Details of loans / guarantees / investments made:

As regards furnishing the details of loans, guarantees and investments made by the Company as per Section 186 of the Act 2013 for the financial year 2024-25, the Company has not extended any guarantee or has given loans to other companies during the period under review.

Conservation of energy, technology absorption, foreign exchange earnings and outgo:

The provisions of Section 134(3)(m) of the Act 2013 and the rules made there-under relating to the information and details on conservation of energy, technology absorption do not apply to the Company, as the Company is not a manufacturing company and there are no foreign exchange earnings and outgo.

Reporting of fraud:

The Auditors of the Company have not reported any fraud as specified under Section 143(12) of the Act 2013.

Maintenance of cost records

The maintenance of cost records has not been specified by the Central Government under Section 148(1) of the Companies Act, 2013 for the business activities carried out by the Company.

Disclosure in terms of Sexual Harassment of Women at workplace (Prevention, Prohibition and Redressal) Act, 2013:

The Company was not required to constitute an Internal Complaints Committee as required under The Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 since there are no employees in the Company.

During the period under review, there were no cases filed pursuant to the provisions of Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

During the period under review, there were no foreign earnings or expenditure in the Company.

Acknowledgement

The directors gratefully acknowledge the continued support and co-operation received from the holding company viz., TVS Credit Services Limited. The directors thank the bankers for their continued support and assistance.

For and on behalf of the Board

Place : Chennai
Date : 28th April 2025

Venu Srinivasan	Sudarshan Venu
Director	Director
DIN: 00051523	DIN: 03601690

TVS HOUSING FINANCE PRIVATE LIMITED

INDEPENDENT AUDITOR'S REPORT FOR THE YEAR ENDED 31ST MARCH 2026

To the Members of TVS Housing Finance Private Limited

Report on the Audit of the Stand-alone financial statements

Opinion

We have audited the accompanying standalone financial statements of **TVS Housing Finance Private Limited** ("the Company"), having its registered office at "Chaitanya", No.12, Khader Nawaz Khan Road, Nungambakkam, Chennai-600 006, Tamil Nadu which comprise the Balance Sheet as at 31st March 2026, the Statement of Profit and Loss, the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and a summary of the 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 standalone financial statements give the information required by the Companies Act, 2013 ('Act') in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India including Indian Accounting Standards ('Ind AS') specified under section 133 of the Act, of the state of affairs of the Company as at 31st March 2026, and its profit, total comprehensive profit, its cash flows and the changes in equity for the year ended on that date.

Basis for Opinion

We conducted our audit of the standalone financial statements in accordance with the Standards on Auditing specified under section 143(10) of the Act. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the 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 Standalone financial statements under the provisions of the Act and the rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Information Other than the Standalone Financial Statements and Auditor's Report Thereon

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in Annual Report to the Shareholders but does not include the standalone financial statements and our auditor's report thereon. The Annual Report to the Shareholders is expected to be made available to us after the date of this Auditor's Report.

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

In connection with our audit of the standalone financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

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

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these standalone financial statements that give a true and fair view of the state of affairs (financial position), profit or loss (financial performance) including other comprehensive income, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Ind AS specified under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of 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 standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the standalone financial statements, management 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 management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

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

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

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

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

- Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, and also under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on internal financial controls system over financial reporting and operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of 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 standalone 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 standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

We also provide those charged with governance, 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.

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

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2020 (the "Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order
2. As required by section 143(3) of the Act, we report that
 - (a) we have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
 - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
 - (c) The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, Statement of Changes in Equity and the Statement of Cash Flows dealt with by this Report are in agreement with the books of account;
 - (d) In our opinion, the aforesaid standalone financial statements comply with Ind AS specified under section 133 of the Act;
 - (e) On the basis of the written representations received from the directors and taken on record by the Board of Directors, none of the directors is disqualified as on 31st March 2026 from being appointed as a director in terms of section 164(2) of the Act;
 - (f) With respect to the adequacy of the internal financial controls with reference to Financial Statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls with reference to Financial Statements.
 - (g) With respect to the matter to be included in the Auditors' Report under Section 197(16) of the Act. In our opinion and according to the information and explanations given to us, the Company has not paid any remuneration to its directors.
 - (h) With respect to the other matters to be included in the Auditor's Report in accordance with rule 11 of the Companies (Audit and Auditors) Rules, 2014 (as amended), in our opinion and to the best of our information and according to the explanations given to us:
 - (i) There are no pending litigations as at 31st March 2026;
 - (ii) The company did not have any long-term contracts including derivatives contracts for which there were any material foreseeable losses as at 31 March 2026;
 - (iii) There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company;

- (iv) (a) The Management has represented that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person or entity, including foreign entity ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;
- (b) The Management has represented, that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been received by the Company from any person or entity, including foreign entity ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, 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.
- (c) Based on the audit procedures that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (a) and (b) above, contain any material misstatement.
- (v) The Company has not declared any dividends during the year.
- (vi) Based on our examination, which included test checks, the Company has used accounting software systems for maintaining its books of account for the financial year ended March 31, 2026 which have the feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the software systems. Further, during the course of our audit we did not come across any instance of the audit trail feature being tampered with and the audit trail has been preserved by the Company as per the statutory requirements for record retention.

For RAGHAVAN, CHAUDHURI & NARAYANAN.,
Chartered Accountants
FRN.007761S

V. SATHYANARAYANAN
Partner

Place : Bengaluru
Date : 06th May, 2026

Membership No. 027716
UDIN : 26027716ZVZTHH3520

TVS HOUSING FINANCE PRIVATE LIMITED

Annexure "A" to Independent Auditors' Report 31st March 2026

(Referred to in our report of even date)

To the best of our information and according to the explanations provided to us by the Company and the books of account and records examined by us in the normal course of audit, we state that:

- i (a to d) The Company does not own any property plant & equipment, Intangible assets & right to use assets. Accordingly, Clause 3(i)(a) to 3(i)(d) of the Order is not applicable to the company;
- (e) No proceedings have been initiated during the year or are pending against the Company as at March 31, 2026 for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (as amended in 2016) and rules made thereunder;
- ii. (a) The Company does not have any inventory. Accordingly, Clause 3(ii)(a) of the Order is not applicable to the company;
- (b) The Company has not been sanctioned working capital limits in excess of ₹ 5 crore, in aggregate, at any points of time during the year, from banks or financial institutions on the basis of security of current assets and hence reporting under clause 3(ii)(b) of the Order is not applicable;
- iii. The Company has not made investments and has not provided any Guarantee or security or granted any loans or advances in nature of loans secured or unsecured to companies, firms, Limited Liability Partnerships, or any other parties, during the year. Accordingly, the provision of clause 3(iii)(a) to 3 (iii)(f) of the order is not applicable;
- iv. In our opinion, the Company has not entered any transaction covered under Sections 185 and 186 of the Act. Accordingly, the provisions of clause 3(iv) of the Order are not applicable;
- v. The Company has not accepted any deposit or amounts which are deemed to be deposits. Hence, reporting under clause 3(v) of the Order is not applicable;
- vi. The maintenance of cost records has not been specified by the Central Government under sub-section (1) of section 148 of the Companies Act, 2013 for the business activities carried out by the Company. Hence, reporting under clause (vi) of the Order is not applicable to the Company;
- vii. In respect of statutory dues:
 - (a) According to the records of the Company, the Company does not have the liability to deposit statutory dues including Provident Fund, Employees' State Insurance, Custom duty, Income Tax, Goods and Service Tax and Cess and other material statutory dues with the appropriate authorities;
 - (b) According to the information and explanations given to us, there are no dues of Income Tax and Goods and Service Tax which have not been deposited on account of any dispute.

- viii. There were no transactions relating to previously unrecorded income that have been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (Section 43 of 1961);
- ix. (a) The Company has not obtained any loans or borrowings from any lender during the year. Accordingly, the provisions of clause 3(ix)(a) of the Order are not applicable;
- (b) The Company has not been declared wilful defaulter by any bank or financial institution or government or any government authority;
- (c) The Company has not obtained term loan during the year. Accordingly, the provisions of clause 3(ix)(c) of the Order are not applicable;
- (d) The Company has not raised any short-term funds during the year. Accordingly, the provisions of clause 3(ix)(d) of the Order are not applicable;
- (e) The Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries and hence reporting on clause 3(ix)(e) of the order is not applicable;
- (f) The Company has not raised any loans during the year on the pledge of securities held in its subsidiaries, joint ventures or associate companies and hence reporting on clause 3(ix)(f) of the Order is not applicable;
- x. (a) The Company has not raised moneys by way of initial public offer or further public offer (including debt instruments) during the year and hence reporting under clause 3(x)(a) of the Order is not applicable;
- (b) During the year, the Company has not made any preferential allotment or private placement of shares or convertible debentures (fully or partly or optionally) and hence reporting under clause 3(x)(b) of the Order is not applicable;
- xi. (a) No fraud by the Company and no material fraud on the Company has been noticed or reported during the year;
- (b) No report under sub-section (12) of section 143 of the Companies Act has been filed in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government, during the year and up to the date of this report;
- (c) As represented to us by the management, there are no whistle blower complaints received by the company during the year;
- xii. The Company is not a Nidhi Company and hence reporting under clause (xii) of the Order is not applicable;

- xiii. In our opinion, all transactions with the related parties are in compliance with Section 188 of the Act, where applicable, and the requisite details have been disclosed in the financial statements, as required by the applicable Ind AS. Further, in our opinion, the company is not required to constitute audit committee under Section 177 of the Act;
- xiv. In our opinion and based on our examination, the company does not have an internal audit system and is not required to have an internal audit system as per provisions of the Companies Act 2013 and hence reporting under clause 3(xiv)(a) and clause 3(xiv)(b) of the Order is not applicable;
- xv. In our opinion during the year the Company has not entered into any non-cash transactions with its Directors or persons connected with its directors and hence provisions of section 192 of the Companies Act, 2013 are not applicable to the Company;
- xvi. (a) In our opinion, the Company is not required to be registered under section (b) 45-IA of the Reserve Bank of India Act, 1934. Hence, reporting under clause (c) 3(xvi)(a), (b) and (c) of the Order is not applicable;
(d) Based on the information and explanations given to us and as represented by the management of the Company, the Group has 1 Core Investment Company;
- xvii. The Company has not incurred cash losses during the financial year and in immediately preceding financial year covered by our audit;
- xviii. There has been no resignation of the statutory auditors of the Company during the year;
- xix. On the basis of the financial ratios, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the financial statements and our knowledge of the Board of Directors and Management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report indicating that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due;
- xx. The provision of section 135 of Companies Act, is not applicable to company and hence reporting under clause 3(xx)(a) and 3(xx)(b) of the Order is not applicable;

For RAGHAVAN, CHAUDHURI & NARAYANAN.,
Chartered Accountants
FRN.007761S

V. SATHYANARAYANAN
Partner

Place : Bengaluru
Date : 06th May, 2026

Membership No. 027716
UDIN : 26027716ZVZTHH3520

TVS HOUSING FINANCE PRIVATE LIMITED

Annexure “B” to Independent Auditors’ Report 31st March 2026

(Referred to in paragraph 2(f) under ‘Report on Other Legal and Regulatory Requirements’ section of our report to the Members of TVS Housing Finance Private Limited)

Report on the Internal Financial Controls Over Financial Reporting under Clause (i) of subsection 3 of Section 143 of the Companies Act, 2013 (the “Act”)

We have audited the internal financial controls over financial reporting of TVS Housing Finance Private Limited as of 31st March 2026 in conjunction with our audit of the Ind AS financial statements of the Company for the year ended on that date.

Management’s Responsibility for Internal Financial Controls

The Management of the Company is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (the “ICAI”). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company’s policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act

Auditor’s Responsibility

Our responsibility is to express an opinion on the Company’s internal financial controls over financial reporting of the Company based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the “Guidance Note”) issued by the ICAI and the Standards on Auditing prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

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

We believe that the audit evidence we have obtained, is sufficient and appropriate to provide a basis for our audit opinion on the Company’s internal financial controls system over financial reporting.

Meaning of Internal Financial Controls over Financial Reporting

A company’s internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial

statements for external purposes in accordance with generally accepted accounting principles. A company’s internal financial control over financial reporting includes those policies and procedures that

- (1) Pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;
- (2) Provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and
- (3) Provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company’s assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls over Financial Reporting

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

Opinion

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31st March 2026 based on the criteria for internal financial control over financial reporting established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the ICAI.

For RAGHAVAN, CHAUDHURI & NARAYANAN.,
Chartered Accountants
FRN.007761S

V. SATHYANARAYANAN
Partner

Place : Bengaluru
Date : 06th May, 2026

Membership No. 027716
UDIN : 26027716ZVZTHH3520

TVS HOUSING FINANCE PRIVATE LIMITED

Balance Sheet as at 31st March 2026

(Amount in Thousands unless otherwise stated)

Particulars	Note No.	As on March 31, 2026	As on March 31, 2025
ASSETS			
Current Assets			
Financial Assets			
(i) Cash and Cash equivalents	1	7,177	6,581
(ii) Bank balances other than Cash and Cash Equivalents	2	1,64,945	1,55,935
(iii) Current Tax Assets (Net)	3	2,993	2,792
Non Financial Assets			
(i) Other Non Financial Assets	4	0	354
TOTAL ASSETS		1,75,115	1,65,662
EQUITY AND LIABILITIES			
Equity			
(i) Share Capital	5	1,20,000	1,20,000
(ii) Other Equity	6	50,398	42,995
TOTAL EQUITY		1,70,398	1,62,995
LIABILITIES			
Current Liabilities			
Financial Liabilities			
(i) Borrowings		-	-
(ii) Trade Payables			
a) Total outstanding dues of creditors other than micro enterprises and small enterprises	7	10	10
b) Total outstanding dues of other than (ii) (a) above		-	-
(iii) Other Financial Liabilities	8	2,028	-
Current tax liabilities (Net)	9	2,679	2,658
TOTAL LIABILITIES		4,717	2,668
TOTAL EQUITY AND LIABILITIES		1,75,115	1,65,662

Venu Srinivasan
Chairman
DIN: 00051523

Priyaavarshini
Company secretary

Chennai
Dated: 06th May 2026

N S Ramanujam
Chief Financial Officer

Chennai
Dated: 06th May 2026

As per our report annexed
For Raghavan, Chaudhuri & Narayanan
Chartered Accountants
ICAI Regn No: 007761S

V. SATHYANARAYANAN
Partner
Membership No.: 027716
UDIN: 26027716ZVZTHH3520

Bengaluru
Dated: 06th May 2026

TVS HOUSING FINANCE PRIVATE LIMITED

Statement of Profit and Loss for the year ended 31st March 2026

(Amount in Thousands unless otherwise stated)

Particulars	Note No	Year ended March 31, 2026	Year ended March 31, 2025
<u>INCOME</u>			
Revenue from operations		-	-
Other Income	10	10,643	10,832
Total revenue		10,643	10,832
<u>EXPENSES</u>			
Other expenses	11	561	46
Total Expense		561	46
Profit before tax		10,082	10,786
Tax expense:			
Current year taxes		2,679	2,658
Tax relating to earlier years		-	-
Profit/(Loss) after tax for the year		7,403	8,128
Earning per equity share (in Rs):	12	0.62	0.68

Venu Srinivasan
Chairman
DIN: 00051523

Priyaavarshini
Company secretary

Chennai
Dated: 06th May 2026

N S Ramanujam
Chief Financial Officer

Chennai
Dated: 06th May 2026

As per our report annexed
For Raghavan, Chaudhuri & Narayanan
Chartered Accountants
ICAI Regn No: 007761S

V. SATHYANARAYANAN
Partner
Membership No.: 027716
UDIN: 26027716ZVZTHH3520

Bengaluru
Dated: 06th May 2026

TVS HOUSING FINANCE PRIVATE LIMITED

CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2026

(Amount in Thousands unless otherwise stated)

	Year ended March 31, 2026	Year ended March 31, 2025
A. CASH FLOW FROM OPERATING ACTIVITIES		
1. Profit/(Loss) Before Tax	10,082	10,786
Interest Income	-	-
Operating Profit before Working Capital Changes	10,082	10,786
Change in Working Capital		
(Increase)/Decrease in Short Term Receivable	153	(6,834)
Increase/(Decrease) in Trade and other Payables	2,049	(14)
Change in Working Capital	2,202	(6,848)
Cash generated from Operations	12,284	3,938
Income Tax Paid	(2,679)	(2,734)
Net Cash from Operating Activities	9,605	1,204
B. NET CASH FLOW FROM FINANCING ACTIVITIES		
Borrowings	-	-
(Investment)/Proceeds in Fixed deposit	(9,009)	5,000
Net Cash from Financing Activities	(9,009)	5,000
C. NET CASH FLOW FROM INVESTING ACTIVITIES		
Payments for Property, Plant and Equipment and Investment Property	-	-
Net Cash from Investing Activities	-	-
D. NET CHANGE IN CASH AND CASH EQUIVALENTS	596	6,204
Add: Cash and Cash Equivalents as at Beginning	6,581	376
Cash and Cash Equivalents as at End	7,177	6,581

Venu Srinivasan
Chairman
DIN: 00051523

Priyaavarshini
Company secretary

Chennai
Dated: 06th May 2026

N S Ramanujam
Chief Financial Officer

Chennai
Dated: 06th May 2026

As per our report annexed
For Raghavan, Chaudhuri & Narayanan
Chartered Accountants
ICAI Regn No: 007761S

V. SATHYANARAYANAN
Partner
Membership No.: 027716
UDIN: 26027716ZVZTHH3520

Bengaluru
Dated: 06th May 2026

TVS HOUSING FINANCE PRIVATE LIMITED

STATEMENT OF CHANGES IN EQUITY

(Amount in Thousands unless otherwise stated)

A	Equity	Note No.	Amount
	Balance as at March 31, 2024	5	1,20,000
	Changes in Equity share capital during the year	5	-
	Balance as at March 31, 2025		1,20,000
	Changes in Equity share capital during the year		-
	Balance as at March 31, 2026		1,20,000

B	Other Equity	Note No.	Retained Earnings	Total
	Balance as at April 1, 2024	6	34,866	34,866
	Profit for the period	6	8,128	8,128
	Other comprehensive income	6	-	-
	Balance as at March 31, 2025		42,995	42,995
	Profit for the period	6	7,403	7,403
	Other comprehensive income	6	-	-
	Balance as at March 31, 2026		50,398	50,398

Venu Srinivasan
Chairman
DIN: 00051523

Priyaavarshini
Company secretary

Chennai
Dated: 06th May 2026

N S Ramanujam
Chief Financial Officer

Chennai
Dated: 06th May 2026

As per our report annexed
For Raghavan, Chaudhuri & Narayanan
Chartered Accountants
ICAI Regn No: 007761S

V. SATHYANARAYANAN
Partner
Membership No.: 027716
UDIN: 26027716ZVZTHH3520

Bengaluru
Dated: 06th May 2026

TVS HOUSING FINANCE PRIVATE LIMITED

Brief Description of the company:

The Company was incorporated on 22nd August 2017 under the name of TVS Housing Finance Private Limited, wholly owned subsidiary of TVS Credit Services Limited. The company is yet to commence its business

Material Accounting Policies forming part of Financial Statements

a. Basis of preparation of financial statements

The financial statements are prepared on historical cost convention, on a going concern basis and in accordance with the applicable Indian Accounting Standard (Ind AS) as notified under Section 133 in the Companies Act, 2013. All expenses and income to the extent ascertained with reasonable certainty are accounted for on accrual basis.

b. Use of estimates

The preparation of the financial statements in conformity with the applicable Accounting Standard requires management to make estimates and assumptions that affect the reported amount of assets, liabilities, revenues and expenses and disclosure of contingent liabilities on the date of financial statement. The recognition, measurement, classification or disclosure of an item or information in the financial statement has been made relying on these estimates.

c. Cash Flow Statement

Cash flow statement is prepared under "Indirect Method" and the same is annexed.

d. Taxes on Income

The income tax expense or credit for the period is the tax payable on the current period's taxable income based on the applicable income tax rate for each jurisdiction.

e. Contingencies and events occurring after balance sheet date

There are no contingencies that need to be provided as on the balance sheet date.

f. Functional Currency:

Functional and presentation currencies:

Items included in the financial statements are measured using the currency of the primary economic environment in which the Company operates ('the functional currency'). i.e. in Indian rupees (INR) and all values are rounded off to nearest thousands except where otherwise indicated.

TVS HOUSING FINANCE PRIVATE LIMITED

NOTES TO BALANCE SHEET

(in Rs.)

(Amount in Thousands unless otherwise stated)

	As on March 31, 2026	As on March 31, 2025
1 Cash and cash equivalents		
Balances with banks	7,177	6,581
Total cash and cash equivalents	7,177	6,581
2 Balances with Banks other than Cash and Cash Equivalents		
Deposits with banks	1,08,900	1,08,900
Interest accrued on Fixed Deposits	56,045	47,035
Total Balances with Banks other than Cash and Cash Equivalents	1,64,945	1,55,935
3 Current tax Assets (Net)		
Advance tax and TDS receivable	2,993	2,792
Total Current tax Assets (Net)	2,993	2,792
4 Other Advances		
Other advances	-	354
Total Current tax Assets (Net)	-	354

	Number of Shares	Amount

5 Share Capital		
i) Authorised Share Capital:		
Equity shares of Rs.10/- each	1,20,00,000	12,00,000
ii) Issued, Subscribed and Fully Paid up Share Capital:		
Equity shares of Rs.10/- each	1,20,00,000	12,00,000
iii) Movement in equity share capital		

Equity Shares as at April 1, 2024	12,00,000	120,000
Additions	-	-
Equity Shares as at April 1, 2025	12,00,000	120,000
Additions	-	-
Equity Shares as at March 31, 2026	12,00,000	120,000

iv) Details of share holders holding more than 5%

Details of Promoter Share Holder

	As on March 31, 2025	
	No. of Shares	%
TVS Credit Services Limited	1,20,00,000	100.00

Details of Promoter Share Holder

	As on March 31, 2026	
	No. of Shares	%
TVS Credit Services Limited	1,20,00,000	100.00

v) Terms / Rights attached

The company has only one class of equity shares having a par value of Rs.10/- per share. Each shareholder has a right to participate in General Meeting and is eligible for one vote per share held.

	Amount as at 31st March 2026	Amount as at 31st March 2025
6 Other Equity		
Retained Earnings	50,398	42,995
Total Other Equity	50,398	42,995
Retained Earnings		
i) Opening Balance	42,995	34,866
Add: Net profit for the year	7,403	8,128
Closing Balance	50,398	42,995

7 Trade Payables

Particulars	2026				
	<1 year	1-2 years	2-3 years	More than 3 Years	Total
Undisputed dues- MSME	-	-	-	-	-
Undisputed dues- Others	10	-	-	-	10
Disputed dues- MSME	-	-	-	-	-
Disputed dues- Others	-	-	-	-	-
TOTAL	10	-	-	-	10

Particulars	2025				
	<1 year	1-2 years	2-3 years	More than 3 Years	Total
Undisputed dues- MSME	-	-	-	-	-
Undisputed dues- Others	10	-	-	-	10
Disputed dues- MSME	-	-	-	-	-
Disputed dues- Others	-	-	-	-	-
TOTAL	10	-	-	-	10

	Amount as at March 31, 2026	Amount as at March 31, 2025
8 Other Financial Liabilities		
Payable to Holding Company	2,028	-
Total other Financial Liabilities	2,028	-

9 Current Tax Liability

	Amount as at March 31, 2026	Amount as at March 31, 2025
Provision for Taxation	2,679	2,658
Total Current Tax Liability	2,679	2,658

NOTES TO STATEMENT OF PROFIT AND LOSS

(Amount in Thousands unless otherwise stated)

10 Other Income

	Year ended March 31, 2026	Year ended March 31, 2025
Interest Income	10,643	10,832
Total Other Income	10,643	10,832

11 Other Expenses

Professional charges	548	28
Rates and taxes	3	8
Payment to Auditors		
- As Auditor	10	10
Bank Charges	-	-
Total Other Expenses	561	46

12 Earnings per share

Earnings attributable to equity share holders	7,403	8,128
Number of Shares	1,20,00,000	1,20,00,000
Earnings per Share (in Rs)	0.62	0.68

13. Additional Notes forming part of Financial Statements for year ended 31st March 26

- i. The Company has applied for the registration under Housing Finance Companies (NHB) Act, 1987 and the same is pending and hence it has not commenced its business of Housing Finance. Consequently, the requirements of disclosures and other compliances under NHB Act and Directions are not applicable.
- ii. There are no dues to micro medium small enterprises and hence the particulars required under notification no GSR 719(E) dt. 16.11.07 is not furnished.
- iii. Additional regulatory information not disclosed elsewhere in the standalone financial statements
 - (a) There are no properties / assets which are not held or registered in the name of the Company (benami property). No proceedings have been initiated on or are pending against the Company for holding benami property under the Benami Transactions (Prohibition) Act, 1988 (as amended in 2016) and rules made thereunder.
 - (b) Transactions and balances with companies which have been removed from register of Companies [struck off companies under section 248 of the Companies Act, 2013 or section 560 of the Companies Act, 1956] as at the above reporting periods is Nil.
 - (c) The Company has not traded / invested in Crypto currency or Virtual Currency during the year.
 - (d) The Company does not have any charges or satisfaction which is yet to be registered with Registrar of Companies beyond the statutory period.
 - (e) The Company has not advanced or loaned or invested funds to any other person(s) or entity(is), including foreign entities (Intermediaries) with the understanding that the Intermediary shall:
 - (i) 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
 - (ii) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries
 - (f) The Company has not received any fund from any person(s) or entities, including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Company shall
 - (i) 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
 - (ii) provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries,
 - (g) The Company has no 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).
 - (h) The Company has not granted any loans or advances in the nature of loans to promoters, directors, KMPs and the related parties (as defined under Companies Act, 2013), either severally or jointly with any other person.
 - (i) The Company has not been declared wilful defaulter by any bank or financial institution or other lender or government or any government authority.

TVS HOUSING FINANCE PRIVATE LIMITED

iv. There are no significant events that have occurred after the balance sheet date.

v. Disclosure of Ratios:

Ratio	Description of numerator	Description of denominator	Ratio 31.03.2026	Ratio 31.03.2025	Variance	Reasons for variance
(a) Current ratio	Current Assets	Current Liabilities	37.12	62.10	-40.22%	Increase in Current Liabilities
(b) Debt-equity ratio	Short term borrowings + Long term Borrowings	Shareholders' fund	NA	NA	NA	
(c) Debt service coverage ratio	Profit after Tax + Non Cash Expense + Interest on borrowings + Loss on sale of fixed assets	Interest on term loans + Principal of term loans	NA	NA	NA	
(d) Return on equity ratio	Profit after tax	Equity share capital	0.04	0.05	-12.88%	Decrease in Interest Income
(e) Inventory turnover ratio	Cost of goods sold	Average Inventory	NA	NA	NA	
(f) Trade receivables turnover ratio	Net Credit Sales	Average accounts receivable	NA	NA	NA	
(g) Trade payables turnover ratio	Net Credit Purchase	Average accounts payable	NA	NA	NA	
(h) Net capital turnover ratio	Revenue from Operations	Working Capital	NA	NA	NA	
(i) Net profit ratio	Profit after tax	Revenue from operations	NA	NA	NA	
(j) Return on capital employed	EBIT	Shareholders' fund+ Long term borrowings	5.92%	6.62%	-10.59%	Decrease in Interest Income
(k) Return on investment	Profit after tax	Equity shareholders' Fund	4.34%	4.99%	-12.88%	Decrease in Interest Income

vi. Related Party Disclosures:

Reporting Entity:-

Relationship	Name
Enterprise having Control	TVS Credit Services Limited
Subsidiary Company	Nil
Associate Companies	Nil
Key Management Personnel	Nil

Transactions with Related Parties

(in Thousands)

Nature of Transaction	Name of the Related Party	Amount (Rs.)	Amount (Rs.)
		FY 2025-26	FY 2024-25
Advance Received	TVS Credit Services Limited	2,028	1,707
Balance Payable as at the end of the year	TVS Credit Services Limited	Nil	Nil

vii. All the numbers have been rounded off to nearest thousands except shares and EPS.

Venu Srinivasan
Chairman
DIN: 00051523

Priyaavarshini
Company secretary

Chennai
Dated: 06th May 2026

N S Ramanujam
Chief Financial Officer

Chennai
Dated: 06th May 2026

As per our report annexed
For Raghavan, Chaudhuri & Narayanan
Chartered Accountants
ICAI Regn No: 007761S

V. SATHYANARAYANAN
Partner
Membership No.: 027716
UDIN: 26027716ZVZTHH3520

Bengaluru
Dated: 06th May 2026

TVS MOTOR (SINGAPORE) PTE. LIMITED

DIRECTORS' STATEMENT

The directors present their statement to the member together with the audited financial statements of **TVS MOTOR (SINGAPORE) PTE. LIMITED** (the "company") for the financial year ended 31 March 2026.

1. OPINION OF THE DIRECTORS

In the opinion of the directors,

- the financial statements of the company are drawn up so as to give a true and fair view of the financial position of the company as at 31 March 2026 and the financial performance, changes in equity and cash flows of the company for the financial year then ended; and
- at the date of this statement, there are reasonable grounds to believe that the company will be able to pay its debts as and when they fall due.

2. DIRECTORS

The directors of the company in office at the date of this statement are:

Venu Srinivasan

Sudarshan Venu

Anuraag Agarwal

Kalpana Unadkat (Appointed on 17 December 2025)

3. ARRANGEMENTS TO ENABLE DIRECTORS TO ACQUIRE SHARES AND DEBENTURES

Neither at the end of nor at any time during the financial year was the company a party to any arrangement whose object are, or one of whose objects is, to enable the directors of the

company to acquire benefits by means of the acquisition of shares in, or debentures of, the company or any other body corporate.

4. DIRECTORS' INTERESTS IN SHARES AND DEBENTURES

The directors who held office at the end of the financial year, had no interest in the share capital of the company and related corporations as recorded in the register of directors' shareholdings required to be kept by the company under Section 164 of the Singapore Companies Act 1967.

5. SHARE OPTIONS

During the financial year, no option to take up unissued shares of the company was granted.

During the financial year, there were no shares of the company issued by virtue of the exercise of options to take up unissued shares.

As at the end of the financial year, there were no unissued shares of the company under option.

6. AUDITOR

Rama & Co LLP has expressed its willingness to accept re-appointment as auditor.

On behalf of the Board

Venu Srinivasan
Director

Anuraag Agarwal
Director

Date: 13 May 2026

INDEPENDENT AUDITOR'S REPORT TO THE MEMBER OF TVS MOTOR (SINGAPORE) PTE. LIMITED

Report on the audit of the financial statements

Opinion

We have audited the financial statements of **TVS MOTOR (SINGAPORE) PTE. LIMITED** (the "company"), which comprise the statement of financial position as at 31 March 2026, and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the financial year then ended, and notes to financial statements, including material accounting policy information.

In our opinion, the accompanying financial statements of the company are properly drawn up in accordance with the provisions of the Companies Act 1967 (the "Act") and Financial Reporting Standards in Singapore (FRSs) so as to give a true and fair view of the financial position of the company as at 31 March 2026 and of the financial performance, changes in equity and cash flows of the company for the financial year ended on that date.

Basis for Opinion

We conducted our audit in accordance with Singapore Standards on Auditing (SSAs). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the company in accordance with the Accounting and Corporate Regulatory Authority (ACRA) Code of Professional Conduct and Ethics for Public Accountants and Accounting Entities (ACRA Code) together with the ethical requirements that are relevant to our audit of the financial statements in Singapore, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ACRA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other Information

Management is responsible for the other information. The other information comprises the Directors' Statement set out on pages 1 and 2.

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

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

Responsibilities of Management and Directors for the Financial Statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the provisions of the Act and FRSs, and for devising and maintaining a system of internal accounting controls sufficient to provide a reasonable assurance that assets are safeguarded against loss from unauthorised use or disposition; and transactions are properly authorised and that they are recorded as necessary to permit the preparation of true and fair financial statements and to maintain accountability of assets.

In preparing the financial statements, management 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 management either intends to liquidate the company or to cease operations, or has no realistic alternative but to do so.

The directors' responsibilities include overseeing the company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the 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 SSAs 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 financial statements.

As part of an audit in accordance with SSAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, 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 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 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 financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

Report on Other Legal and Regulatory Requirement

In our opinion, the accounting and other records required by the Act to be kept by the company have been properly kept in accordance with the provisions of the Act.

RAMA & CO LLP
PUBLIC ACCOUNTANTS AND CHARTERED ACCOUNTANTS
SINGAPORE

Date : 13th May 2026

TVS MOTOR (SINGAPORE) PTE. LIMITED

STATEMENT OF FINANCIAL POSITION AS AT 31 MARCH 2026

	Note	2026 US\$	2025 US\$	2025 S\$
ASSETS				
Non-current assets:				
Plant and equipment	(8)	46,620,312	75,053,377	100,646,579
Intangible assets	(9)	12,884,873	15,440,809	20,706,125
Investment in subsidiaries	(10)	593,765,037	428,060,114	574,028,613
Investments in associates	(11)	67,445,898	66,983,349	89,824,671
Other investments	(12)	21,586,008	21,036,159	28,209,489
Financial assets at fair value through profit or loss	(13)	4,238,753	-	-
Deferred tax assets	(14)	628,117	181,328	243,160
Capital advances	(15)	8,275,000	-	-
Trade and other receivables	(16)	6,399,978	9,192,179	12,326,712
Loans receivables	(17)	-	4,317,077	5,789,200
Total non-current assets		761,843,976	620,264,392	831,774,549
Current assets:				
Trade and other receivables	(16)	38,515,905	26,825,810	35,973,411
Loans receivables	(17)	37,638,957	29,152,706	39,093,778
Asset held for sale	(18)	49,239,531	-	-
Inventories	(19)	14,637,141	4,981,492	6,680,181
Other current assets	(20)	223,542	7,861,866	10,542,762
Bank balances	(21)	4,572,383	5,964,706	7,998,315
Total current assets		144,827,461	74,786,580	100,288,447
Total assets		906,671,437	695,050,972	932,062,996
EQUITY AND LIABILITIES				
Equity:				
Share capital	(22)	913,799,677	691,639,677	927,488,807
Accumulated losses		(89,593,315)	(74,929,009)	(100,480,158)
Total equity		824,206,362	616,710,668	827,008,649
Non-current liability:				
Lease liabilities	(23)	113,810	61,206,691	82,078,171
Current liabilities:				
Lease liabilities – current portion	(23)	49,313,767	7,681,817	10,301,317
Borrowings	(24)	7,099,486	-	-
Trade and other payables	(25)	25,938,012	9,451,796	12,674,859
Income tax payable	(30)	-	-	-
Total current liabilities		82,351,265	17,133,613	22,976,176
Total liabilities		82,465,075	78,340,304	105,054,347
Total equity and liabilities		906,671,437	695,050,972	932,062,996

The accompanying notes form an integral part of these financial statements

STATEMENT OF COMPREHENSIVE INCOME FOR THE FINANCIAL YEAR ENDED 31 MARCH 2026

	Note	2026 US\$	2025 US\$	2025 S\$
Revenue	(26)	42,972,326	24,250,916	32,456,415
Cost of sales		(47,148,687)	(24,737,287)	(33,107,354)
Gross loss		(4,176,361)	(486,371)	(650,939)
Other income	(27)	35,948,915	6,019,224	8,057,077
Marketing and distribution expenses		(3,210,042)	(591,122)	(791,134)
Administrative expenses		(14,800,686)	(18,547,093)	(24,822,655)
Impairment loss on financial assets	(28)	(15,233,798)	(26,057,013)	(34,873,619)
Finance cost	(29)	(329,627)	(154,220)	(206,401)
Other expense		(13,307,621)	(4,875,331)	(6,524,939)
Loss before income tax		(15,109,220)	(44,691,926)	(59,812,610)
Income tax	(30)	444,914	153,574	205,537
Loss for the year	(31)	(14,664,306)	(44,538,352)	(59,607,073)
Other comprehensive income		-	-	-
Total comprehensive loss for the year		(14,664,306)	(44,538,352)	(59,607,073)

The accompanying notes form an integral part of these financial statements

TVS MOTOR (SINGAPORE) PTE. LIMITED

STATEMENT OF CHANGES IN EQUITY FOR THE FINANCIAL YEAR ENDED 31 MARCH 2026

	Share Capital	Share Application Money	Accumulated Losses	Total
	S\$	S\$	S\$	S\$
Balance as at 1 April 2024	671,685,616	19,333,690	(40,873,085)	650,146,221
Transaction with owner, recognised directly in equity				
- Issuance of shares (Note 22)	255,803,191	(19,333,690)	-	236,469,501
Total comprehensive loss for the year	-	-	(59,607,073)	(59,607,073)
Balance as at 31 March 2025	927,488,807	-	(100,480,158)	827,008,649
	Share Capital	Share Application Money	Accumulated Losses	Total
	US\$	US\$	US\$	US\$
Balance as at 1 April 2025	691,639,677	-	(74,929,009)	616,710,668
Transaction with owner, recognised directly in equity				
- Issuance of shares (Note 22)	222,160,000	-	-	222,160,000
Total comprehensive loss for the year	-	-	(14,664,306)	(14,664,306)
Balance as at 31 March 2026	913,799,677	-	(89,593,315)	824,206,362

The accompanying notes form an integral part of these financial statements

STATEMENT OF CASH FLOWS FOR THE FINANCIAL YEAR ENDED 31 MARCH 2026

	Note	2026 US\$	2025 US\$
Cash flow from operating activities:			
Loss before income tax		(15,109,220)	(44,691,926)
Adjustments for:			
Amortisation of intangible assets	(9)	2,578,424	-
Depreciation of plant and equipment	(8)	9,000,856	7,111,030
Foreign currency exchange difference		831,655	(921,257)
Gain on disposal of plant and equipment		-	148,752
Loss on termination of lease		2,340,162	-
Impairment loss on financial assets	(28)	15,233,798	26,057,013
Impairment loss on inventories		76,536	-
Impairment loss on investment	(10)	7,242,670	4,360,851
Interest on loan	(29)	314,259	134,101
Interest on lease liabilities	(32)	3,985,468	1,698,152
Interest income	(27)	(1,270,590)	(1,496,072)
Operating cash flow before working capital changes		25,224,018	(7,599,356)
Trade and other receivables		(31,047,579)	(19,773,945)
Inventories		(9,732,185)	(4,981,492)
Other current assets		205,766	(7,341,497)
Trade and other payables		18,057,677	6,178,171
Cash used in operation		2,707,697	(33,518,119)
Tax paid		-	(626)
Net cash from/ (used in) operating activities		2,707,697	(33,518,745)
Investing activities:			
Acquisition of financial assets at FVTPL		(4,238,753)	-
Capital work-in-progress		(36,313,978)	-
Capital advances		(8,275,000)	-
Investment in associate		(462,549)	(1,671,265)
Investment in subsidiaries		(168,257,593)	(67,628,679)
Investment in other investments		-	(6,662,494)
Loans to subsidiaries		(8,859,174)	-
Loans receivables		-	(56,386,189)
Proceeds from termination of lease		3,938,469	-
Proceeds from disposal of plant and equipment		-	439,754
Purchase of plant and equipment	(8)	(89,556)	(342,021)
Purchase of intangible assets	(9)	(22,488)	(642,077)
Interest received		2,316,394	257,806
Net cash used in investing activities		(220,264,228)	(132,635,165)
Financing activities:			
Advances from related party	(32)	2,040,000	9,377,587
Repayment of advances to related party	(32)	(3,925,720)	(7,589,928)
Payment of principal portion of lease liabilities	(32)	(7,226,544)	(4,672,674)
Payment of interest portion of lease liabilities	(32)	(3,985,468)	(1,698,152)
Proceeds from borrowings	(32)	7,896,528	-
Repayment of borrowings	(32)	(794,588)	(4,005,737)
Proceeds from issued of new shares		222,160,000	176,338,181
Net cash from financing activities		216,164,208	167,749,277
Net (decrease)/ increase in bank balances		(1,392,323)	1,595,367
Bank balance at beginning of year		5,964,706	4,369,339
Bank balance at end of year	(21)	4,572,383	5,964,706

The accompanying notes form an integral part of these financial statements

TVS MOTOR (SINGAPORE) PTE. LIMITED

NOTES TO THE FINANCIAL STATEMENTS – 31 MARCH 2026

These notes form an integral part of and should be read in conjunction with the accompanying financial statements.

1. GENERAL

a) Corporate Information

TVS Motor (Singapore) Pte. Limited (the "company") (Registration number: 200301438H) is a private limited company incorporated and domiciled in the Republic of Singapore with its registered office at:

1 Kim Seng Promenade
#11-11 Great World City
Singapore 237994

The principal activities of the company are to carry on the business as an investment holding company and provision of transport-related industrial design services.

b) Authorisation of financial statements for issue

The financial statements of the company for the financial year ended 31 March 2026 were authorised for issue by the Board of Directors on 13 May 2026.

2. MATERIAL ACCOUNTING POLICY INFORMATION

2.1. Basis of Preparation

The financial statements are prepared in accordance with the historical cost convention, except as disclosed in the accounting policies below, and are drawn up and in accordance with the provisions of the Singapore Companies Act 1967 and Financial Reporting Standards ("FRS") in Singapore.

Prior to 1 April 2025, the management had considered Singapore dollar as the currency of the primary economic environment in which the entity operates. As the sales and cost of sales of the company are denominated primarily in United States dollar for the year ended 31 March 2026, the management has re-assessed, in accordance with FRS 21: The Effects of Changes in Foreign Exchange Rates that the functional currency of the company to be changed from the S\$ to US\$ with effect from 1 April 2025. Accordingly, all balances as of 1 April 2025 were translated into the new functional currency using the exchange rate on that date and the resulting translated amounts for non-monetary items were treated as their historical costs. For comparative presentation purpose, the statement of financial position as of 31 March 2025 has been translated into the new functional currency using the exchange rate on that date. The statement of comprehensive income for the year ended 31 March 2025 was translated using the average exchange rate during that year.

Historical cost is generally based on the fair value of the consideration given in the exchange for goods and services.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the company takes into account the characteristics of the asset or liability which market participants would take into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in these financial statements is determined on such a basis, except for measurements that have some similarities to fair value but are not fair value, such as net realisable value in FRS 2 Inventories or value in use in FRS 36 Impairment of Assets.

In addition, for financial reporting purpose, fair value measurements are described in Note 5.

The preparation of financial statements in conformity with FRS requires management to exercise its judgement in the process of applying the company's accounting policies. It also requires the use of accounting estimates and assumption. The areas involving a higher degree of judgement or complexity or areas when assumption and estimates are significant to the financial statements as disclosed in Note 4.

2.2. Changes in Accounting Policies

a) Adoption of new revised FRSs and INT FRSs

In the current financial year, the company has adopted all the new and revised FRSs and Interpretations of FRS ("INT FRS") that are relevant to its operations and effective for annual periods beginning on or after 1 April 2025. The adoption of these new/ revised FRSs and INT FRSs did not result in substantial changes to the company's accounting policies and had no material effect on the amounts reported for the current or prior financial years.

b) Standards issued but not yet effective

At the date of authorisation of financial statements, the following FRSs that are relevant to the company were issued but not effective are as follows:

Reference	Description	Effective for annual periods beginning on or after
Various	Annual Improvements to FRSs—Volume 11	1 January 2026
FRS 109, FRS 107	Amendments to FRS 109 and FRS 107: Amendments to the Classification and Measurement of Financial Instruments	1 January 2026
FRS 118	Presentation and Disclosure in Financial Statements	1 January 2027
FRS 119	Subsidiaries without Public Accountability: Disclosures	1 January 2027

The directors anticipate that the adoption of the above FRSs, INT FRS and amendments to FRS in future periods standards will not have a material impact on the financial statements of the company in the period of their initial adoption.

2.3. Functional and Foreign Currency

a) Functional and presentation currency

Items included in the financial statements of the company are measured using the currency of the primary economic environment in which the company operates (the "functional currency"). The financial statements of the company are presented in United State dollar, which is also the functional currency of the company.

b) Foreign currency transactions

Transactions in foreign currencies are measured in the functional currency of the company and are recorded on initial recognition in the functional currency at exchange rates approximating those ruling at the transaction dates. Monetary assets and liabilities denominated in foreign currencies are retranslated at the rate of exchange ruling at the end of the reporting period. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined. All realised and unrealised exchange adjustment gains and losses are dealt with in profit or loss.

2.4. Subsidiaries

Subsidiaries are entities controlled by the company. The company controls an investee when it is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee.

Investment in subsidiaries is carried at cost less any impairment in net recoverable value that has been recognised in profit or loss. On disposal of such investment, the difference between the net disposal proceed and their carrying amounts is included in profit or loss.

These financial statements are the separate financial statements of the company.

The company is exempted from the requirement to prepare consolidated financial statements as the company itself is the wholly owned subsidiary of another entity, which produces the consolidated financial statements which are available for public use.

2.5. Associates

An associate is an entity over which the company has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control over those policies.

Investments in the associate companies is stated at cost, less impairment if any.

2.6. Plant and Equipment

a) Measurement

Plant and equipment are initially stated at cost and subsequently carried at cost less accumulated depreciation and any impairment losses.

b) Components of costs

The cost of an item of plant and equipment includes its purchase price and any cost that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management. The projected cost of dismantlement, removal or restoration is also included as part of the cost of plant and equipment if the obligation for the dismantlement, removal or restoration is incurred as a consequence of acquiring or using the asset.

c) Depreciation

Depreciation is calculated on the straight line method to write off the cost of the plant and equipment over their estimated useful lives, or in the case of right-of-use asset, over the lease term, as follows:

	Years
Office equipment	3
Vehicle	5
Vehicle (Right-of-Use asset)	5 to 7
Building (Right-of-use asset)	5

No depreciation is provided for office artwork.

Fully depreciated assets are retained in the financial statements until they are no longer in use and no further charge for depreciation is made in respect of these assets.

The residual values, useful life and depreciation method are reviewed at the end of each reporting period to ensure that the amount, method and period of depreciation are consistent with previous estimates and the expected pattern of consumption of the future economic benefits embodied in the items of plant and equipment.

d) Subsequent expenditure

Subsequent expenditure relating to plant and equipment that has already been recognised is added to the carrying amount of the asset only when it is probable that future economic benefits associated with the item will flow to the group and the cost of the item can be measured reliably. Other subsequent expenditure is recognised as repair and maintenance expense in profit or loss during the financial year in which it is incurred.

e) Disposal

On disposal of an item of plant and equipment, the difference between the net disposal proceeds and its carrying amount is taken to profit or loss. Any amount in revaluation reserve relating to that asset is transferred to retained earnings directly.

7. Intangible Assets

An identifiable non-monetary asset without physical substance is recognised as an intangible asset at acquisition cost if it is probable that the expected future economic benefits that are attributable to the asset will flow to the entity and the cost of the asset can be measured reliably. After initial recognition, an intangible asset with finite useful life is carried at cost less any accumulated amortisation and any accumulated impairment losses. An intangible asset with an indefinite useful life is not amortised. An intangible asset is regarded as having an indefinite useful life when, based on an analysis of all of the relevant factors, there is no foreseeable limit to the period over which the asset is expected to generate net cash inflows for the entity.

The amortisable amount of an intangible asset with finite useful life is allocated on a systematic basis over the best estimate of its useful from the point at which at asset is ready for use.

Amortisation is calculated in the straight-line method to write off the cost of intangible assets, over their estimated useful lives of 3 to 6 years.

Intangible assets refers to capitalisation of costs relating to trademarks and technology-related intellectual property (IP) and website development.

2.8. Inventories

Inventories are valued at the lower of cost and net realisable value. Net realisable value is the estimated selling price, less estimated costs of completion and selling expenses.

The cost of inventories is calculated based on the first-in-first-out method and includes expenditure incurred in acquiring the inventories and bringing them to their existing location and conditions.

Provisions are made for inventories with net realisable value lower than cost or for slow moving inventory.

2.9. Impairment of Non-Financial Assets

At the end of each reporting period, the company reviews the carrying amounts of its tangible 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. Where it is not possible to estimate the recoverable amount of an individual asset, the company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Recoverable amount is the higher of fair value less costs to sell 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.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss.

Where an impairment loss subsequently reverses, the carrying amount of the asset (or 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.

2.10. Bank balances

Bank balances in statements of cash flows comprise cash at bank that are readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value. These are classified as measured at amortised cost under FRS 109.

2.11. Leases

As a lessee

The company assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

Right-of-Use Asset

The right-of-use asset is measured at cost, which is made up of the initial measurement of the lease liability, any initial direct costs, an estimate of any costs to dismantle and remove the asset at the end of the lease, and any lease payments made in advance of the lease commencement date (net of any incentives received).

Right-of-use assets are generally depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis. If the company is reasonably certain to exercise a purchase option, the right-of-use asset is depreciated over the underlying asset's useful life (which is determined on the same basis as those of plant and equipment).

The company also assesses the right-of-use asset for impairment when such indicators exist. In addition, the right-of-use asset is periodically adjusted for certain remeasurements of the lease liability.

Lease liability

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the company's incremental borrowing rate, being the rate, it would have to pay to borrow the funds necessary to obtain an asset of similar value to the right-of-use asset in a similar economic environment with similar terms, security and conditions.

Lease payments included in the measurement of the lease liability are made up of fixed payments, variable payments based on an index or rate, amounts expected to be payable under a residual value guarantee, lease payments arising from extension options reasonably certain to be exercised, exercise price under purchase option reasonably certain to be exercised and penalties for early termination of a lease unless the company is reasonably certain not to terminate early.

Subsequent to initial measurement, the liability will be reduced for payments made and increased for interest. It is remeasured to reflect any reassessment or modification. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if the company changes its assessment of whether it will exercise a purchase, extension or termination option.

When the lease liability is remeasured, the corresponding adjustment is reflected in the right-of-use asset, or profit and loss if the carrying amount of the right-of-use asset has been reduced to zero.

Lease payments are allocated between principal and finance cost. The finance cost is charged to profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

Short-term leases and leases of low-value assets

The company has elected not to recognise right-of-use assets and lease liabilities for short-term leases and leases of low-value assets. Lease payments associated with these leases are recognised as an expense on a straight-line basis over the lease term.

Short-term leases are leases with a lease term of 12 months or less. Low-value assets comprise items of office equipment with individual values not exceeding US\$10,000.

2.12. Revenue Recognition

Revenue from sale of goods and services in the ordinary course of business is recognised when the company satisfies a performance obligation ("PO") by transferring control of a promised good or service to the customer. The amount of revenue recognised is the amount of the transaction price allocated to the satisfied PO.

The transaction price is the amount of consideration in the contract to which the company expects to be entitled in exchange for transferring the promised goods or services. The transaction price may be fixed or variable and is adjusted for time value of money if the contract includes a significant financing component.

Revenue may be recognised at a point in time or over time following the timing of satisfaction of the PO. If a PO is satisfied over time, revenue is recognised based on the completion reflecting the progress towards complete satisfaction of that PO.

Revenue from sales of vehicles are recognised at a point in time when the company

transfers control of the goods. Control of the goods transfers upon delivery of the goods to the customer or when the goods are made available to the customer, provided transfer of title to the customer occurs and the company has not retained any significant risks of ownership or future obligations with respect to the goods delivered.

Passenger service income

The company provides aircraft usage and passenger transport services and, operational and maintenance services for customers. Revenue from these services are recognised when services are performed over the usage and service period (i.e. over time).

2.13. Other income

Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable.

2.14. Income Taxes

Income tax expense represents the sum of the tax currently payable and deferred tax.

a) Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from profit as reported in the statement of comprehensive income because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are not taxable or tax deductible. The company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted at the end of reporting period.

b) Deferred tax

Deferred tax is provided, using the liability method on all temporary differences at the end of reporting period between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred tax liabilities are recognised for all temporary differences except where the deferred tax liability arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at that time of the transaction, affects neither accounting profit or loss nor taxable profit or loss.

Deferred tax assets are recognised for all deductible temporary differences carry-forward of unutilised tax assets and unutilised tax losses to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, carry-forward of unutilised tax assets and unutilised tax losses can be utilised except where the deferred tax asset relating to the deductible temporary difference arise from the initial recognition of an asset or liability in a transaction and at the time of transaction affects neither the accounting profit or loss nor taxable profit or loss.

The carrying amount of a deferred tax asset is reviewed at the each of reporting period and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are reassessed at the end of reporting period and are recognised to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

Deferred assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the end of reporting period.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

2.15. Employee Benefits

a) Short-term employee benefits

Short-term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided. A liability is recognised for the amount expected to be paid if the company has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee, and the obligation can be estimated reliably.

b) Defined contribution plans

Payments to defined contribution plans are charged as an expense as they fall due. Payments made to state-managed schemes, such as the Singapore Central Provident Fund, are dealt with as payments to defined contribution plans where the company's obligations under the plans are equivalent to those arising in a defined contribution plan.

c) Employee leave entitlement

Employee entitlements to annual leave are recognised when they accrued to employees. All unused leave at the end of the reporting period is encashed to the employees.

2.16. Related Parties

A related party is a person or an entity related to the company and is further defined as follows:

a. A person or a close member of that person's family is related to the company if that person:

- i has control or joint control over the company;
- ii has significant influence over the company; or
- iii is a member of the key management personnel of the company or of a parent of the company.

An entity is related to the company if any of the following conditions applies:

- i the entity and the company are members of the same group i.e each parent, subsidiary and fellow subsidiary is related to the others;
- ii one entity is an associate or joint venture of the other entity or an associate or joint venture of a member of a group of which the other entity is a member;
- iii both entities are joint ventures of the same third party;
- iv one entity is a joint venture of a third entity and the other entity is an associate of the third entity;
- v the entity is a post-employment benefit plan for the benefit of employees of either the company or an entity related to the company. If the company is itself such a plan, the sponsoring employers are also related to the company;
- vi the entity is controlled or jointly controlled by a person identified in (a);
- vii a person identified in (a) i) has significant influence over the entity or is a member of the key management personnel of the entity or of a parent of the entity; or
- viii the entity, or any member of the group of which it is a part, provides key management personnel services to the company or to the parent of the company.

Close members of the family of a person are those family members who may be expected to influence, or be influenced by, that person in their dealings with the entity and include:

- (a) that person's children and spouse or domestic partner;
- (b) children of that person's spouse or domestic partner; and
- (c) dependants of that person or that person's spouse or domestic partner.

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly, including any director of the company.

Related party transactions and outstanding balances disclosed in the financial statement are in accordance with the above definition as per FRS 24 – Related Party Disclosures.

2.17. Provisions

Provisions are recognised when the company has present obligations (legal or constructive) as a result of a past event, it is probable that the company will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. Where a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows.

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, the receivable is recognised as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

2.18. Contingent Liabilities and Contingent Assets

A contingent liability is a possible obligation that arises from past events and whose existence will only be confirmed by the occurrence or non-occurrence of one or more uncertain future event not wholly within the control of the company. It can also be a present obligation arising from past events that is not recognised because it is not probable that outflow of economic resources will be required or the amount of obligation cannot be measured reliably.

A contingent liability is not recognised but is disclosed in the notes to the financial statements. When changes in the probability of an outflow occur so that the outflow is probable, it will then be recognised as a provision.

A contingent asset is a possible asset that arises from past events and whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain events not wholly within the control of the company.

Contingent assets are not recognised but are disclosed in the notes to the financial statements when an inflow of economic benefits is probable. When inflow is virtually certain, an asset is recognised.

2.19. Events after the Reporting Period

Events after the reporting period that provide additional information about the company's position at the end of the reporting period or those that indicate the going concern assumption

is not appropriate are adjusting events and are reflected in the financial statements. Events after the reporting period that are not adjusting events are disclosed in the notes to the financial statements when material.

3. FINANCIAL INSTRUMENTS

Financial assets and financial liabilities are recognised on the company's statement of financial position when the company becomes a party to the contractual provisions of the instrument.

3.1. Financial Assets

All financial assets are recognised and de-recognised on a trade date basis where the purchase or sale of an investment is under a contract whose terms require delivery of the assets within the timeframe established by the market concerned.

a) Classification and subsequent measurement

Initial recognition and measurement

Financial assets are classified, at initial recognition, at amortised cost, fair value through other comprehensive income (FVTOCI), and fair value through profit or loss ("FVTPL").

The classification of financial assets, at initial recognition depends on the financial asset's contractual cash flow characteristics and the company's business model for managing them. The company initially measures a financial asset at its fair value.

Trade receivables are measured at the amount of consideration to which the company expects to be entitled in exchange for transferring promised goods or services to a customer, excluding amounts collected on behalf of third party, if the trade receivables do not contain a significant financing component at initial recognition.

In order for a financial asset to be classified and measured at amortised cost or fair value through OCI, it needs to give rise to cash flows that are "solely payments of principal and interest (SPPI)" on the principal amount outstanding. This assessment is referred to as the SPPI test and is performed at an instrument level. The company's business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both.

Subsequent measurement

Financial assets at amortised cost

Financial assets that are held for the collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost using the effective interest rate (EIR) method, less impairment. Gains and losses are recognised in profit or loss when the assets are derecognised or impaired, and through amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in finance income in the statement of profit or loss. The losses arising from impairment are recognised in the statement of profit or loss in other income.

As at the reporting date, the company's financial assets at amortised cost consist of trade and other receivables, loans receivables and bank balances.

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

Equity instruments that meet the following conditions are subsequently measured at fair value through other comprehensive income (FVTOCI):

- the financial asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling the financial assets; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that solely payments of principal and interest on the principal amount outstanding.

As at the reporting date, the company's financial assets at FVTOCI cost consist of unquoted equity investments.

Financial assets at fair value through profit or loss ("FVTPL")

Financial assets that are held for trading or do not meet the criteria for being measured at amortised cost or FVTOCI are measured at FVTPL. Specifically:

- Investments in equity instruments are classified as FVTPL, unless the company designated an equity investment that is neither held for trading nor a contingent consideration arising from a business combination as at FVTOCI on initial recognition.
- Debt instruments that do not meet the amortised cost criteria or the FVTOCI criteria are classified as at FVTPL. In addition, debt instruments that meet either the amortised cost criteria or the FVTOCI criteria may be designated as at FVTPL upon initial recognition if such designation eliminates or significantly reduces a measurement or recognition inconsistency that would arise from measuring assets or liabilities or recognising the gains and losses on them on different bases.

A financial asset is held for trading if:

- It has been acquired principally for the purpose of selling it in the near term; or
- on initial recognition it is part of a portfolio of identified financial instruments that the company manages together and has evidence of recent actual pattern of short-term profit-taking; or
- it is a derivative (except for a derivative that is a financial guarantee contract or a designated and effective hedging instrument).

Financial assets at FVTPL are measured at fair values as at each reporting date, with any fair value gains or losses recognised in profit or loss to the extent they are not part of a designated hedging relationship. The net gains or loss recognised in profit or loss includes any dividend or interest earned on the financial asset and is included in "Income" item in profit or loss. Fair value is determined in the manner described in Note 5.

b) Impairment of financial assets

The company recognises a loss allowance for expected credit losses ("ECL") on investments in debt instruments that are measured at amortised cost. The amount of expected credit losses is updated at each reporting date to reflect changes in credit risk since initial recognition of the respective financial instruments.

The company will recognise lifetime ECL for trade receivables. The expected credit losses on these financial assets will be estimated using a provision matrix based on the company's historical credit loss experience, adjusted for factors that are specific to the debtors, general economic conditions and an assessment of both the current as well as the forecast direction of conditions at the reporting date, including time value of money where appropriate.

For all other financial instruments, the company will recognise lifetime ECL when there has been significant increase in credit risk since initial recognition. If, on the other hand, the credit risk on the financial instrument has not increased significantly since initial recognition, the company measured the loss allowance for that financial instrument at an amount equal to 12 months ECL. The assessment of whether lifetime ECL should be recognised is based on significant increase in the likelihood or risk of default occurring since initial recognition instead of an evidence of a financial asset being credit-impaired at the reporting date or an actual default occurring.

Lifetime ECL represents the expected credit losses that will result from all possible default events over the expected life of a financial instrument. In contrast, 12-month expected credit loss is the expected credit loss that result from default events that are possible within 12 months after the reporting date.

A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

Measurement and recognition of expected credit losses

The measurement of expected credit losses is a function of the probability of default, loss given default (i.e. the magnitude of the loss if there is a default) and the exposure at default. The assessment of the probability of default and loss given default is based on historical data adjusted by forward-looking information. As for the exposure at default, for financial assets, this is represented by the assets gross carrying amount at the reporting date; or for loan commitments and financial guarantee contracts, the exposure includes the amount drawn down as at reporting date, together with any additional amounts expected to be drawn down in the future by default date determined based on historical trend, the company's understanding of the specific future financing needs of the debtors, and other relevant forward-looking information.

For financial assets, the expected credit loss is estimated as the difference between all contractual cash flows for the company in accordance with the contract and all the cash flows that the company expects to receive, discount at the original effective interest rate.

c) Derecognition of financial assets

A financial asset is derecognised where the contractual rights to receive cash flows from the asset have expired.

On derecognition of a financial asset in its entirety, the difference between the carrying amount and the sum of (a) the consideration received and (b) any cumulative gain or loss that has been recognised directly in equity is recognised in profit or loss.

3.2. Equity and Financial Liabilities

Equity instruments issued by the company and financial liabilities are classified accordingly to the substance of the contractual arrangements entered into and the definitions of an equity instrument and a financial liability.

a) Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities. Equity instruments issued by the company are recorded at the proceeds received, net of direct issue costs.

Ordinary share capital is classified as equity.

b) Financial liabilities

Financial liabilities are recognised when, and only when, the company becomes a party to the contractual provisions of the financial instrument. The company determines the classification of its financial liabilities at initial recognition.

All financial liabilities are initially measured at fair value, and are subsequently measured at amortised cost, using the effective interest rate method.

As at the reporting date, the company's financial liabilities consist of trade and other payables, and lease liabilities.

After initial recognition, financial liabilities are subsequently measured at amortised cost using the effective interest method.

The company derecognises financial liabilities when, and only when, the company's obligations are discharged, cancelled or they expire. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payables, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss.

4. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

In the application of the company's accounting policies, which are described in Note 2 to the financial statements, management is required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

4.1. Critical Accounting Judgements

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

a) Income tax

The company has exposure to income taxes in several jurisdictions. Significant judgement is involved in determining the provision for income taxes. There are certain transactions and computations including capital allowances and deductibility of certain expenses for which the ultimate tax determination is uncertain during the ordinary course of business. The company recognises liabilities for expected tax issues based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recognised, such differences will impact the income tax and deferred tax provisions in the period in which such determination is made.

b) Determination of functional currency

In determining the functional currencies of the company, judgement is required to identify the currency that most significantly influences the economic environment in which the company operates. In making this assessment, management considers factors such as the currency that primarily affects the pricing of goods and services and the regulatory and competitive conditions of the relevant market. Based on these considerations, management has concluded that the functional currency of the company reflects the primary economic environment in which it conducts its activities.

4.2. Key Sources of Estimation Uncertainty

The key assumptions concerning the future and other key sources of estimation uncertainty at the end of the reporting period, that have a significant risk of causing material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below:

a) Impairment of investment in subsidiary, investments in associates and other investments

The company follows the guidance of FRS 36 in determining the recoverability of its investment in subsidiaries, investment in associates and other investments. Determining whether investment in subsidiary is impaired requires either an estimation of the value in use of the investment and the cash-generating units to which the investment have been allocated or assessing the recoverable amounts of the investments on the basis of net assets value as at the end of the reporting period. The value in use calculation requires the entity to estimate the future cash flows expected to arise from the assets or cash generating unit and a suitable discount rate in order to calculate present value.

The carrying amounts of investment in subsidiaries, investment in associates and other investments are disclosed in Note 10, Note 11 and Note 12 to the financial statements.

b) Impairment of plant and equipment

As the end of the reporting period, the company assesses whether plant and equipment have any indication of impairment, in accordance with relevant accounting policies. The recoverable amounts of plant and equipment have been determined based on value-in-use calculations. These calculations and valuations require the use of judgement and estimates

on future operating cash flows and discount rates adopted.

The carrying amounts of the company's plant and equipment are disclosed in Note 8 to the financial statements.

c) Depreciation of plant and equipment

The cost of plant and equipment is depreciated on a straight-line basis over their estimated useful lives or over their lease terms, in the case of right-of-use asset. Changes in the expected level of usage and technological developments could impact the economic useful lives and the residual values of these assets, therefore, future depreciation charges could be revised.

d) Net realisable value of inventories

Net realisable value of inventories is the estimated selling price in the ordinary course of business, less estimated cost of completion and selling expenses. These estimates are based on the current market condition and the historical experience of selling products of similar nature. It could change significantly as a result of competitor actions in response to severe industry cycles. Management will reassess the estimations at the end of each reporting period.

The carrying amount of the company's inventories as at the reporting date are disclosed in Note 19 to the financial statements.

e) Impairment of trade and other receivables

The company uses a provision matrix to calculate ECLs for trade receivables. The provision rates are based on number of days past due for groupings of various customer segments that have similar loss patterns.

The provision matrix is initially based on the company's historical observed default rates. The company will calibrate the matrix to adjust historical credit loss experience with forward-looking information. At every reporting date, historical default rates are updated and changes in the forward-looking estimates are analysed.

The assessment of the correlation between historical observed default rates, forecast economic conditions and ECLs is a significant estimate. The amount of ECLs is sensitive to changes in circumstances and of forecast economic conditions. The company's historical credit loss experience and forecast of economic conditions may also not be representative of customer's actual default in the future.

For other receivables, management determines whether there is significant increase in credit risk of these receivables since initial recognition. Management uses judgement in making the determination and considers the credit worthiness and financial condition of the counterparties and management's view of economic conditions over the expected lives of the receivables.

f) Fair value measurements and valuation processes

Some of the company's assets are measured at fair value for financial reporting purposes. In estimating the fair value of an asset or a liability, the company uses market-observable data to the extent it is available.

Information about the valuation techniques and inputs used in determining the fair value of various assets are disclosed in Note 5 to the financial statements.

5. FINANCIAL INSTRUMENTS, FINANCIAL RISK MANAGEMENT AND CAPITAL MANAGEMENT
5.1. Categories of financial assets and liabilities

The carrying amounts of financial assets and financial liabilities included in the statement of financial position and the headings in which they are included are as follows:

	2026	2025
	US\$	US\$
Financial assets		
At amortised cost:		
- Trade and other receivables	43,254,371	35,765,408
- Loans receivables	37,638,957	33,469,783
- Bank balances	4,572,383	5,964,706
At fair value through other comprehensive income:		
- Other investments	21,586,008	21,036,159
At fair value through profit or loss:		
- Financial assets at FVTPL	4,238,753	-
	111,290,472	96,236,056

	2026	2025
	US\$	US\$
Financial liabilities		
At amortised cost:		
- Trade and other payables	25,804,938	9,451,796
- Lease liabilities	49,427,577	68,888,508
- Borrowings	7,099,486	-
	82,332,001	78,340,304

5.2. Financial Risk Management Policies and Objectives

The company's overall risk management policy seeks to minimise potential adverse effects on the financial performance of the company. The company, however, does not have any written risk management policies and guidelines. The management meet periodically to analyse, formulate and monitor the following risk management of the company and believe that the financial risks associated with these financial instruments are minimal. The company adopt systematic approach towards risk assessment and management. This is carried out in three phases, i.e. identification and assessment of risks, formulation and implementation of risk treatment, and monitoring and reporting of risk profile.

The company is exposed to credit risk, foreign currency exchange rate risk and liquidity risk. The company is not significantly exposed to interest rate risk.

There has been no change to the company's exposure to these financial risks or the manner in which it manages measures the risk.

a) Credit risk

Credit risk refers to risk that a counterparty will default on its contractual obligations to repay amounts owing to company resulting in a loss to the company. The company's primary exposure to credit risk arises through its trade and other receivables and bank balances.

It is the company's policy to enter into transactions with creditworthy customers and high credit rating counter-parties to mitigate any significant credit risk. The company has procedures in place to control credit risk and that exposure to such risk is monitored on an ongoing basis.

Credit risk management

The company considers the probability of default upon initial recognition of asset and at each reporting date, assesses whether there has been a significant increase in credit risk since initial recognition. If credit risk has not increased significantly since initial recognition or if the credit quality of the financial instruments improves such that there is no longer a significant increase in credit risk since initial recognition, loss allowance is measured at an amount equal to 12-month ECLs. When credit risk has increased significantly since initial recognition, loss allowance is measured at an amount equal to lifetime ECLs.

Significant increase in credit risk

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECLs, the company considers reasonable and supportable information that is relevant and available without undue cost or effort.

This includes both quantitative and qualitative information and analysis, based on the company's historical experience and informed credit assessment and includes forward-looking information such as the following:

- Credit rating information supplied by publicly available financial information;
- Existing or forecast adverse changes in business, financial or economic conditions that are expected to cause a significant decrease in the debtor's ability to meet its debt obligations; and
- Significant changes in the expected performance and behavior of the debtor, including changes in the payment status of debtors and changes in the operating results of the debtor.

Regardless of the analysis above, a significant increase on credit risk is presumed if a debtor is more than 30 days past due in making contractual payment unless the company has reasonable and supportable information that demonstrates otherwise.

The maximum period considered when estimating ECLs is the maximum contractual period over which the company is exposed to credit risk.

Low credit risk

The company assumes that the credit risk on a financial asset has not increased significantly since initial recognition if the financial asset is determined to have low credit risk at the reporting date.

A financial asset is considered to have low credit risk if:

- The financial instrument has a low risk of default;
- The borrower has a strong capacity to meet its contractual cash flow obligations in the near term and
- Adverse changes in economic and business conditions in the longer term may, but will not necessarily, reduce the ability of the borrower to fulfil its contractual cash flow obligations.

Credit-impaired

A financial asset is credit-impaired when one or more events that have a detrimental impact on the estimated future cash flows of that financial asset have occurred. Evidence that a financial asset is credit-impaired includes observable data about the following events:

- Significant financial difficulty of the counter-party or the borrower;
- A breach of contract, such as default or past due event; or
- It is becoming probable that the debtor will enter bankruptcy or other financial reorganisation;

Default event

The company considers the following as constituting an event of default when:

- The borrower fails to make contractual payments, within 90 days when they fall due, unless the company has reasonable and supportable information to demonstrate that a more lagging default criterion is more appropriate; or
- Internal or external information indicates that the borrower is unlikely to pay its credit obligations to the company in full, without recourse by the company to actions such as realising security (if any is held).

Write-off policy

The company categorises a receivable for potential write-off when:

- There is information indicating that the counterparty is in severe financial difficulty and there is no realistic prospect of recovery or
- When a debtor fails to make contractual payments more than 365 days past due.

Where receivables have been written off, the company continues to engage enforcement activity to attempt to recover the receivable due. Where recoveries are made, these are recognised in profit or loss.

Credit risk grading framework

The company's current credit risk grading framework comprises the following categories:

Category	Definition of category	Basis for recognizing expected credit loss (ECL)
I - Performing	Counterparty has a low risk of default and does not have any past due amounts and a strong capacity to meet contractual cash flows.	12-month ECL
II – Under performing	Amount is > 30 days past due or there has been a significant increase in credit risk since initial recognition.	Lifetime ECL – not credit impaired
III – Default	Amount is > 90 days past due to or there is evidence indicating the asset is credit-impaired (in default).	Lifetime ECL – credit impaired
IV – Write off	Amount is > 365 days past due or there is evidence indicating that the debtor is in severe financial difficulty and there is no realistic prospect of recovery.	Amount is written off

There are no significant changes to estimation techniques or assumptions made during the reporting period.

Simplified approach

The company apply the simplified approach using the provision matrix to provide for ECLs for trade receivables. The simplified approach requires the loss allowance to be measured at an amount equal to lifetime ECLs.

The provision matrix is based on historical credit loss experience over the past three years and adjusted for forward-looking estimates. Trade receivables are grouped based on similar credit risk characteristics and days past due.

Expected credit loss assessment

The following are qualitative information on expected credit loss for financial assets under amortised cost:

TVS MOTOR (SINGAPORE) PTE. LIMITED

- Trade receivables

These are due from customers who have a good credit record with the company with no history of default. The loss allowance is measured based on lifetime ECL using the provision matrix. Details of ECL are disclosed in Note 16.

- Other receivables and loans receivables

Management considers subsidiaries, associate and related parties' receivables, amount due from third parties and loans receivables to be low credit risk because in their view, the credit risk for these receivables has not increased significantly since their initial recognition. Therefore, these receivables have been measured based on 12-month expected credit loss model and subject to immaterial credit loss.

- Bank balances

The company places its bank deposit with credit worthy financial institution. Impairment on bank balances is measured on the 12-month expected loss basis. Management considers that its bank balances have low credit risk based on the external credit ratings of the counterparty. Therefore, management considers the amount of ECL to be insignificant.

Significant concentration of credit risk

As at the reporting date, the company has significant concentration of credit risk with two customers amounted to US\$12,507,191 which accounted for 55% of its trade receivables (2025: two customers amounted to US\$6,319,753 which accounted for 66%).

The company does not hold any collateral or other credit enhancements to cover its credit risks associated with its financial assets.

c) Foreign currency exchange rate risk

Foreign currency exchange rate risk arose from the change in foreign exchange rates that may have an adverse effect on the company in the current reporting period and in the future periods.

The company transacts mainly in United states dollar and Singapore dollar. Management believes that the foreign exchange rate risk is manageable. Hence, the company does not use derivative financial instruments to mitigate this risk.

The company's exposure to foreign currency exchange rate risk in equivalent United States dollar is as follows:

	2026	2025	2026	2025
	CHF	CHF	S\$	S\$
In United States dollar				
Financial assets				
Trade and other receivables	64,363	1,311,473	5,532,336	3,655,711
Loans receivables	-	509,900	-	-
Bank balances	-	-	320,639	111,556
	64,363	1,821,373	5,852,975	3,767,267
Financial liabilities				
Trade and other payables	-	-	809,011	2,033,444
	-	-	809,011	2,033,444
Net exposure	64,363	1,821,373	5,043,964	1,733,823

	2026	2025	2026	2025
	Euro	Euro	GBP	GBP
In United States dollar				
Financial assets				
Other investments	5,960,676	5,960,676	125,175	125,175
Trade and other receivables	3,700,984	2,185,732	168,506	160,950
Loans receivables	783,440	4,398,022	1,388,100	1,361,861
Bank balances	871,144	433,003	-	-
	11,316,244	12,977,433	1,681,781	1,647,986
Financial liabilities				
Trade and other payables	3,716,920	365,749	541,562	362,345
	3,716,920	365,749	541,562	362,345
Net exposure	7,599,324	12,611,684	1,140,219	1,285,641

	2026	2025	2026	2025
	AED	AED	PHP	PHP
In United States dollar				
Financial assets				
Trade and other receivables	-	-	7,905,329	2,757,584
Bank balances	-	-	187,876	212,210
	-	-	8,093,205	2,969,794
Financial liabilities				
Lease liabilities			182,574	228,895
Borrowings	7,099,486	-	-	-
Trade and other payables	313,907	-	3,695,135	760,896
	7,413,393	-	3,877,709	989,791
Net exposure	(7,413,393)	-	4,215,496	1,980,003

Sensitivity analysis

A 10% increase or decrease is used when reporting foreign currency exchange rate risk internally to key management personnel and represents management's assessment of the possible change in foreign currency exchange rates.

A 10% strengthening of United States dollar against the following currencies would increase/(decrease) profit or loss and equity by the amount shown below:

	2026	2025
	US\$	US\$
CHF impact	(6,436)	(182,137)
S\$ impact	(504,396)	(173,382)
Euro impact	(759,932)	(1,261,168)
GBP impact	(114,022)	(128,564)
AED impact	741,339	-
PHP impact	(421,550)	(198,000)

A 10% weakening of Singapore dollar against the above currencies would have had the equal but opposite effect on the above currency to the amounts shown above, on the basis that all other variables remain constant.

d) Liquidity risk management

Liquidity risk refer to risk that the company will not have sufficient funds to pay its debts as and when they fall due.

In the management of the liquidity risk, the company monitors and maintains a level of bank balances deemed adequate by the management to finance the company's operations and mitigate the effects of fluctuations in cash flows.

The following table summarises the company's remaining contractual maturity for its non-derivative financial liabilities at the end of the reporting period based on undiscounted cash flows of financial instruments based on the earlier of the contractual date or when the company is expected to pay.

TVS MOTOR (SINGAPORE) PTE. LIMITED

2026	Effective interest rate (%)	Carrying amount	Contractual undiscounted cash flows			
			Less than a year	Within 2 to 5 years	Later than 5 years	Total
			US\$	US\$	US\$	US\$
Financial liabilities:						
Lease liabilities	6.8% to 7.8%	49,427,577	59,453,836	120,659	-	59,574,495
Borrowings	5.5% to 5.7%	7,099,486	7,409,734	-	-	7,409,734
Trade and other payables	-	25,938,012	25,938,012	-	-	25,938,012
		82,465,075	92,801,582	120,659	-	92,922,241

2025	Effective interest rate (%)	Contractual undiscounted cash flows				
		Carrying amount	Less than a year	Within 2 to 5 years	Later than 5 years	Total
		US\$	US\$	US\$	US\$	US\$
Financial liabilities:						
Lease liabilities	4.4% to 7.8%	68,888,508	11,802,828	72,408,148	-	84,210,976
Trade and other payables	-	9,451,796	9,451,796	-	-	9,451,796
		78,340,304	21,254,624	72,408,148	-	93,662,772

e) Fair value of financial assets and financial liabilities

Fair value is defined as the amount at which the instrument could be exchanged in a current transaction between knowledgeable willing parties in an arm's length transaction, other than in a forced or liquidation sale. Fair values are obtained through discounted cash flow models as appropriate.

i) Financial assets and liabilities

Management has determined that the carrying amounts of bank balances, trade and other receivables, lease liabilities, borrowing, trade and other payables, based on their notional amounts, reasonably approximate their fair values because these are mostly short-term in nature. The fair value of non-current receivables is disclosed in Note 16 to the financial statements.

ii) Fair value hierarchy

- Level 1 - Quoted prices (unadjusted) in active markets for identical assets or liabilities that the company can access at the measurement date;
- Level 2 - Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly; and
- Level 3 - Unobservable inputs for the asset or liability.

The company categorises fair value measurements using a fair value hierarchy that is dependent on the valuation inputs used as follows:

Fair value measurements that use inputs of different hierarchy levels are 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.

During the financial year ended 31 March 2026, there was no transfer between instruments in Level 1, Level 2 and Level 3, or vice versa.

The company does not anticipate that the carrying amounts recorded at end of the reporting period would significantly be different from the values that would eventually be received or settled.

Financial Assets	Assets		Fair Value Hierarchy	Valuation Technique and Key Impact	Significant unobservable input	Relationship of unobservable inputs to fair value
	2026	2025				
	US\$	US\$				
<u>At fair value through other comprehensive income</u>						
Unquoted equity investments	21,586,008	21,036,159	Level 3	Income approach – discounted cash flow method was used to capture the present value of the expected future economic benefits to be derived from the ownership of these investees.	Discount for lack of marketability, determined by reference to the share price of listed entities in similar industries accordingly recognised at cost.	A significant increase in the discount for lack of marketability would result in a significant decrease in fair value.
<u>At fair value through profit or loss</u>						
Unquoted equity investments	4,238,753	-	Level 3	Income approach – discounted cash flow method was used to capture the present value of the expected future economic benefits to be derived from the ownership of these investees.	Discount for lack of marketability, determined by reference to the share price of listed entities in similar industries accordingly recognised at cost.	A significant increase in the discount for lack of marketability would result in a significant decrease in fair value.

TVS MOTOR (SINGAPORE) PTE. LIMITED

5.3. Capital Risk Management Policies and Objectives

The company's objective when managing capital is to safeguard the company's ability to continue as a going concern and to maintain an optimal capital structure so as to maximize shareholder value. In order to maintain or achieve an optimal capital structure, the company may adjust the amount of dividend payment, return capital to shareholders, issue new shares, obtain new borrowings or sell assets to reduce borrowings.

The company monitors capital using gearing ratio, which is net debt divided by total capital. Net debt is calculated as trade and other payables, borrowings plus lease liabilities less bank balances. Total capital is calculated as equity and net debt. The company's overall strategy remains unchanged

	2026	2025
	US\$	US\$
Trade and other payables	25,938,012	9,451,796
Lease liabilities	49,427,577	68,888,508
Borrowings	7,099,486	-
Less: Bank balances	(4,572,383)	(5,964,706)
Net debt	77,892,692	72,375,598
Total equity	824,206,362	616,710,668
Total capital	902,099,054	689,086,266
Gearing ratio	8.6%	10.5%

The company is not subject to externally imposed capital requirements.

6. HOLDING COMPANY

The company is wholly-owned subsidiary of TVS Motor Company Ltd, incorporated in India. The company's ultimate holding company is TVS Holdings Limited, incorporated in India. The registered office of the holding company is at No.12, Chaitanya Building, Khader Nawaz Khan Road, Chennai – 600 006, India.

Some of the company's transactions and arrangements are between members of the company and the effects of these on the basis determined between the parties are reflected in these financial statements.

7. SIGNIFICANT RELATED PARTY TRANSACTIONS

Parties are considered to be related if one party has the ability to control the other party or exercise significant influence over the other party in making financial and operating decisions.

Some of the company's transactions and arrangements are with related parties and the effect of these on the basis determined between the parties are reflected in these financial statements.

Significant related party transactions affecting the profit or loss account are as follows:

	2026	2025
	US\$	US\$
Sales of vehicles to:		
- Immediate holding company	26,498	-
- subsidiaries	18,754	129,280
Design support fee from associate	4,625,334	-
Service income from related party	14,906,546	19,762,062
Reimbursement of expenses from:		
- holding company	10,602,467	-
- related party	8,511,482	-
Salary recharged to subsidiaries	1,474,882	-
Interest income from:		
- subsidiaries	397,722	635,657
- associate	-	10,000
- related parties	308,795	429,202
Technical and management fee from an associate	3,000,000	3,000,000
Purchase of vehicles from:		
- immediate holding company	(3,194,233)	(1,148,881)
- subsidiaries	(195,987)	(852,497)
- associate	(21,165,233)	(6,238,878)
Interest expense to a related party	(313,907)	-
Recovery of professional and consultancy fee by a subsidiary	(279,647)	(307,441)

TVS MOTOR (SINGAPORE) PTE. LIMITED

8. PLANT AND EQUIPMENT

	Office equipment	Office artwork	Vehicle	Leasehold Property	Renovation	Capital work-in-progress	Total
	US\$	US\$	US\$	US\$	US\$	US\$	
Cost							
At 01.04.2024	18,821	89,530	39,453,895	303,607	-	-	39,865,853
Additions	6,702	-	61,486,672	-	14,758	-	61,508,132
Lease reassessment	-	-	(580,609)	-	-	(580,609)	
Disposal	-	-	(15,367,616)	-	-	-	(15,367,616)
At 31.03.2025	25,523	89,530	84,992,342	303,607	14,758	-	85,425,760
Additions	42,259	-	38,503	-	8,794	43,700,112	43,789,668
Lease reassessment	-	-	-	-	-	-	-
Exchange realignment	242	-	(857,230)	3,141	(9,088)	-	(862,934)
Reclassification	-	-	(57,928,860)	-	-	-	(57,928,861)
Disposal	(952)	-	(22,347,054)	-	-	-	(22,348,006)
At 31.03.2026	67,072	89,530	3,897,701	306,748	14,464	43,700,112	48,075,627
Accumulated depreciation							
At 01.04.2024	18,821	-	14,834,374	35,420	-	-	14,888,615
Charged for the year	527	-	7,049,661	60,842	-	-	7,111,030
Disposal	-	-	(11,613,253)	-	-	-	(11,613,253)
Exchange realignment	(1)	-	(13,888)	(120)	-	-	(14,009)
At 31.03.2025	19,347	-	10,256,894	96,142	-	-	10,372,383
Charged for the year	4,131	-	8,938,250	58,475	-	-	9,000,856
Exchange realignment	154	-	(21,680)	995	-	-	(20,531)
Reclassification	-	-	(8,689,329)	-	-	-	(8,689,329)
Disposal	(100)	-	(9,207,964)	-	-	-	(9,208,064)
At 31.03.2026	23,532	-	1,276,171	155,612	-	-	1,455,315
Carrying amount							
At 31.03.2025	6,176	89,530	74,735,448	207,465	14,758	-	75,053,377
At 31.03.2026	43,540	89,530	2,621,530	151,136	14,464	43,700,112	46,620,312

The company leases aircrafts for business use and an office premises for its operations. The leases have a total tenure of 60 months and the remaining lease term as at 31 March 2026 is 29 to 45 months (2025: 41 to 59 months).

Capital work-in-progress represents costs incurred for the renovation of a leased premises. As at the reporting date, the renovation is still ongoing and is anticipated to be completed in the following financial year. The lease will commence upon completion of the renovation. Accordingly, no right-of-use asset or lease liability has been recognised as at the reporting date. No depreciation has been charged as the asset has not yet been brought into use.

Management has reviewed for the impairment of its plant and equipment at the end of each reporting period. No allowance for impairment is required as the carrying amount of the plant and equipment is expected to be less than its recoverable value, which is the higher of the fair value less cost to sell and its value-in use.

TVS MOTOR (SINGAPORE) PTE. LIMITED

9. INTANGIBLE ASSETS

	Trademark	Technology- Related IP	Website Development	Total
	US\$	US\$		US\$
Cost				
At 01.04.2024	-	-	-	-
Additions	4,217,052	11,223,757	-	15,440,809
At 31.03.2025	4,217,052	11,223,757	-	15,440,809
Additions	-	-	22,488	22,488
At 31.03.2026	4,217,052	11,223,757	22,488	15,463,297
Accumulated amortisation				
At 01.04.2024 and 31.03.2025	-	-	-	-
Charged for the year	702,842	1,870,626	4,956	2,578,424
At 31.03.2026	702,842	1,870,626	4,956	2,578,424
Carrying amount				
At 31.03.2025	4,217,052	11,223,757	-	15,440,809
At 31.03.2026	3,514,210	9,353,131	17,532	12,884,873

At the end of the reporting period, the company carried out a review of the recoverable amount of all intangible assets. As a result of the review, no allowances for impairment or revisions to the useful lives was found to be necessary for intangible assets.

10. INVESTMENT IN SUBSIDIARIES

Details of the subsidiaries are as follows:

	2026	2025	Name of subsidiary/ Country of incorporation	Principal activity	Proportion of ownership Interest	
	US\$	US\$			2026	2025
Unquoted equity shares at cost:						
At beginning of the year	432,412,374	283,317,674	The Norton Motorcycle Co. Limited United Kingdom	Manufacturing and selling of Norton Brand motorcycles and trading of vehicle spares & accessories	100%	100%
Additions	172,947,593	149,094,700				
At end of the year	605,359,967	432,412,374	TVS Digital Pte. Ltd. Singapore	Engaged in providing high quality digital solutions that help in the automotive financial services and manufacturing industries with IOT, AI & ML based solutions	100%	100%
Less: Impairment loss	(11,594,930)	(4,352,260)				
Carrying amount at end of the year	593,765,037	428,060,114				
The movement in allowance for impairment of investment in subsidiaries was as follows:						
	2026	2025				
	US\$	US\$				
At beginning of the year	4,352,260	-	The GO AG Switzerland	Providing smart connected mobility solutions through a pipeline of e-bikes, e-cargo bikes, and e-scooters combining innovative designs through the network of its stores across Switzerland and Germany	-	100%
Provision during the year	7,242,670	4,360,851				
Translation difference	-	(8,591)				
At end of the year	11,594,930	4,352,260	TVS Ebike Company AG (Formerly known as Swiss E-Mobility Group (Holding) AG) Switzerland	A fully integrated e-bike platform with its core business consisting of purchase and re-sale of own branded e-bikes, third party branded e-bikes and spare parts through retail and online stores in Switzerland and Germany	100%	100%
			TVS Ebike Company Limited (Formerly known as EBCO Limited) England	Producing and distributing electric bikes designed for the rapidly expanding British e-bike market	100%	100%
			TVS Motor GmbH (Formerly known as Celerity Motor GmbH Germany)	Undertake activities related to two-wheeler & three-wheeler vehicles, including research, development, engineering, sales and service thereof	100%	100%
			Engine Engineering S.P.A. Italy	Design, engineering, and development of two-wheel and three-wheel vehicles	100%	-

TVS MOTOR (SINGAPORE) PTE. LIMITED

During the financial year,

- 1) The company subscribed to and was allotted 86,450,000 ordinary shares in The Norton Motorcycle Co. Limited for a total consideration of GBP 86,450,000 (equivalent to US\$115,873,427).
- 2) The company subscribed to and was allotted 72,909 ordinary shares in TVS Ebike Company AG (formerly known as Swiss E-Mobility Group (Holding) AG) for a total consideration of CHF 37,720,100 (equivalent to US\$46,807,318), by way of converting from the loan to TVS Ebike Company AG.
- 3) The company subscribed to and was allotted 1,950 ordinary shares in TVS Ebike Company Limited (formerly known as EBCO Limited) for a total consideration of GBP 2,250,000 (equivalent to US\$3,064,144), by way of converting from the loan to TVS Ebike Company Limited.
- 4) The company acquired a 100% equity interest in Engines Engineering S.p.A. through the subscription of 1,000,000 ordinary shares for a total consideration of EUR 5,050,000 (equivalent to US\$5,920,283). The acquisition was effected by converting an existing loan receivable of EUR 4,000,000 from ACR S.r.l., the holding company of Engines Engineering S.p.A., into equity, together with a cash consideration of EUR 1,050,000. Subsequently, the company made an additional investment of EUR 1,100,000 (equivalent to US\$1,282,421) in Engines Engineering S.p.A. during the same financial year.
- 5) The GO AG, a wholly-owned subsidiary, was merged into TVS Ebike Company AG (formerly known as Swiss E-Mobility Group (Holding) AG). As a result, TVS Ebike Company AG absorbed GO AG, and the merged entity continues as a wholly-owned subsidiary of the Company.

During the previous financial year,

- 1) The company subscribed to and was allotted 47,500,000 ordinary shares in The Norton Motorcycle Co. Limited for a total consideration of GBP 47,500,000 (equivalent to US\$60,546,274).
- 2) The company subscribed to and was allotted 11,646,433 ordinary shares in The GO AG for a total consideration of CHF 8,000,000 (equivalent to US\$8,991,655), by way of converting from the loan to The GO AG and acquisition of shares from existing shareholders.
- 3) The company subscribed to and was allotted 116,956 ordinary shares in Swiss E-Mobility Group (Holding) AG for a total consideration of CHF 60,508,540 (equivalent to US\$68,103,502), by way of converting from the loan to Swiss E-Mobility Group (Holding) AG.
- 4) The company made an additional capital contribution of EUR 5,900,000 (equivalent to US\$6,404,646) to Celerity Motor GmbH.
- 5) The company subscribed to and was allotted 1,950 ordinary shares in EBCO Limited for a total consideration of GBP 3,900,000 (equivalent to US\$5,048,623), by way of converting from the loan to EBCO Limited.

One set consolidated financial statements of the company and its subsidiaries are not prepared as the company itself is a wholly owned subsidiary of another corporation. The holding company, TVS Motor Company Ltd prepares consolidated financial statements which are available for public use at their registered office at No.12, Chaitanya Building, Khader Nawaz Khan Road, Chennai – 600 006, India.

At the end of the reporting period, the management carried out a review on the recoverable amount of its investment in material subsidiaries based on value in use calculation and net assets value for other subsidiaries. The key assumptions of value in use are those regarding the discount rate, growth rate and expected changes to selling prices and direct costs during the year. Management estimates the discount rate using pre-tax rate, derived from its weighted average cost of capital (WACC). The growth rate is based on industry growth forecasts. Changes in selling prices and direct costs are based on past practices and expectations of future changes in demand for the product.

As the result of the review, an allowance for impairment allowance of US\$7,242,670 has been recognised in respect of the investment in TVS Ebike Company AG.

11. INVESTMENTS IN ASSOCIATES

	2026	2025
	US\$	US\$
Unquoted equity shares at cost:		
At beginning of the year	66,983,349	80,110,816
Addition	462,549	1,671,265
Disposal	-	(14,798,732)
At end of the year	67,445,898	66,983,349

Details of the associate are as follows:

Name of associate/ Country of incorporation	Principal activity	Proportion of ownership Interest	
		2026	2025
PT. TVS Motor Company Indonesia	Manufacturers of motorcycles, motorcycles spare parts and accessories	29.9%	31.7%
Killwatt GmbH Germany	Development, design and marketing of products and components in the field of two-, three-, and four-wheeled vehicles	49%	49%

During the financial year, the company made the balance payment of EUR 400,000 (equivalent to US\$462,549) to Killwatt GmbH in accordance with the investment and shareholders' agreement dated on 3 April 2023.

- 1) the company disposed of all its 4,964,524 preference AA shares in Ion Mobility Pte. Ltd. for a total consideration of USD 15,000,000.
- 2) the company made the balance payment of EUR 1,600,000 (equivalent to US\$1,671,265) to Killwatt GmbH in accordance with the investment and shareholders' agreement dated on 3 April 2023.

The company did not perform equity accounting of the results of the associate as the holding company, TVS Motor Company Ltd will be preparing the consolidated financial statements, which are available for public use at their registered office at No.12, Chaitanya Building, Khader Nawaz Khan Road, Chennai – 600 006, India.

12. OTHER INVESTMENTS

	2026	2025
	US\$	US\$
Equity instruments		
At fair value through other comprehensive income:		
Unquoted equity investments:		
At beginning of the year	21,036,159	10,041,078
Addition	500,000	10,995,081
Translation difference	49,849	-
At end of the year	21,586,008	21,036,159

The above investments offer the company the opportunity for return through dividend income and fair value gains.

Equity investments are categorised as at fair value through other comprehensive income. The company has elected to measure these equity securities at FVTOCI due to the company's intention to hold these equity instruments for long-term appreciation.

Details of the other investments are as follows:

Name of company	Country of incorporation	Proportion of ownership Interest	
		2026	2025
Mottu Holdings Ltd	United States of America	2.55%	2.55%
ARC Ride Limited	England	2.64%	2.64%
Quadrant Esports Limited	United Kingdom	1.06%	1.06%
Zapata Group B.V	Netherlands	3.58%	3.58%
DAT Bike Pte Ltd	Singapore	0.71%	-

TVS MOTOR (SINGAPORE) PTE. LIMITED

Other investments are denominated in the following currencies:

	2026	2025
	US\$	US\$
British pound	125,175	125,175
Euro	5,960,676	5,960,676
United States dollar	15,500,157	14,950,308
	<u>21,586,008</u>	<u>21,036,159</u>

13. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS (FVTPL)

	2026	2025
	US\$	US\$
Private equity investments	<u>4,238,753</u>	-

The movement of financial assets at FVTPL during the financial year is as follows:

	2026	2025
	US\$	US\$
At beginning of year	-	-
Additions	<u>4,238,753</u>	-
	<u>4,238,753</u>	-

Private equity instruments classified as non-current are held for long-term appreciation in value as well as medium to long-term strategic investments purposes. The investments in private equity investments represent investments in private equity funds. These are valued using the price or net asset value obtained from the investment managers and fund administrators as at the end of the reporting period.

Financial assets at FVTPL are denominated in United States dollar.

14. DEFERRED TAX ASSET

	2026	2025
	US\$	US\$
At the beginning of year	181,328	28,682
Credited to income for the year (Note 30)	<u>444,914</u>	<u>153,574</u>
Foreign exchange loss	1,875	(928)
At end of year	<u>628,117</u>	<u>181,328</u>

15. CAPITAL ADVANCES

Capital advances relate to progress payments made for the acquisition of plant and machinery. The equipment is expected to be delivered after more than one year from the reporting date. Accordingly, the advances are classified as non-current assets.

16. TRADE AND OTHER RECEIVABLES

	2026	2025
	US\$	US\$
Non-current		
Long-term deposit	<u>6,399,978</u>	<u>9,192,179</u>
Current		
Trade receivables:		
- third parties	10,292,208	3,243,114
- subsidiaries (Note 10)	-	70,256
- associate (Note 11)	7,625,334	3,301,301
- related party (Note 7)	<u>4,881,857</u>	<u>3,018,452</u>
	<u>22,799,399</u>	<u>9,633,123</u>
Less: Allowance for expected credit loss	<u>(218,457)</u>	-
	<u>22,580,942</u>	<u>9,633,123</u>

	2026	2025
	US\$	US\$
Accrued revenue	777,390	-
Amount due from ultimate holding company (Note 6)	465,657	-
Amount due from subsidiaries (Note 10)	1,021,691	22,818,792
Amount due from related parties (Note 7)	203,852	100,435
Bonds receivable	-	9,391
Convertible notes receivable	4,000,000	3,500,000
Interest receivables from subsidiaries (Note 10)	388,468	1,472,423
Interest receivables from related parties (Note 7)	42,109	435,053
Interest receivables from third party	-	132,978
Other receivables – third parties	5,735,912	5,063,255
Refundable deposits	1,838,017	4,417,191
Share application money paid	<u>19,763,012</u>	<u>4,996,271</u>
	<u>56,817,050</u>	<u>52,578,912</u>
Less: Allowance for expected credit loss	<u>(20,009,079)</u>	<u>(26,005,682)</u>
	<u>36,807,971</u>	<u>26,573,230</u>
GST/ VAT receivables	1,661,512	252,580
Total current portion	<u>38,469,483</u>	<u>26,825,810</u>
Total trade and other receivables	<u>44,869,461</u>	<u>36,017,989</u>

Trade receivables are non-interest bearing and they are normally settled on 30 to 120 days credit terms (2025: 30 to 120 days). Trade receivables are not secured by any collateral or credit enhancement and are recognised at their original invoice amounts, which represents their fair values on initial recognition.

The credit risk profile of trade receivables is presented based on their past due status as follows:

	Trade receivables – days past due					
	Not past due	< 30 days	31 to 60 days	61 to 90 days	>90 days	Total
	US\$	US\$	US\$	US\$	US\$	US\$
2026						
Trade receivables						
- gross amount	14,534,274	3,941,606	290,142	1,455,502	2,577,875	22,799,399
Expected credit loss (ECL)	-	(53,307)	(14,507)	(52,280)	(98,363)	(218,457)
						<u>22,580,942</u>

	Trade receivables – days past due					
	Not past due	< 30 days	31 to 60 days	61 to 90 days	>90 days	Total
	US\$	US\$	US\$	US\$	US\$	US\$
2025						
Trade receivables						
- gross amount	8,662,875	869,017	91,900	5,623	3,708	9,633,123
Expected credit loss (ECL)	-*	-*	-*	-*	-*	-*
						<u>9,633,123</u>

* ECL is not significant

Allowance for expected credit loss – Trade receivables

The movement in allowance for expected credit losses of trade receivables computed based on lifetime ECL was as follows:

	2026	2025
	US\$	US\$
At beginning of the year	-	-
Allowance made during the year	218,457	-
At end of the year	<u>218,457</u>	-

TVS MOTOR (SINGAPORE) PTE. LIMITED

Allowance for expected credit loss – Other receivables

The movement in allowance for expected credit losses of other receivables computed based on 12-month ECL (individually assessed) was as follows:

	2026	2025
	US\$	US\$
At beginning of the year	26,005,682	-
Allowance made during the year	15,012,808	26,057,013
Reversal of allowance during the year	(21,009,411)	-
Translation difference	-	(51,331)
At end of the year	20,009,079	26,005,682

Long-term deposits of US\$8,250,000 (2025: US\$12,200,000) were paid to the lessor as good faith deposit and are refundable. It has been discounted to its present value using a discount rate of 6.8% (2025: 4.4% to 6.8%) per annum.

Amount due from subsidiaries and related parties are unsecured, interest free and repayable on demand.

Trade and other receivables are denominated in the following currencies:

	2026	2025
	US\$	US\$
Australian dollar	166,074	152,456
British pound	168,506	160,950
Euro	4,116,867	2,185,732
Philippine peso	9,145,611	2,757,584
Singapore dollar	5,549,302	3,655,711
Swiss franc	64,363	1,311,473
United States dollar	25,612,919	25,794,083
Vietnamese dong	45,819	-
	44,869,461	36,017,989

17. LOANS RECEIVABLES

	2026	2025
	US\$	US\$
Non-current		
Loan to third party	-	4,317,077
Current		
Loans to subsidiaries (Note 10)	36,655,517	1,871,760
Loans to related parties (Note 6)	983,440	27,280,946
	37,638,957	29,152,706
Total loans receivables	37,638,957	33,469,783

Loans to subsidiaries and related parties are interest bearing at 3.25% to 5.5% (2025: 3.25% to 7%) per annum, unsecured and tenure ranging from 12 to 24 months (2025: 4 to 48 months).

In 2025, loan to third party was interest bearing at 6-month EURIBOR per annum, repayable after 36 months, and was secured by a first ranking pledge over 8% of shares of a subsidiary of third party.

Loans receivables are denominated in following currencies:

	2026	2025
	US\$	US\$
British pound	1,388,100	1,361,861
Euro	783,440	4,398,022
Swiss franc	-	509,900
United States dollar	35,467,417	27,200,000
	37,638,957	33,469,783

18. ASSET HELD FOR SALE

During the financial year ended 31 March 2026, the company reclassified certain plant and equipment from plant and equipment to asset held for sale, following management's decision to dispose of the asset. The sale is expected to be completed within 12 months from the end of the reporting period.

The asset has been measured at its carrying amount of US\$49,239,531, being cost less accumulated depreciation, which is lower than its fair value less costs to sell. Depreciation ceased upon reclassification of the asset as held for sale.

	2026
	US\$
Cost	57,928,860
Less: Accumulated depreciation up to date of reclassification	(8,689,329)
Carrying amount at date of reclassification	49,239,531

19. INVENTORIES

	2026	2025
	US\$	US\$
Trading inventories at cost	14,713,677	4,981,492
Less: Write-down to net realisable value	(76,536)	-
Net carrying amount	14,637,141	4,981,492

The cost of inventories recognised as an expense and included in "cost of sales" amounted to US\$19,824,157 (2025: US\$4,176,699).

During the financial year, the company recognised a write-down of inventories amounting to US\$76,536 to reflect inventories stated at net realisable value. The write-down was mainly attributable to slow-moving and obsolete inventories.

20. OTHER CURRENT ASSETS

	2026	2025
	US\$	US\$
Advance payments	-	7,386,134
Prepayments	269,966	475,732
	269,966	7,861,866

In 2025, advance payments include amounts paid for the renovation of the director's accommodation, which was still in progress as of the reporting date.

Other current assets are denominated in the following currencies:

	2026	2025
	US\$	US\$
Australian dollar	-	9,946
British pound	-	862,828
Euro	269,966	5,434
Philippine peso	-	26,161
Singapore dollar	-	2,027,586
United States dollar	-	4,929,911
	269,966	7,861,866

21. BANK BALANCES

	2026	2025
	US\$	US\$
Cash at bank	4,572,383	5,964,706

Cash at banks earn interest at floating rates based on daily bank deposit rates.

TVS MOTOR (SINGAPORE) PTE. LIMITED

Bank balances are denominated in the following currencies:

	2026	2025
	US\$	US\$
Australian dollar	152,634	195,653
Euro	871,144	433,003
Philippine peso	187,876	212,210
Singapore dollar	320,639	111,556
United States dollar	3,040,090	5,012,284
	4,572,383	5,964,706

22. SHARE CAPITAL

	2026	2025	2026	2025
	Number of ordinary shares		US\$	US\$
Issued and paid up:				
At beginning of the year	927,488,807	671,685,616	691,639,677	500,884,128
Issued during the year	286,634,252	255,803,191	222,160,000	190,755,549
At the end of the year	1,214,123,059	927,488,807	913,799,677	691,639,677

During the financial year, the company issued 286,634,252 (2025: 255,803,191) ordinary shares in the capital of the company for a consideration of US\$222,160,000 (2025: US\$190,755,549).

The newly issued shares rank pari passu in all respect with the existing ordinary shares of the company.

The ordinary shares with no par value, carry one vote per share and carry a right to dividends as and when declared by the company.

23. LEASE LIABILITIES

	2026	2025
	US\$	US\$
<i>Maturity analysis:</i>		
Within one year	59,453,836	11,802,828
Within two to five years	120,659	72,408,148
	59,574,495	84,210,976
Less: future finance charges	(10,146,918)	(15,322,468)
	49,427,577	68,888,508
<i>Analysed as:</i>		
Current	49,313,767	7,681,817
Non-current	113,810	61,206,691
	49,427,577	68,888,508

The company leases vehicles for its business use and an office premises for its operations (Note 8). The effective borrowing rate is 6.8% to 7.8% (2025: 4.4% to 7.8%) per annum.

Total cash outflows for the leases during the financial year ended 31 March 2026 amounted to US\$11,212,012 (2025: US\$6,370,826).

Lease liabilities are denominated in the following currencies:

	2026	2025
	US\$	US\$
Philippine peso	182,574	228,895
United States dollar	49,245,003	68,659,613
	49,427,577	68,888,508

24. BORROWING

	2026	2025
	US\$	US\$
Loan from a related party	7,099,486	-

During the year, the company obtained a short-term unsecured loan from a related party. The loan is repayable on or before 1 January 2027 and bears an interest rate ranging from 5.5% to 5.7% per annum.

Borrowing is denominated in UAE dirham.

25. TRADE AND OTHER PAYABLES

	2026	2025
	US\$	US\$
Trade payables:		
- third parties	7,253,112	1,034,868
- holding company (Note 6)	336,988	78
- subsidiary (Note 10)	480,329	229,275
- associate (Note 11)	13,269,402	5,238,791
- related party (Note 7)	2,325	-
	21,342,156	6,503,012
Deferred revenue	133,074	-
Other payables – third parties	104,802	191,912
Interest payable to a related party (Note 7)	313,907	-
Amounts due to a related party (Note 7)	-	1,885,720
Accrued expenses	4,044,073	871,152
	25,938,012	9,451,796

Trade payables are unsecured, non-interest bearing and they are normally settled on 30 days' (2025: 30 days') term.

Amount due to a related party is unsecured, interest free and repayable on demand.

Contract liabilities represent the company's obligation to transfer goods to customers for which consideration has been received or is receivable but for which the relevant goods have not yet been shipped or delivered as at the reporting date.

Trade and other payables are denominated in the following currencies:

	2026	2025
	US\$	US\$
Australian dollar	149,109	17,670
British pound	541,562	362,345
Euro	3,716,920	365,749
New Zealand dollar	19,811	10,670
Philippine peso	3,695,135	760,896
Singapore dollar	809,011	2,033,444
UAE dirham	313,907	-
United States dollar	16,692,557	5,901,022
	25,938,012	9,451,796

TVS MOTOR (SINGAPORE) PTE. LIMITED

26. REVENUE

	2026	2025
	US\$	US\$
Passenger service income	14,906,546	19,762,062
Sales of vehicles and spare parts	23,440,446	4,488,854
Design support fees	4,625,334	-
	<u>42,972,326</u>	<u>24,250,916</u>
Timing of transfer of good or service		
Over time	19,531,880	19,762,062
At a point in time	23,440,446	4,488,854
	<u>42,972,326</u>	<u>24,250,916</u>

27. OTHER INCOME

	2026	2025
	US\$	US\$
Foreign currency exchange gain	-	1,288,101
Interest income	564,073	289,706
Interest income on loan	706,517	1,206,366
Rental income	-	69,091
Recovery of expenses	10,645,604	-
Reversal of impairment loss on financial assets	21,009,411	-
Technical and management fee	3,000,000	3,013,050
Others	23,310	152,910
	<u>35,948,915</u>	<u>6,019,224</u>

28. IMPAIRMENT LOSS ON FINANCIAL ASSETS

	2026	2025
	US\$	US\$
Bad debts expense	2,533	-
Impairment on financial assets – advances to subsidiary (Note 16)	-	26,057,013
Impairment on financial assets – advances to third party (Note 16)	246,067	-
Impairment on financial assets – share application money (Note 16)	14,766,741	-
Impairment on financial assets – trade receivables (Note 16)	218,457	-
	<u>15,233,798</u>	<u>26,057,013</u>

29. FINANCE COST

	2026	2025
	US\$	US\$
Interest on lease liability	15,368	20,119
Interest on loan	314,259	134,101
	<u>329,627</u>	<u>154,220</u>

30. INCOME TAX

	2026	2025
	US\$	US\$
Current tax	-	-
Deferred tax (Note 14)	(444,914)	(153,574)
	<u>(444,914)</u>	<u>(153,574)</u>

The income tax benefit varied from the amount of income tax determined by applying the Singapore income tax rate of 17% (2025: 17%) to loss before income tax due to the following:

	2026	2025
	US\$	US\$
Loss before income tax	(15,109,220)	(44,691,926)
Income tax benefit at statutory rate of 17% (2025: 17%)	(2,568,567)	(7,597,627)
Income tax effects of:		
- non-taxable items	(3,387,338)	(37,916)
- non-deductible items	4,958,780	5,637,308
- tax losses carried forward	997,125	1,998,235
Tax for the year	-	-
Deferred tax (Note 14)	(444,914)	(153,574)
	<u>(444,914)</u>	<u>(153,574)</u>

The company has unutilised tax losses and donations carry forward available for offsetting against future taxable income as follow:

	2026	2025
	US\$	US\$
Amount at beginning of the year	19,094,023	8,576,967
Addition during the year	5,865,440	11,730,932
Amount at end of year	24,959,463	20,307,899
Deferred tax benefit on above unrecorded	4,243,109	3,452,343

The realisation of the future income tax benefit from these unutilised tax losses and donations carried forward is available for an unlimited period subject to the conditions imposed by law including the retention of majority shareholders as defined.

The deferred tax benefit of tax losses and donations carried forward has not been recognised in the financial statements because it is not probable that future taxable profits will be available against which the benefit can be utilised.

31. LOSS FOR THE YEAR

Loss for the year has been arrived at after charging/ (crediting):

	2026	2025
	US\$	US\$
Short-term employee benefits	7,252,160	1,205,854
Cost of defined contribution plans included in short-term employee benefits	177,684	15,208
Aircraft operation and maintenance charges	13,499,217	11,274,744
Depreciation of plant and equipment	9,000,856	7,111,030
Foreign currency exchange loss/ (gain)	699,940	(1,288,101)
Impairment loss on investment in subsidiary (Note 10)	7,242,670	4,360,851
Insurance expense	254,141	45,696
Loss on disposal of plant and equipment	-	148,752
Loss on termination of lease	2,340,162	-
Manpower cost	1,270,426	-
Marketing fee	1,075,026	567,294
Professional and consultancy fees	2,441,132	11,042,885
Research & Development expense	-	4,038,038
Travelling expenses	1,148,358	1,439,618
Warehouse expense	1,905,390	7,374

TVS MOTOR (SINGAPORE) PTE. LIMITED

32. RECONCILIATION OF LIABILITIES ARISING FROM FINANCING ACTIVITIES

The table below details changes in the company's liabilities arising from financing activities, including both cash and non-cash changes.

Liabilities arising from financing activities are those for which cash flows were, or future cash flows will be, classified in the statement of cash flows as cash flows from financing activities.

	2026	2025
	US\$	US\$
Lease liabilities (Note 23)		
At beginning of the year	68,888,508	22,614,479
<i>Financing cash flows:</i>		
- Principal portion of lease liabilities	(7,226,544)	(4,672,674)
- Interest portion of lease liabilities	(3,985,468)	(1,698,152)
	(11,212,012)	(6,370,826)
<i>Non-cash transactions:</i>		
- New lease	-	55,719,410
- Reassessment of lease	-	(847,984)
- Termination/ disposal of lease	(12,236,754)	(2,985,693)
- Foreign currency exchange loss/ (gain)	2,367	(939,030)
- Interest expense	3,985,468	1,698,152
At the end of year	49,427,577	68,888,508

	2026	2025
	US\$	US\$
Borrowing (Note 24)		
At beginning of the year	-	4,005,737
<i>Financing cash flows:</i>		
- Repayment of principal	(794,588)	(4,005,737)
- Repayment of interest	-	(134,101)
- Proceeds	7,896,528	-
	7,101,940	(4,139,574)
<i>Non-cash transaction:</i>		
- Interest expense	-	134,101
- Foreign currency exchange gain	(2,454)	-
At the end of year	7,099,486	-

	2026	2025
	US\$	US\$
Amount due to related party (Note 25)		
At beginning of the year	1,885,720	98,061
<i>Financing cash flows:</i>		
- Advances received	2,040,000	9,377,587
- Repayment of advances	(3,925,720)	(7,589,928)
	(1,885,720)	1,787,659
At the end of year	-	1,885,720

33. CAPITAL COMMITMENTS

Capital expenditures contracted for at the end of the reporting period but not recognised in the financial statements are as follows:

	2026	2025
	US\$	US\$
Purchase of plant and equipment	74,475,000	-

34. EVENTS AFTER THE REPORTING PERIOD

No items, transactions or events of material and unusual nature have arisen between the end of the reporting period and the date of authorisation for issue of the financial statements which are likely to affect substantially the results of operations of the company for the succeeding reporting period, except the following:

Subsequent to the reporting period,

- 1) the company made an additional investment of US\$35,267,417 in TVS Ebike Company AG (formerly known as Swiss E-Mobility Group (Holding) AG), a subsidiary of the company, through the conversion of an existing loan extended to TVS Ebike Company AG into equity.
- 2) the company entered into an aircraft lease agreement for a term of five years. Upon commencement of the lease, a right-of-use asset and a corresponding lease liability will be recognised accordingly.

DETAILED STATEMENT OF PROFIT OR LOSS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2026

	2026	2025
	US\$	US\$
Revenue		
Service income	14,906,546	19,762,062
Sales of vehicles and spare parts	23,440,446	4,488,854
Design support fees	4,625,334	-
	42,972,326	24,250,916
Cost of sales		
Aircraft operation and maintenance charges	13,499,217	11,274,744
Commission for aircraft	-	438,891
Cost of goods sold – vehicles	18,568,669	3,916,080
Cost of goods sold – spares	1,255,488	260,619
Depreciation of plant and equipment	8,630,967	6,748,218
Freight, logistics and storage charge	680,348	168,130
Interest on lease liabilities	3,970,100	1,678,033
Transportation	120,271	51,540
Warranty and remediation	54,185	1,169
Warehouse	148,520	38,556
Withholding tax	220,922	161,307
	47,148,687	24,737,287
Gross (loss)/ profit	(4,176,361)	(486,371)
Other income		
Foreign currency exchange gain	-	1,288,101
Interest income	564,073	289,706
Interest income on loan	706,517	1,206,366
Rental income	-	69,091
Recovery of expenses	10,645,604	-
Reversal of impairment loss on financial assets	21,009,411	-
Technical and management fee from associate	3,000,000	3,013,050
Others	23,310	152,910
	35,948,915	6,019,224
Total income	31,772,554	5,532,853
Less: Expenses		
- Schedule 'A'	(46,881,774)	(50,224,779)
Loss before income tax	(15,109,220)	(44,691,926)

This schedule does not form part of the statutory audited financial statements.

TVS MOTOR (SINGAPORE) PTE. LIMITED

Schedule 'A'

EXPENSES

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2026

	2026	2025		2026	2025
	US\$	US\$		US\$	US\$
Administrative expenses			Marketing and distribution		
Auditors' remuneration	56,248	37,359	Marketing fee	1,075,026	567,294
Bank charges	88,822	127,308	Sales agents fee	68,246	16,454
CPF contribution/ Superannuation fund	177,684	15,208	Transport – Outbound	161,380	-
Donation	-	3,736	Warehouse	1,905,390	7,374
Entertainment	59,851	11,934	Impairment loss on financial assets		
Gift	-	87	Bad debts expense	2,533	-
Legal and professional fee	964,699	329,533	Impairment loss on advances	246,067	26,057,013
Manpower costs	1,270,426	-	Impairment loss on share application money	14,766,741	-
Miscellaneous expense	541,561	74,670	Impairment loss on trade receivables	218,457	-
Meeting expenses	8,907	13,174	Finance costs		
Network development	-	35,125	Interest on lease liability	15,368	20,119
Office expense	24,522	19,436	Interest on loan	314,259	134,101
Office rental	223,317	2,765	Other expense		
Permit and licenses	132,978	-	Amortisation of intangible assets	2,578,424	-
Printing and stationery	7,168	432	Depreciation of plant and equipment	369,889	362,812
Professional and consultancy fee	2,441,132	11,042,885	Foreign currency exchange loss	699,940	-
Research and development	-	4,038,038	Impairment loss on investment in subsidiary	7,242,670	4,360,851
Salary, bonus and allowance	6,810,416	1,141,175	Impairment loss on inventories	76,536	-
Software tools	15,359	50,527	Loss on termination of lease	2,340,162	-
Sponsorship fees	116,715	-	Loss on disposal of plant and equipment	-	148,752
Staff insurance	254,141	45,696	Withholding tax	-	2,916
Staff training	25	897		46,881,774	50,224,779
Staff welfare	9,894	2,878			
Subscription and membership fee	229,069	32,145			
Telecommunications	12,658	3,801			
Transportation	154,862	44,559			
Travelling expense	1,148,358	1,439,618			
Utilities	12,011	7,134			
Vehicle expense	39,863	26,973			

This schedule does not form part of the statutory audited financial statements.

**RE-STATED ACCOUNTS OF
TVS MOTOR (SINGAPORE) PTE. LIMITED**

TVS MOTOR (SINGAPORE) PTE. LIMITED

BALANCE SHEET AS AT 31ST MARCH 2026

	Notes	USD in Mn.	Rupees in crores
ASSETS			
Non-current assets			
Property, plant and equipment	1	0.99	9.41
Capital Work In Progress		28.70	272.18
Intangible Assets	1	12.88	122.19
Right of use asset	1	16.93	160.54
Investments Accounted Using Equity Method		10.72	75.54
Non-current investments	2	659.27	5,221.89
Financial assets - others	3	29.32	272.63
Deferred Tax Asset		0.63	5.96
		<u>759.44</u>	<u>6,140.34</u>
Current assets			
Financial assets			
Inventories		14.64	138.81
i. Trade receivables	4	22.58	214.15
ii. Cash and cash equivalents	5	4.57	43.36
iii. Other Financial assets	6	45.23	428.88
Other current assets	7	10.98	104.05
Right of Use Assets held for surrender		49.24	466.96
		<u>147.24</u>	<u>1,396.21</u>
Total Assets		<u>906.68</u>	<u>7,536.55</u>
EQUITY AND LIABILITIES			
Equity			
Equity share capital	8	913.80	7,285.43
Other equity	9	(89.60)	(530.94)
		<u>824.20</u>	<u>6,754.49</u>
Liabilities			
Non-Current liabilities			
Financial liabilities			
Lease liability		0.11	1.08
		<u>0.11</u>	<u>1.08</u>
Current liabilities			
Financial liabilities			
i. Lease liability		49.32	467.67
ii. Trade payables	10	-	-
a. Total outstanding dues of micro and small enterprises		32.59	308.91
b. Total outstanding dues of other than (ii) (a) above		0.46	4.40
Other current liabilities	11		
		<u>82.37</u>	<u>780.98</u>
Total liabilities		<u>82.48</u>	<u>782.06</u>
Total equity and liabilities		<u>906.68</u>	<u>7,536.55</u>

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH 2026

	Notes	USD in Mn.	Rupees in crores
I Revenue from operations	12	42.98	379.72
II Other income	13	35.95	317.65
III Total Income (I +II)		78.93	697.37
IV Expenses:			
Cost of material consumed		33.65	297.31
Employee benefits expense	14	7.00	61.84
Finance costs	15	4.30	38.00
Depreciation and amortisation expense	16	11.58	102.32
Other expenses	17	37.51	331.40
Total expenses		<u>94.04</u>	<u>830.87</u>
V Profit before exceptional items (III - IV)		(15.11)	(133.50)
VI Exceptional items		-	-
VII Profit before tax (V+ VI)		<u>(15.11)</u>	<u>(133.50)</u>
VIII Tax expense			
i) Current tax		(0.44)	(3.93)
ii) Deferred tax		-	-
Total tax expense		<u>(0.44)</u>	<u>(3.93)</u>
IX Profit for the year (VII - VIII)		<u>(14.67)</u>	<u>(129.57)</u>
X Other Comprehensive Income			
A. Items that will not be reclassified to profit or loss		-	-
B. Items that will be reclassified to profit or loss		-	-
Foreign currency translation adjustments		-	148.69
Other comprehensive income for the year, net of tax		<u>-</u>	<u>148.69</u>
XI Total Comprehensive Income (IX + X)		<u>(14.67)</u>	<u>19.12</u>
XII Earnings per equity share (Face value of SGD 1/- each)			
Basic & Diluted earnings per share (in SGD / in rupees)		<u>(0.01)</u>	<u>(1.08)</u>

TVS MOTOR (SINGAPORE) PTE. LIMITED

Notes on Accounts

1 Property, Plant & Equipment and Intangible Assets as at 31.03.2026

USD in Mn.

Description	Property, Plant & Equipment						Total	Intangible assets	Total
	Lease Hold Improvements	Plant & equipment	Furniture and fixtures	Vehicles	Office equipments	ROU Asset			
Cost of assets									
Gross carrying value as at 01-04-2025	0.01	-	0.09	1.51	0.02	95.30	96.94	15.45	15.45
Additions	0.01	-	0.01	0.04	0.04	15.00	15.10	0.01	0.01
Sub-total	0.02	-	0.10	1.55	0.06	110.30	112.04	15.46	15.46
Sales / deletion	0.01	-	0.01	0.02	-	23.18	23.22	-	15.45
Total	0.01	-	0.09	1.53	0.06	87.12	88.82	15.46	0.01
Depreciation / Amortisation									
Upto 31-03-2024	-	-	-	0.38	0.02	21.49	21.89	-	-
For the year	-	-	-	0.31	0.00	8.69	9.00	2.58	2.58
Sub-total	-	-	-	-	-	49.24	-	-	-
Withdrawn on assets sold / deleted	-	-	-	-	-	-	-	-	-
	0.01	-	0.09	0.85	0.04	16.93	17.92	12.88	12.88
Total	-	-	-	0.68	0.02	20.95	21.66	2.58	2.58
Less:ROU Asset held for surrender	-	-	-	-	-	49.24	-	-	-
Carrying value	-	-	-	-	-	-	-	-	-
As at 31-03-2026	0.01	-	0.09	0.85	0.04	16.93	17.92	12.88	12.88

1 Property, Plant & Equipment and Intangible Assets as at 31.03.2026

Rupees in crores

Description	Property, Plant & Equipment						Total	Intangible assets	Total
	Lease Hold Improvements	Plant & equipment	Furniture and fixtures	Vehicles	Office equipments	ROU Asset			
	1	2	3	4	5	6	7	8	9
Cost of assets									
Gross carrying value as at 01-04-2025	0.13	0.02	0.77	12.91	0.20	814.57	828.59	132.08	132.08
Additions	0.08	0.01	0.09	0.37	0.39	142.25	143.19	0.10	0.10
Foreign Currency translation reserve difference	(0.03)	(0.02)	0.08	1.45	(0.02)	89.19	90.65	14.52	14.52
Sales / deletion	0.09	0.01	0.08	0.19	(0.00)	219.83	220.20	-	-
Total	0.09	-	0.85	14.53	0.57	826.18	842.23	146.70	146.70
Depreciation / Amortisation									
Upto 31-03-2025	-	-	-	3.24	0.16	183.66	187.07	-	-
For the year	-	0.01	0.01	2.70	0.03	76.80	79.55	2.58	2.58
Sub-total	-	(0.00)	(0.00)	0.52	(0.02)	486.71	487.20	2.58	2.58
Withdrawn on assets sold / deleted	-	-	0.01	0.01	(0.00)	81.53	81.55	-	-
Total									
Carrying value									
As at 31-03-2026	0.09	-	0.85	8.08	0.39	160.54	169.95	122.24	122.19

TVS MOTOR (SINGAPORE) PTE. LIMITED

Notes on accounts - (continued)

		As at 31-03-2026		As at 31-03-2025	
		USD in Mn.	Rupees in crores	USD in Mn.	Rupees in crores
2	NON-CURRENT INVESTMENTS				
	Investment in Equity instruments				
	Investment in Subsidiary				
	25,05,00,000 fully paidup equity shares of The Norton Motorcycle Company Ltd, UK ((face value of GBP 1 each)	318.30	2,634.20		
	25,158,918 fully paidup equity shares of TVS Digital Pte Limited, Singapore (face value of SGD1 each)	18.76	138.78		
	3,42,740 fully paidup equity shares of TVS E-bike Company AG, Switzerland (formerly known as SEMG) (face value of CHF 1 each)	245.03	1,991.09		
	3145 fully paidup equity shares of TVS EBike Company Limited (formerly known as EBCO Limited) (face value of GBP)	9.64	82.65		
	25,000 fully paidup equity shares of Celerity (face value of Euro 1 each)	6.43	53.25		
	10,00,000 fully paidup equity shares of Engines Engineering (face value of Euro 1 each)	5.92	52.57		
	Investment in Associates				
	53,24,187 fully paidup equity shares of PT.TVS Motor Company Indonesia (face value of IDR 97,400 each)	56.72	253.18		
	Company Indonesia (face value of IDR 97,400 each)				
	2,43,243 fully paidup equity shares of Tagbox Pte Limited, Singapore (face value of SGD 9.25 each)				
	2,43,243 fully paidup equity shares of Tagbox Pte Limited, Singapore (face value of SGD 9.25 each)				
	24,827 fully paidup equity shares of Predictronics Corp, USA (face value of USD 0.01 each)				
	8,06,429 fully paidup equity shares of Altizon Inc, USA (face value of USD 0.00001 each)				
	Others				
	3,26,064 fully paidup Preference shares of Mottu Holdings Ltd, USA (face value of USD 0.001 each)	14.00	132.77		
	575 fully paidup equity shares of ARC Ride Limited UK (face value of GBP 0.01 each)	1.00	9.49		
	12547 fully paid Preference shares of Quadrant Esports Ltd. (face value of USD 0.001 each)	0.13	1.19		
	Investments in DAT Bike	0.50	4.74		
	Convertible Loans Receivables	4.00	37.93		
	42,33,530 fully paid Equity shares of Zapata Group B.	5.96	56.53		
	Other Alternative investment funds	4.24	40.20		
	Less: Provision for impairment	31.36	266.69		
	28,05,357 fully paidup equity shares of Scienaptic Systems Inc, USA (face value of USD 0.001 each)				
		659.27	5,221.89		
3	FINANCIAL ASSETS - OTHERS (NON CURRENT)				
	Share application money paid (pending allotment)	21.04	194.15		
	Capital Advances	8.28	78.48		
		29.32	272.63		
4	TRADE RECEIVABLES				
	Unsecured, considered good	22.80	216.22		
	Less : Impairment loss on trade receivables	0.22	2.07		
		22.58	214.15		
5	CASH AND CASH EQUIVALENTS				
	Balances with banks in current accounts	4.57	43.36		
		4.57	43.36		
6	FINANCIAL ASSETS - OTHERS (CURRENT)				
	Lease receivables				
	Hedge instrument	-	-		
	Interest Receivables	0.43	4.08		
	Interest on others	-	-		
	Loans & Advances	37.65	356.94		
	Other receivables	7.15	67.86		
		45.23	428.88		
7	OTHER CURRENT ASSETS				
	Advances	0.78	7.37		
	Prepaid expenses	0.27	2.56		
	Trade deposits	8.24	78.12		
	Others	1.69	16.00		
		10.98	104.05		
8	EQUITY SHARE CAPITAL				
	Authorised, issued, subscribed and fully paid up:				
	Authorised:				
	15,000,000 Ordinary shares of IDR.97,400 each	14,61,000.00	712.24		
	Issued, subscribed and fully paid up:				
	1,19,42,53,459 Ordinary shares of SGD 1 each	913.80	7,285.43		
		913.80	7,285.43		
9	OTHER EQUITY				
	Retained earnings	(89.60)	(725.09)		
	Foreign currency translation reserve	-	194.15		
		(89.60)	(530.94)		
	Other Current Liabilities				
10	TRADE PAYABLES				
	Dues to Micro and Small Enterprises**				
	Dues to enterprises other than Micro and Small Enterprises	32.59	308.91		
		32.59	308.91		

** Dues to Micro and Small Enterprises have been determined to the extent such parties have been identified on the basis of information received by the management.

TVS MOTOR (SINGAPORE) PTE. LIMITED

Notes on accounts - (continued)

		For the Year Ended 31-03-2026				For the Year Ended 31-03-2026	
		USD in Mn.	Rupees in crores			USD in Mn.	Rupees in crores
11	OTHER CURRENT LIABILITIES			17	OTHER EXPENSES		
	Other payables	0.46	4.40		(a) Rent	-	-
		<u>0.46</u>	<u>4.40</u>		(b) Insurance	-	-
12	REVENUE FROM OPERATIONS				(a) Rates and taxes (excluding taxes on income)	0.22	1.95
	Sale of service	42.98	379.72		(b) Audit fees	0.06	0.50
	Other operating revenue	-	-		(c) Bank Charges	0.09	0.78
		<u>42.98</u>	<u>379.72</u>		(d) Repair and maintenance	-	-
13	OTHER INCOME				(d) Foreign Exchange Loss	0.70	6.18
	Interest Income	1.27	11.22		(e) Marketing Expenses	3.21	28.36
	Profit on sale of				(f) Professional an Consultancy fees	2.44	21.57
	Other non operating income	34.68	306.43		(g) Freight Charges	0.68	6.01
	Staff welfare expenses				(h) Miscellaneous expenses	30.11	266.05
		<u>35.95</u>	<u>317.65</u>			<u>37.51</u>	<u>331.40</u>
14	EMPLOYEE BENEFITS EXPENSE						
	Salaries, wages and bonus	6.81	60.18				
	Contribution to provident and other funds	0.18	1.57				
	Staff welfare expenses	0.01	0.09				
		<u>7.00</u>	<u>61.84</u>				
15	FINANCE COST						
	Interest on lease liabilities	3.99	35.22				
	Interest	0.31	2.78				
		<u>4.30</u>	<u>38.00</u>				
16	DEPRECIATION AND AMORTISATION EXPENSE						
	Depreciation on property plant and equipment	2.58	22.78				
	Depreciation on right of use asset	8.63	76.27				
	Amortisation of intangible assets	0.37	3.27				
		<u>11.58</u>	<u>102.32</u>				

**ENGINES ENGINEERING S.P.A.
SOCIETA' A SOCIO UNICO**

ENGINES ENGINEERING S.P.A. SOCIETA' A SOCIO UNICO

Company General information

Details

Name:	ENGINES ENGINEERING S.P.A. SOCIETA' A SOCIO UNICO
Registered Office:	VIA PASQUALI 6 CASTENASO BO
Share capital:	1,000,000.00
Share capital fully paid up:	yes
CCIAA (Italian Chamber of Commerce, Industry, Crafts and Agriculture) code:	BO
VAT no.:	02859911204
Italian Tax Identification No.:	02859911204
REA (Economic and Administrative Index) number:	472965
Legal form:	JOINT-STOCK COMPANY
Main Activity (ATECO codes):	721029
Company under liquidation:	no
Company with sole shareholder:	yes
Company subject to management and coordination	no activities:
Name of the company or entity that exercises the management and coordination activities:	
Membership of a group:	no
Name of the parent company:	
Country of the parent company:	
Registration number in the roll of cooperatives:	

Financial Statements as at 31/12/2025

Ordinary Balance Sheet

	31/12/2025	31/12/2024
Assets		
B) Fixed assets		
I - Intangible fixed assets	-	-
2) Development costs	219,775	293,033
3) Design patent law and original work right to use	19,017	37,895
Total intangible fixed assets	238,792	330,928
II - Tangible fixed assets	-	-
1) Land and buildings	3,600,943	3,719,580
2) Plant and machinery	112,990	137,840
3) Industrial and commercial equipment	82,992	123,465
4) Other goods	95,171	64,103
Total tangible fixed assets	3,892,096	4,044,988
III - Long-term investments	-	-
1) Equity investments in:	-	-
d-bis) other companies	3,106	3,106
Total equity investments	3,106	3,106
Total financial fixed assets	3,106	3,106
Total fixed assets (B)	4,133,994	4,379,022
C) Current assets		

	31/12/2025	31/12/2024
I - Inventory	-	-
1) Raw and ancillary materials and consumables	50,464	60,267
3) Contract work in progress	2,792,403	4,226,171
Total inventories	2,842,867	4,286,438
II - Receivables	-	-
1) from customers	2,271,449	5,470,325
due within the following year	2,271,449	5,470,325
4) from parent companies	468,478	-
- due within the following year	468,478	-
5) from companies under the control of parent companies	318,083	-
due within the following year	318,083	-
5-bis) Tax receivables	629,358	545,991
due within the following year	604,936	528,311
due beyond the next financial year	24,422	17,680
5-ter) prepaid taxes	812,225	820,377
5-quater) due to other parties	85,495	294,108
due within the following year	85,495	294,108
Total receivables	4,585,088	7,130,801
III - Current financial assets	-	-
6) Other securities	224,612	225,158
Total current financial assets	224,612	225,158
IV - Cash and cash equivalents	-	-
1) Bank and postal deposits	1,017,427	443,854
3) Cash and cash equivalents on hand	3,960	7,673
Total cash and cash equivalents	1,021,387	451,527
Total current assets (C)	8,673,954	12,093,924
D) Accruals and deferrals	293,420	372,405
Total assets	13,101,368	16,845,351
Liabilities		
A) Shareholders' equity	6,188,832	6,134,155
I - Capital	1,000,000	1,000,000
II - Share premium account	4,326,206	4,326,206
IV - Legal reserve	188,176	163,011
VI - Other reserves, specifically listed	-	-
Extraordinary Reserve	1,423,324	1,422,824
Payment on account for capital increase	2,000,000	1,500,000
Reserve for merger surplus	3,525	3,525
Total other reserves	3,426,849	2,926,349
VIII - Profit (loss) carried forward	(2,307,076)	(2,407,236)
IX - Profit (loss) for financial year	(445,323)	125,825
Total net equity	6,188,832	6,134,155
B) Provisions for risks and charges		
1) for pension costs and similar obligations	329,978	325,317
4) Others	33,968	33,968
Total provisions for risks and charges	363,946	359,285
C) Employee severance indemnity (TFR)	207,683	208,886

ENGINES ENGINEERING S.P.A. SOCIETA' A SOCIO UNICO

	31/12/2025	31/12/2024
D) Payables		
4) Bank payables	443,649	2,790,174
due within the following year	393,528	2,350,436
due beyond the next financial year	50,121	439,738
5) Payables to other lenders	1,005,173	-
due within the following year	5,173	-
due beyond the next financial year	1,000,000	-
6) Advances	573,131	3,780,830
due within the following year	573,131	3,780,830
7) Trade payables	710,246	1,136,745
due within the following year	710,246	1,136,745
11) Payables to parent companies	1,753,355	1,000,000
due within the following year	1,753,355	-
due beyond the next financial year	-	1,000,000
11-bis) Payables to companies subject to the control of parent companies	351,646	-
- due within the following year	351,646	-
12) Tax liabilities	246,064	284,490
due within the following year	246,064	284,490
13) Payables to social security and welfare institutions	428,162	337,317
due within the following year	428,162	337,317
14) Other payables	688,725	608,327
due within the following year	688,725	608,327
Total payables	6,200,151	9,937,883
E) Accruals and deferrals	140,756	205,142
Total liabilities	13,101,368	16,845,351

Ordinary Income Statement

	31/12/2025	31/12/2024
A) Production value		
1) Proceeds from sales and services	12,414,281	8,910,478
3) Changes in contract work in progress	(1,433,768)	2,243,173
4) Increase in fixed asset base because of internal building work	3,316	-
5) Other proceeds and revenues	-	-
operating grants	16,976	17,488
others	165,018	111,417
Total other proceeds and revenues	181,994	128,905
Total value of production	11,165,823	11,282,556
B) Costs of production		
6) For raw and ancillary materials, consumables and goods	785,097	1,111,001
7) For services	3,983,330	3,555,749
8) For use of leased assets	604,085	581,004
9) For personnel	-	-
a) salaries and wages	3,768,734	3,353,794
b) social security contributions	1,171,713	1,012,041
c) employee severance indemnity	257,241	222,706

	31/12/2025	31/12/2024
e) other costs	24,374	30,849
Total personnel costs	5,222,062	4,619,390
10) Amortisation, depreciation and impairments	-	-
a) amortisation of intangible fixed assets	97,201	146,672
b) depreciation of tangible fixed assets	253,978	291,077
c) other fixed assets depreciation	-	418,830
Total amortisation, depreciation and impairments	351,179	856,579
11) Change in inventory of raw and ancillary materials, consumables and goods	9,804	6,031
14) Other operating expenses	542,945	153,217
Total costs of production	11,498,502	10,882,971
Difference between value and costs of production (A - B)	(332,679)	399,585
C) Financial proceeds and charges		
15) Proceeds from equity investments	-	-
others	72	71
Total proceeds from equity investments	72	71
16) Other financial proceeds	-	-
c) from securities recognised in current assets that do not constitute equity investments	-	3,182
d) other proceeds	-	-
- others	351	149
Total other proceeds	351	149
Total other financial proceeds	351	3,331
17) Interest and other financial charges	-	-
others	67,940	89,683
Total interest and other financial charges	67,940	89,683
17-bis) Foreign exchange gains and losses	(326)	500
Total financial proceeds and charges (15+16-17+-17-bis)	(67,843)	(85,781)
D) Adjustments in value of financial assets and liabilities		
18) Write-ups	-	-
c) from securities recognised in current assets that do not constitute equity investments	-	14,801
Total write-ups	-	14,801
19) Write-downs	-	-
c) of securities recognised in current assets that do not constitute equity	-	-
investments	546	-
Total write-downs	546	-
Total adjustments in value of financial assets and liabilities (18-19)	(546)	14,801
Profit before taxes (A-B+-C+-D)	(401,068)	328,605
20) Taxes for the financial year, current, deferred, and advanced current taxes	36,379	72,178
taxes for previous financial years	(276)	-
advanced and deferred taxes	8,152	130,602
Total taxes for the financial year, current, deferred, and advanced	44,255	202,780
21) Profit (loss) for the year	(445,323)	125,825

Financial report, indirect method

	Amount as at 31/12/2025	Amount as at 31/12/2024
A) Financial flows resulting from operating activities (indirect method)		
Profit (loss) for year	(445,323)	125,825
Income taxes	44,255	202,780
Interest expense/(income)	67,589	86,352
(Dividends)	(72)	(71)
(Gains)/Losses deriving from the transfer of assets	(5,130)	(16,780)
1) Profit (loss) for the financial year before taxes on income, interest, dividends and capital gains/losses from transfer		
Adjustments for non-monetary elements not offset in net working capital	(338,681)	398,106
Allocation to provisions	9,662	13,520
Amortisation and depreciation of fixed assets	351,179	437,749
Write-downs due to impairment	418,830	
Other non-monetary adjustment increases/(decreases)	2,603	(24,362)
Total adjustments for non-monetary elements not offset in net working capital	363,444	845,737
2) Financial flow before changes of the net working capital	24,763	1,243,843
Changes in net working capital		
Decrease/(increase) of inventories	1,443,571	(2,237,142)
Decrease/(Increase) in trade receivables	2,411,989	(4,350,578)
Increase/(Decrease) in trade payables	682,965	510,761
Decrease/(Increase) in accrued income and prepaid expenses	49,527	(167,922)
Increase/(Decrease) in accrued expenses and deferred income	(42,497)	108,282
Other decreases/(Other increases) in net working capital	(2,901,991)	2,140,151
Total changes in net working capital	1,643,564	(3,996,448)
3) Financial flow after the changes of the net working capital	1,668,327	(2,752,605)
Other adjustments		
Interest received/(paid)	(5,710)	(3,273)
(Income tax paid)	(84,024)	
Dividends collected	72	71
(Use of provisions)	(5,928)	(29,437)
Total other adjustments	(95,590)	(32,639)
Cash flow from operating activities (A)	1,572,737	(2,785,244)
B) Financial flow resulting from investment activity		
Tangible fixed assets		
(Investments)	(95,956)	(68,276)
Intangible fixed assets		
(Investments)	(5,065)	
Short-term financial assets		
Disinvestments	113,588	
Cash flow from investing activities (B)	(101,021)	45,312
C) Financial flow resulting from financing activity		
Third party financing		
Increase/(Decrease) short term bank payables	(32)	641
New loans		2,700,000
(Loan repayment)	(1,401,824)	(1,374,568)
Net equity		

	Amount as at 31/12/2025	Amount as at 31/12/2024
Paid in capital increase	500,000	
Cash flow from financing activities (C)	(901,856)	1,326,073
Increase (decrease) in cash and cash equivalents (A ± B ± C)	569,860	(1,413,859)
Cash and cash equivalents at the beginning of the year		
Bank and postal deposits	443,854	1,858,995
Cash and cash equivalents on hand	7,673	6,391
Total cash and cash equivalents at the beginning of the year	451,527	1,865,386
Cash and cash equivalents at the end of the year		
Bank and postal deposits	1,017,427	443,854
Cash and cash equivalents on hand	3,960	7,673
Total cash and cash equivalents at the end of the year	1,021,387	451,527

Information at the bottom of the financial report

The company has prepared a financial report that represents the summary document that matches the changes in the balance sheet during the year with the changes in the company's financial position; it highlights the financial resources that the company needed during the year as well as how they were used.

With regard to the method used, in accordance with OIC 10 the company adopted the indirect method in which the cash flow is reconstructed by adjusting the net result for the year for non-monetary items.

Explanatory notes, initial section

Dear Shareholders, these Explanatory Notes form an integral part of the Financial Statements as at 31/12/2025. These Financial Statements have been drafted in accordance with the provisions set out in Article 2423 and subsequent articles in the Italian Civil Code, and Italian accounting principles, issued by the Organismo Italiano di Contabilità [Italian Accounting Body]. They therefore clearly represent a true and fair view of the company's financial position and its net financial result for the period.

The contents of the balance sheet and of the income statement are as required under articles 2424 and 2425 of the

Italian Civil Code. The financial report has been drafted pursuant to art. 2425-ter.

Moreover, these Explanatory Notes, drafted in compliance with art. 2427 of the Italian civil code, contain all useful information for a correct interpretation of the financial statements.

The Management Report accompanying the Financial Statements, with the aim, among other things, of commenting and illustrating:

- the Company's situation and the overall performance of operations and of the various business sectors;
- significant events occurring during the financial year and/or after its conclusion;
- has been drawn up in compliance with the dictates and provisions of art. 2428 of the Italian Civil Code.

Compilation standards
Compilation of the Financial Statements

The information contained in this document is presented in the order in which it is indicated in the balance sheet and the income statement.

In reference to what is stated in the introduction to these Explanatory Notes, we hereby certify that, pursuant to Article 2423.3 of the Italian Civil Code, if the information required by specific provisions of the law is not sufficient to provide a true and accurate representation of the company's situation, supplemental information deemed necessary to that end is provided.

The financial statements, like the present explanatory notes, were drafted in euro currency.

Principles of preparation

The calculation of the items in the Financial Statements was made in compliance with the principle of prudence, of relevance and on a going concern-basis.

Pursuant to art. 2423-bis 1, paragraph 1-bis of the Italian civil code, the reporting and presentation of the items was done considering the substance of the transaction or the contract. In drawing up the financial statements, charges and proceeds have been entered on the accrual principle irrespective of the timing of cash payments and only profits realised at the end of the financial year are shown. Account was also taken of the risks and losses relating to the financial year, even if identified after the closure of the financial year.

The components of each item of assets or liabilities were measured separately in order to avoid offsetting positive and negative items.

Where offsetting is permitted by law, the gross amounts subject to offsetting are disclosed in the explanatory notes. Measures for preventing corporate crisis and adequate organisational arrangements under the Crisis Code in line with Article 2086, paragraph 2, of the Italian Civil Code and Italian Legislative Decree no. 14 of 12 January

2019(Code of corporate crisis and insolvency), the company has adopted organisational, administrative and accounting arrangements considered adequate to the nature and size of its business, capable of promptly identifying any signs of crisis and continuously monitoring debt sustainability and the prospects for remaining a going concern. In particular, the governing body, including through the periodic review of economic, financial and balance sheet indicators (including by way of example profitability margins, capital structure, operating cash flow trends, net financial position and ageing of trade and financial payables), regularly assesses the existence of financial equilibrium and the company's ability to meet its obligations over the following 12 months.

At the date of approval of these financial statements, based on the information available, no indicators have emerged suggesting the existence of a state of crisis under the Code of corporate crisis, nor have any crisis or insolvency resolution procedures been initiated.

Assessment of the going concern assumption

In assessing the going concern assumption, the governing body considered:

- The operating performance for the financial year, which, although showing a loss, is significantly affected by exceptional cost components (in particular non-recoverable foreign withholding taxes pursuant to Article 165 of the Italian Consolidated Income Tax Act).
- The balance sheet structure, which shows positive equity significantly exceeding share capital.
- Cash flows generated from operating activities and the availability of bank credit lines and medium-term financing.
- The prospects for development of commercial relationships with the group and with foreign customers. Based on these elements and the forecasts prepared by the governing body, it is considered reasonable that the company will be able to meet its obligations for at least 12 months from the reporting date of these financial statements. Accordingly, the financial statements have been prepared on a going concern basis, without applying measurement criteria applicable to liquidation scenarios.

Structure and contents of the financial statements

The balance sheet, income statement, financial report and the accounting information contained in these explanatory notes conform to the accounting records, from which they have been directly taken.

The entries of the balance sheet and of the income statement have not been grouped together with consecutive

Arabic numbers, as was allowed under art. 2423 ter of the Italian Civil Code.

Pursuant to Article 2424 of the Italian Civil Code and to facilitate proper understanding of the financial statements, the following provides details of assets and liabilities that by their nature relate to more than one balance sheet item.

Specifically:

- The following are recognised under assets:
 - F Under "receivables from parent companies" (item C-II-4 of assets), trade receivables from "TVS Motor Company Limited" (India), which, through its subsidiary "TVS Motor (Singapore) Pte. Ltd." indirectly controls the entire share capital of the company, amounting to €468,478, although by nature attributable to "trade receivables" (item C-II-1 of assets).
 - F Under "receivables from companies under the control of parent companies" (item C-II-5 of assets), trade receivables from "The Norton Motorcycle Co. Limited", controlled by the direct parent "TVS Motor (Singapore) Pte. Ltd.", amounting to €318,083, although by nature attributable to "trade receivables" (item C-II-1 of assets).
- The following are recognised under liabilities of the balance sheet:
 - F Under "payables to parent companies" (item D-11 of liabilities), advances received from "TVS Motor Company Limited" (India), which, through its subsidiary "TVS Motor (Singapore) Pte. Ltd." indirectly controls the entire share capital of the company, amounting to €1,753,354, although by nature attributable to "advances" (item D-6 of liabilities).
 - F Under "payables to companies under the control of parent companies" (item D-11-bis of liabilities), advances received from "The Norton Motorcycle Co. Limited", controlled by the direct parent "TVS Motor (Singapore) Pte. Ltd.", amounting to €351,646, although by nature attributable to "advances" (item D-6 of liabilities).

Exceptional cases, pursuant to Article 2423.5 of the Italian Civil Code

There have been no exceptional cases which have made it necessary to resort to any derogation under Article 2423.4 and 5 of the Italian Civil Code.

Changes in accounting principles

There have been no exceptional cases which have made it necessary to resort to any derogation under Article 2423-bis.2 of the Italian Civil Code.

Correction of material errors

With reference to disclosure on the correction of material errors, note that no material errors were identified during the financial year, in accordance with applicable accounting standards, requiring restatement of comparative data or opening balances.

Any non-material errors relating to estimation or the allocation of immaterial amounts were recognised in the relevant financial year under other income or expenses without affecting the true and fair view of the company's financial position and performance.

For an improved disclosure, the following is provided:

Out-of-period income – 2025 financial year

During the 2025 financial year, the company identified certain errors relating to the 2024 financial year, considered non-material under OIC 29.

In accordance with OIC 29, these errors were corrected through recognition in the income statement for the 2025 financial year under "Other proceeds and revenues", totalling €5,357.

These corrections did not require a restatement of 2024 comparative data, as they did not materially affect the true and fair view of the company's financial position and performance.

For tax purposes, the out-of-period income arising from these corrections was subject to IRES and IRAP in the 2025 financial year, within the limits of the amount that would have been taxable in the period in which the error occurred.

Out-of-period expenses – 2025 financial year

During the 2025 financial year the company recognised operating other expenses totalling €33,115, recorded under item B14 "Other operating expenses" in the income statement.

These negative components mainly relate to:

- **Utilities and services relating to previous financial years** (water, electricity, motorway tolls), for consumption in 2023-2024, invoiced or communicated during 2025.
- **Adjustments to insurance premiums** under the "all risk automation" policy following updated estimates and settlements relating to previous periods.
- **Differences and arrears on car lease instalments** relating to previous periods and identified in 2025 following contract reviews.
- **Contributions and costs for training** (including contributions to Fondirigenti and for expansion of training for the event of 10 October 2024) relating to training plans developed in 2022-2024 and recognised in the accounting in 2025.
- **2024 exemption contribution** relating to employment obligations under current regulations, recognised in 2025 following determination of the amounts due.
- **Adjustments via F24 form** relating to social security contributions, compulsory insurance premiums and other taxes for 2023-2024 not previously accrued.

The above out-of-period expenses relate to the correction of non-material accounting errors identified during the closing procedures for the 2025 financial statements, in accordance with OIC 29. These errors mainly concern:

- Failure to recognise or incomplete recognition of costs relating to previous financial years (utilities, insurance premiums, lease instalments).
- The incorrect estimation of certain costs relating to training plans and mandatory contributions.

In accordance with Italian accounting standards, these non-material errors were corrected through recognition in the 2025 income statement without restating comparative data.

For tax purposes, in accordance with rules applicable to entities preparing statutory financial statements subject to statutory audit, these adjustments were treated as income or expenses of the 2025 financial year, within the limits of what would have been deductible if correctly recognised in the relevant periods.

Items relating to **income taxes and tax penalties** remain non-deductible for income tax purposes, with appropriate upward adjustments made in the tax return.

The board of statutory auditors, also responsible for the statutory audit, verified the correct classification of the above expenses, the consistency with applicable accounting standards and the adequacy of the disclosures provided in these explanatory notes, as well as the effects on profit or loss and equity.

Comparability and adaptation issues

Pursuant to Article 2423-ter of the Italian Civil Code, note that comparative figures for the previous financial year are not fully comparable with those for the current year due to changes in the shareholder structure in October 2025, affecting related party relationships and their presentation in the financial statements.

In particular, receivables from "TVS Motor Company Limited", which indirectly controls the company, and "The Norton Motorcycle Co. Limited", a company under the control of the parent, amounting to €1,504,939 at the end of the 2024 financial year, were classified in that financial year under "trade receivables" (item C-II-1 of assets) rather than under "receivables from parent companies" (item C-II-4 of assets) and "receivables from companies under the control of parent companies" (item C-II-5 of assets), as in these financial statements and described under "Structure and content of the balance sheet".

Similarly, payables to the same companies at the end of the 2024 financial year, amounting to €3,637,865, were classified under “advances” (item D-6 of liabilities) rather than under “payables to parent companies” (item D-11 of liabilities) and “payables to companies under the control of parent companies” (item D-11-bis of liabilities), as in the current financial year.

Note also that during the 2024 financial year, ACT S.r.l., then parent company, granted an interest-free loan of €1,000,000, correctly classified under “payables to parent companies” (item D-11 of liabilities) in accordance with applicable regulations and accounting standard OIC 19.

Following the transfer of the entire share capital of the company from ACT S.r.l. to TVS Motor (Singapore) Pte. Ltd. in 2025, ACT S.r.l. ceased to qualify as a related party. Consequently, in the financial statements for the year under review, the above payable was reclassified under “payables to other lenders” in line with the new corporate structure.

Note that comparative figures for the previous financial year have not been reclassified, resulting in a lack of full consistency between the items presented in the two financial years. This circumstance is disclosed to enable a proper understanding of the changes that have occurred, as well as the variation in the scope of related parties and the resulting reclassifications.

Assessment criteria applied

The criteria applied in the assessment of the items in the Financial Statements and in the adjustments of value conform to the provisions of the Italian Civil Code and to the indications contained in the accounting principles

issued by Organismo Italiano di Contabilità. Moreover, they have not changed in respect of the previous year.

Pursuant to article 2427.1.1 of the Italian Civil Code, the most significant assessment criteria used in respect of the provisions of Article 2426 of the Italian Civil Code have been illustrated, and with particular reference to those financial statement items for which legislation allows the use of different criteria for assessment and adjustment, or for which no specific criteria are contemplated.

The values entered in the assets of the balance sheet were valued in accordance with article 2426 of the Italian Civil Code and in compliance with national accounting standards. The sections on the individual items detail the specific criteria applied.

The basic valuation criterion was cost, except as expressly specified in the following points of these Notes.

At the end of the financial year the company did not have any receivables or payables in currencies other than the currency of account, except for the item “cash in hand in foreign currency”. Foreign currencies held in cash at the year end were translated into the reporting currency at the exchange rate recorded by the Bank of Italy on the last day of the financial year, with the corresponding recognition of the estimated exchange gain and/or loss, as envisaged by accounting standard OIC 26.

Pursuant to art. 2427.1 n.6-bis of the Italian Civil Code, it should be noted that, after the end of the year, there were no significant effects of the changes in currency exchange rates.

Pursuant to Article 2427, paragraph 1, number 1, of the Italian Civil Code, below are illustrated the most significant assessment criteria used in respect of the provisions of Article 2426 of the Italian Civil Code, with particular reference to those financial statement items for which the law allows the use of different criteria for measurement and adjustment, or for which no specific criteria are contemplated.

Intangible Fixed Assets

Intangible fixed assets, subject to the assumptions set out in accounting standards, are entered on the balance sheet at the cost of purchase and/or production and are subject to systematic straight line depreciation depending on their useful life.

The value of fixed assets is shown net of accumulated depreciation and, in the case of development costs, net of impairment provisions.

The amortisation has been calculated in accordance with the following prearranged plan, which is considered to ensure a correct allocation of the cost incurred during the useful life of the relevant fixed assets:

Intangible fixed assets items	Period
Development costs	5 years straight-line basis
Patents and use of intellectual property	5 years straight-line basis
Concessions, licenses, trademarks and similar rights	5 years straight-line basis

Note that in the previous financial years the Company did not make use of the option envisaged in Article 60, paragraph 7-bis, of Italian Decree-Law no. 104/2020 as subsequently amended and supplemented, which as an exception to Article 2426, paragraph 1, no. 2), of the Italian Civil Code allowed the suspension of amortisation of intangible fixed assets, with amortisation therefore being recognised systematically in accordance with the original amortisation plan.

In light of the above, there were no effects on the 2025 financial statements, as the amortisation process continued in line with previous financial years.

The amortisation plan adopted, as defined by the governing body, is considered appropriate to ensure a systematic, rational allocation of the cost of fixed assets over their useful life, also taking into account economic and technical obsolescence.

To the effects and purposes of art. 10, Italian Law No. 72 of 19 March 1983, as referred to by subsequent Financial revaluation acts, note that no currency appreciation has been effected on the intangible assets that are still on the corporate books.

At the end of the 2024 financial year the company fully impaired development costs in progress relating to the “DAKAR” project, in accordance with OIC 24, following the emergence of impairment indicators arising from updated estimates of expected revenues from the project, which showed that the conditions for recoverability of the capitalised costs were no longer met.

Specifically, the impairment test carried out showed that the recoverable amount of the intangible assets relating to the project was lower than their carrying amount, resulting in full impairment.

At the end of the 2025 financial year, in the absence of new information or impairment indicators affecting previous estimates, the company confirmed its prior assessments. Accordingly, the full impairment of development costs relating to the “DAKAR” project remains fully recognised in these financial statements.

With reference to the accounting treatment of public grants received during the financial year and in previous financial years relating to intangible fixed assets, note that the indirect method was applied.

Under this approach, grants were recognised in the income statement under item A5 “Other proceeds and revenues” for the portion relating to the financial year, while the portion relating to future financial years was posted under deferred income, in accordance with the accrual principle.

Development costs

Development costs have been entered in the balance sheet assets with the consent of the board of statutory auditors according to criteria required by OIC 24.

These costs were capitalised as, based on the assessments performed, they relate to specific development projects that are technically feasible, for which the company has the necessary resources and for which future economic benefits are reasonably expected. The projects are also clearly defined and the related costs are identifiable and reliably measurable.

The carrying amount is tested for recoverability in accordance with impairment test principles where applicable.

As it is not possible to reliably estimate their useful life, development costs are systematically amortised over a period not exceeding five years, on a basis that is considered prudent and consistent with the economic life cycle of the underlying projects

Intangible assets

Intangible assets are recognised at purchase cost, including ancillary costs that are directly attributable, and are systematically amortised over their residual useful life, within any legal or contractual limits.

Intangible assets that are generated internally are recognised at production cost, determined by including all costs directly attributable to their creation, provided they are capitalisable under applicable accounting standards.

Tangible fixed assets

Tangible fixed assets are recognised when the risks and rewards of ownership are transferred and are recorded at purchase cost, including any directly attributable ancillary costs that are necessary to bring the assets into use. The carrying amount does not exceed the recoverable amount determined in accordance with applicable accounting standards.

Where applicable, production cost includes all costs directly attributable to construction of the asset, as well as a reasonable allocation of indirect costs incurred during the production period up to the date the asset is ready for use.

Fixed assets are recorded in the financial statements net of the corresponding accumulated depreciation.

Routine maintenance costs are fully recognised in the income statement in the financial year in which they are incurred. Extraordinary maintenance costs are capitalised as an increase in the value of the related asset where they result in an actual increase in productivity, useful life or capacity.

Fixed assets are systematically depreciated on a straight-line basis over their residual useful life, based on economic and technical rates determined by the governing body. For assets brought into use during the financial year, depreciation rates are reduced by half, as the resulting charge does not differ significantly from a pro rata calculation.

The depreciation criteria applied are unchanged from the previous financial year.

Note that the Company did not make use of the option envisaged by Article 60, paragraph 7-bis, of Italian Decree- Law no. 104/2020, as subsequently amended, to suspend the depreciation of tangible fixed assets, with depreciation therefore being recognised systematically in accordance with the established plan. There are no effects on the 2025 financial statements.

The depreciation plan adopted is considered appropriate to ensure a systematic, rational allocation of cost over the useful life of the assets, also taking into account technical and economic obsolescence.

The rates applied are as follows:

Tangible fixed asset items	Rates %
Land	0.00
Buildings	3.00
General machinery and equipment	10.00

ENGINES ENGINEERING S.P.A. SOCIETA' A SOCIO UNICO

Specific machinery and equipment	17.50
Specific plant on real estates	15.00
Industrial and commercial equipment	35.00
Office and workshop furniture	12.00
Computers and software	20.00
Computers after 01.01.2006	20.00
Ordinary office machinery	12.00
Electro-mechanical office machinery	20.00
Testing and control instruments	30.00
Motor vehicles	25.00
Technical training books	25.00
Anti-theft devices	10.00
Mobile phones	25.00
Motorcycles for R&D	25.00

Any disposals during the financial year (sales, scrapping or other disposals) resulted in derecognition of the residual carrying amount of the assets concerned.

Pursuant to Article 10 of Italian Law no. 72/1983 and subsequent provisions on monetary revaluation, note that the company has not carried out monetary revaluations of tangible assets recognised in the financial statements. Note that certain assets included under "Testing and control instruments", transferred to the company as part of the business contribution at incorporation, had already been revalued by the contributing entity pursuant to Italian Legislative Decree no. 342/2000, as subsequently extended by Italian Law no. 350/2003, with tax recognition of the related values through payment of substitute tax.

The accounting situation of the mentioned assets is as follows:

Description	Amount
industrial and commercial equipment	
Historic Cost	96,791
Description	Amount
Law no. 342/2000	67,611
	164,402

The Company applies amortised cost and discounting criteria where envisaged. However, during the financial year no acquisitions of fixed assets with deferred payment terms outside normal market conditions were carried out requiring the discounting of initial values in accordance with OIC 19.

Finally, in accordance with OIC 9, no indicators of impairment were identified requiring recognition of impairment losses on tangible fixed assets.

Land and buildings

In accordance with applicable accounting standards, the company has accounted separately for land and buildings. Land is not depreciated as it has an indefinite useful life.

Note also that the company does not hold investment properties.

Long-term investments

Equity investments

Investments recognised under financial fixed assets are measured at purchase cost, determined as the total cost incurred for acquisition, including directly attributable ancillary costs (such as commissions, bank charges and brokerage fees), regardless of settlement method.

Finance lease transactions

Assets held under finance lease agreements are accounted for using the equity method, with lease payments recognised as costs in the financial year in accordance with the accrual principle.

Inventory

The measurement criteria for inventories are set out in the following paragraphs. Note that these are unchanged from the previous financial year.

Raw and ancillary materials and consumables

Inventories of raw and ancillary materials and consumables include goods held in the company's warehouse and/or held by third parties for processing, consignment, loan for use or deposit.

They are measured at purchase cost, determined using the weighted average cost method, including directly attributable ancillary costs. Pursuant to Article 2426, no. 9, of the Italian Civil Code, this value is compared with the net realisable value based on market trends.

To take account of the risk of obsolescence and slow-moving items, a specific impairment provision was recognised in previous financial years, deducted directly from inventory value and partially

utilised in subsequent financial years following disposal of the related stock. At the reporting date, the provision amounts to €2,327. No further write-downs were deemed necessary during the financial year.

The breakdown of inventories is shown below:

	Historical cost value	Depreciation at 31/12/2025	Net book value
Inventory of materials and accessories	52,791	(2,327)	50,464

Contract work in progress

Contract work in progress is measured at the contract value, determined based on revenues accrued as at 31

December 2025, using the percentage of completion method (stage of completion), based on the actual progress of each contract in place.

The valuation was carried out using the percentage of completion method, considered the most appropriate for properly and reliably matching costs incurred with revenues earned, reflecting the economic substance of the transactions and the progressive profitability of the contracts.

The method adopted complies with OIC 23, as the conditions for applying the percentage of completion method are met. The stage of completion is determined using methods consistent with the nature of each contract and defined contractually.

Inventory of work in progress is indicated in the following detail sheet:

Work in progress identified by project code Interim work in progress	Valuation at 31/12/2025
SRV25_060	110
SRV25_083	2,384
SRV25_ACC1	16,614
ESX	854,666
N601_BD	199,766
D_HSPORT RACE	620,570
NORTON_ENG-TEST	88,500
B110_BETA HOM	19,569
C1XX	17,354
B110 BETA TEST	78,916
B_IIENG.MILEAGE	64,644
U833	182,082
N600 RLDA	3,409
B120 ALPHA TEST	7,478
B1XX_SUPPORT	59,215
J106_7 SUPPORT	68,853
EE_J101	58,772
EE_B240	14,315
BIRDIE	9,524
EE_U721	137,392
Interim work in progress	
V23D	15,422
V23L	35,006
N325	237,842

Tax treatment

For tax purposes, note that Italian Legislative Decree no. 192 of 13 December 2024, on the "Revision of the income taxation system" (IRPEF-IRES), introduced changes to the rules governing short-term and long-term contracts, with the aim of reducing the so-called "dual track" between statutory and tax values.

Specifically, it provides for tax recognition of the accounting measurement criteria adopted in the financial statements, provided they comply with proper accounting standards, namely:

- The **percentage of completion** method, where applied in accordance with proper accounting standards.

- The **completed contract** method, where applied in accordance with proper accounting standards.

These rules apply from the financial year ended 31 December 2024, with a transition period for contracts in progress at 31 December 2023, for which the previous rules continued to apply.

At the end of the 2025 financial year, contracts initiated in 2023 and still in progress at the end of 2024 were completed. Accordingly, any mismatch between statutory and tax values of work in progress (WIP) has been eliminated.

Pursuant to **OIC 25 – Income taxes**, temporary differences arising from previous mismatches between statutory and tax values of work in progress (WIP) generated deferred tax assets/liabilities, which have progressively reversed following the progress and completion of the contracts.

Receivables recognised in current assets

Receivables recognised under current assets were measured at their estimated realisable value, determined on a prudent basis, in line with Italian accounting standards. This value corresponds to the nominal value of receivables, adjusted where necessary through the recognition of a provision for bad debts, to reflect the risk of non-collection. With reference to the application of the amortised cost method and discounting, the effects arising from their application were considered immaterial for the purposes of a true and fair view of the company's financial position and performance. This assessment was made in view of:

- the predominance of receivables with maturity within 12 months;
- or the substantial alignment between contractual interest rates and market rates, such that no significant discounting effects arise.

Accordingly, receivables were recognised at their estimated realisable value, without applying the amortised cost method.

There are no receivables denominated in foreign currency requiring valuation adjustments at the reporting date. Finally, note that there are no receivables with a residual maturity exceeding five years.

Financial assets not constituting non-current assets

Other securities

Non-current securities were measured at the lower of initial recognition cost and the realisable value based on market trends. For the determination of initial recognition cost, the specific cost method was adopted, which involves identifying and attributing the actual costs incurred for their purchase.

Note that the Company did not also use the option introduced by Article 45, paragraph 3-octies, of Italian Decree- Law no. 73/2022 (the so-called "Tax Simplification" decree), subsequently extended to following financial years by the relevant decrees of the Ministry of Economy and Finance, most recently also to the 2025 financial year by Article 1, paragraphs 65-67, of Italian Law no. 199/2025 (2026 Budget Law), allows non-current investments to be maintained at their carrying amount as per the latest approved financial statements and/or acquisition cost, even where there are non-permanent impairments.

During the 2025 financial year, investments still held in the portfolio were impaired in order to align their value with the estimated realisable value at the reporting date. The impairment was recognised under item D19 of the income statement for a total amount of €546.

Cash and cash equivalents

Cash and cash equivalents are recognised at nominal value for cash on hand and at estimated realisable value for bank deposits and cheques in hand, which in this case corresponds to nominal value.

Cash and cash equivalents as at 31/12/2025 are aligned with actual balances at that date, taking into account differences relating to so-called "in-transit items" in relation to banking transactions.

Accrued income and prepaid expenses

Accrued income and prepaid expenses are determined in accordance with the accrual principle, by allocating costs and revenues common to multiple financial years.

At initial recognition and subsequent review of multi-year prepaid expenses, the continued existence of the timing conditions justifying their recognition was verified, in accordance with applicable Italian accounting standards.

Net equity

Equity items are recognised in the financial statements at their carrying amount as per the accounting records, in accordance with the Italian Civil Code and OIC standards, in particular OIC 28.

Provisions for risks and charges

Provisions for risks and charges are recognised to cover liabilities of a defined nature, certain or probable, for which the amount or timing cannot be determined at the reporting date.

Provisions are made in accordance with the principles of prudence and accrual, in line with OIC 31, and recognised in the income statement of the relevant financial year according to the classification of costs by nature.

Employee severance indemnity (TFR)

The severance indemnity provision (TFR) was determined in accordance with Article 2120 of the Italian Civil Code, taking into account applicable legislation, collective agreements and the relevant employee categories.

The provision includes the amounts accrued during the financial year and the related revaluations calculated in accordance with applicable law.

The TFR is recognised net of advances paid and amounts allocated to supplementary pension schemes or to the INPS Treasury Fund, where applicable. It represents the total payable accrued as at 31 December 2025 towards employees who have chosen to retain their severance indemnity with the company rather than allocating it to supplementary pension schemes or the Treasury Fund.

Payables

Payables are recognised in the financial statements using the amortised cost method, pursuant to Article 2426, paragraph 2, of the Italian Civil Code, taking into account the time value of money and, where applicable, discounting, in accordance with Article 2426, paragraph 1, no. 8.

This method has not been applied where its effects are immaterial for the purposes of a true and fair view of the company's financial position and performance. In particular, this occurs in the case of short-term payables (maturity within 12 months) or where transaction costs, fees and any difference between initial value and settlement value are immaterial, or where the effective interest rate does not differ significantly from market rates. Pursuant to Article 12, paragraph 2, of Italian Legislative Decree no. 139/2015 provides that the amortised cost method is not applied to payables already recognised in financial statements relating to financial years ended before 1 January 2016.

Payables are classified in the various items based on the nature (or origin) of the underlying transaction, regardless of their maturity.

Accrued liabilities and deferred income

Accrued expenses and deferred income are determined in accordance with the accrual principle, by allocating costs and revenues common to multiple financial years.

At initial recognition and subsequent review of multi-year items, the existence and continued validity of the timing conditions justifying their recognition were verified, in accordance with applicable OIC standards.

Other information

Reverse repurchase agreements

Pursuant to Article 2427, paragraph 1, no. 6-ter of the Italian Civil Code, the company confirms that during the financial year it did not enter into any transactions involving obligations to repurchase or return assets at a future date, nor are any such transactions outstanding at the reporting date.

Accordingly, there are no transactions involving repurchase obligations or similar commitments that could affect the true and fair view of the company's financial position and performance.

Explanatory Notes, assets

Below we analyse in detail the movements of the individual balance sheet items where envisaged by law.

Fixed assets

Intangible Fixed Assets

Changes in intangible fixed assets

During the financial year, investments in intangible fixed assets were made, relating to software acquisitions, totalling €5,065.

After recognising amortisation charges of €97,201 in the income statement, intangible fixed assets as at 31/12/2025 amount to €238,792, net of accumulated amortisation.

The table below details the changes in these fixed assets.

	Development costs	Industrial patent and intellectual property rights	Total intangible fixed assets
Value at the beginning of the year			
Cost	576,221	990,003	1,566,224
Amortisation (Accumulated amortisation)	283,188	952,108	1,235,296
Carrying amount	293,033	37,895	330,928
Variations during the year			
Increases for acquisitions	-	5,065	5,065
Amortisation for the financial year	73,258	23,943	97,201
Total variations	(73,258)	(18,878)	(92,136)
Value at the end of the year			
Cost	576,221	995,068	1,571,289
Amortisation (Accumulated amortisation)	356,446	976,051	1,332,497
Carrying amount	219,775	19,017	238,792

Breakdown of composition of long-term costs

Development costs

The following table illustrates the composition of the development costs along with the variations with respect to the previous year. With regard to the reasons for their recording and the respective amortisation criteria, please refer to the analysis above.

Description	Detail	2025	2024	Absolute variation	Variation %
development costs					
	Design and development expenses	576,221	576,221	-	-
	Accumulated amortisation of development costs	356,446-	283,188-	73,258-	26
	Total	219,775	293,033	73,258-	

Development costs were recognised under assets with the approval of the Board of Statutory Auditors and are amortised systematically over a period not exceeding five years, based on a criterion considered prudent and consistent with the economic life cycle of the underlying projects.

In accordance with OIC 24, development projects meet the following conditions jointly:

- They relate to a clearly defined process, the costs of which are identifiable and measurable.
- They are feasible, i.e. technically achievable, and the company has the financial, technological and human resources required.
- They are recoverable through revenues expected from the application of the relevant projects.

Tangible fixed assets

Changes in tangible fixed assets

Tangible fixed assets gross of the relevant accumulated depreciation amount to €10,161,979. Accumulated depreciation is equal to €6,269,883.

During the year, assets were acquired and internally constructed for a total of €101,086, and assets were disposed of for the equivalent value, expressed at historical purchase cost, of €10,545. Disposals resulted in capital gains of

€5,130.

	Land and buildings	Plant and machinery	Industrial and commercial equipment	Other tangible fixed assets	Total tangible fixed assets
Value at the beginning of the year					
Cost	5,133,901	805,826	3,572,651	559,060	10,071,438
Amortisation (Accumulated amortisation)	1,414,321	667,986	3,449,186	494,957	6,026,450
Carrying amount	3,719,580	137,840	123,465	64,103	4,044,988
Variations during the year					
Increases for acquisitions	-	12,418	6,642	82,026	101,086
Amortisation for the financial year	118,637	37,268	47,115	50,958	253,978
Total variations	(118,637)	(24,850)	(40,473)	31,068	(152,892)
Value at the end of the year					
Cost	5,133,901	818,244	3,579,014	630,820	10,161,979
Amortisation (Accumulated amortisation)	1,532,958	705,254	3,496,022	535,649	6,269,883
Carrying amount	3,600,943	112,990	82,992	95,171	3,892,096

Finance lease transactions

During the financial year, the company used assets owned by third parties under finance lease agreements ("finance leases"), which substantially transfer all the risks and rewards associated with the leased assets to the company.

Accounting method adopted

In accordance with civil law requirements, lease transactions have been accounted for using the equity method, whereby lease payments are recognised under production costs (item B.8 of the income statement) and the asset is recognised under fixed assets only upon exercise of the purchase option.

Under this approach, over their contractual term leases are treated as operating leases, without recognition of the asset and the related financial liability in the balance sheet.

Disclosure under the financial method (IAS 17 / IFRS 16)

International accounting standards instead require accounting under the financial method, which reflects the economic substance of the transaction rather than its legal form.

Under this approach:

- The asset is recognised under tangible fixed assets at an amount equal to the cost incurred by the lease company and is depreciated over its useful life.
- A financial liability towards the lessor (the lease company) is recognised simultaneously.
- Lease payments are split into a principal component (reduction of the liability) and an interest component (finance costs).

Had this method been applied, the financial statements would have shown:

- Under tangible fixed assets, the value of the leased assets.
- Under liabilities, the outstanding payable towards the lessors.
- In the income statement, the depreciation and interest expense.

Quantitative disclosure

At the reporting date, there were two lease contracts in place relating to:

- One engine test bench measurement instrument
- One 3D scanner

During the financial year, two lease contracts also ended, with the related assets being purchased, relating to:

- One CNC machining centre
- One truck

Lease payments recognised during the financial year amount to €95,550.

The main information required for off-balance sheet disclosure under the financial method is set out below:

	Amount
Total amount of leased assets at the end of the financial year	409,664
Depreciation that would have been recognised in the financial year	82,207
Present value of undue fee instalments at the end of the financial year	303,334
Financial charges accrued relating to the financial year on the basis of the effective interest rate	14,953

Long-term investments

Changes in equity investments, other securities and derivative financial instruments recorded among the fixed assets

The table below details the changes in these fixed assets.

	Equity investments in other companies	Total equity investments
Value at the beginning of the year		
Cost	3,106	3,106
Carrying amount	3,106	3,106
Value at the end of the year		
Cost	3,106	3,106
Carrying amount	3,106	3,106

To complete the above considerations, we specify that long-term investments are formed by:

- participation in the Consorzio Nazionale Imballaggi [National Packaging Association] (abbreviated as Co.n.a.i.), required under law;
- participation in a cooperative credit institution.

Long-term receivables relating to forward repurchase agreements

The company confirms that it did not enter into any sale and purchase transactions with an obligation to repurchase at a future date during the financial year, nor are any such transactions outstanding from previous financial years.

ENGINES ENGINEERING S.P.A. SOCIETA' A SOCIO UNICO

Value of long-term investments

The long-term investments entered in the financial statements were not entered at a value higher than their "fair value".

	Book value
Equity investments in other companies	3,106

Details of the value of long-term investments in other companies

Description	Book value
B.C.C. Felsinea	3,100
C.O.N.A.I.	6
Total	3,106

Current assets

The items of current assets are valued in accordance with numbers 8 to 11-bis of Article 2426 of the Italian Civil Code. The criteria applied are indicated in the paragraphs of the respective items in the financial statements.

Inventory

The following table shows information about changes in inventories.

	Value at the beginning of the year	Variations during the year	Value at the end of the year
raw and ancillary materials and consumables	60,267	(9,803)	50,464
contract work in progress	4,226,171	(1,433,768)	2,792,403
Total	4,286,438	(1,443,571)	2,842,867

To ensure a correct presentation of the value of raw and ancillary materials and consumables and to reflect any impairment losses due to obsolescence, slow-moving items or reduced marketability, an allowance was recognised in previous financial years which, following its use in 2023 due to the disposal of part of the impaired inventory, amounted to €2,327 at the end of the previous financial year.

During the 2025 financial year, no further write-downs of inventory were required. Moreover, no disposals of the remaining previously impaired raw materials occurred, and the allowance therefore remained unchanged as at 31 December 2025.

Changes in the item **"Trade receivables"** are shown in the table below:

Description	Detail	Initial amount	Increase	Movement to item	Movement from item	Decrease	Final amount	Absolute variation	Variation %
from clients									
	Italy clients	1,914,270	191,501	-	-	- 2,105,771	191,501	10	
	Invoices to be issued	1,847,526	-	-	- 1,847,090	436 1.847.090-	100-		
	Foreign clients	1,676,687	-	-	- 1,432,156	244,531 1.432.156-	85-		
	Notes receivable subject to collection	136,139	-	-	-	112,891	23,248	112.891-	83-
	Credit notes to be issued	1.760-	-	-	-	1.760-	-	1,760	100-
	Taxed bad debt provision	62.297-	-	-	-	-	62.297-	-	-
	Provision for bad debts	40.240-	-	-	-	-	40.240-	-	-
	Total	5,470,325	191,501	-	- 3,390,377	2,271,449 3.198.876-			

Receivables recognised in current assets

Variations and due dates of receivables entered in current assets

The table that follows provides a breakdown of information relative to the variations in receivables entered in current assets as well as information relative to the due date, if significant.

	Value at the beginning of the year	Variation during the year	Value at the end of the year	Quota expiring within the year	Amount due beyond 12 months
Trade receivables	5,470,325	(3,198,876)	2,271,449	2,271,449	-
Receivables from parent companies	-	468,478	468,478	468,478	-
Receivables from companies subject to the control of the parent companies	-	318,083	318,083	318,083	-
Tax receivables	545,991	83,367	629,358	604,936	24,422
Prepaid taxes	820,377	(8,152)	812,225	-	-
Other receivables	294,108	(208,613)	85,495	85,495	-
Total	7,130,801	(2,545,713)	4,585,088	3,748,441	24,422

The item "Trade receivables" includes the total amount of receivables the Company has from customers deriving from normal business transactions.

The balance reported in the financial statements, amounting to €2,271,449 and fully due within the following financial year includes:

- Receivables relating to invoices issued by 31 December 2025 and not yet collected at the reporting date.
- Receivables relating to invoices issued in the first months of 2026 but attributable to the 2025 financial year.
- Receivables represented by notes receivable in portfolio, already presented for collection or discounted with credit institutions.

The balance is stated net of the provision for bad debts, determined to cover the risk of non-collection, and net of credit notes issued and/or to be issued.

ENGINES ENGINEERING S.P.A. SOCIETA' A SOCIO UNICO

For a clearer understanding of the financial statement figures, reference is made to the paragraph “Structure and content of the financial statements”: a portion of trade receivables, although substantively attributable to this item, is presented under other asset items due to the nature of the counterparty.

Specifically:

- Receivables from **TVS Motor Company Limited**, amounting to €468,478, are classified under “receivables from parent companies” (C-II-4).
- Receivables from **The Norton Motorcycle Co. Limited**, amounting to €318,083, are classified under “receivables from companies under the control of parent companies” (C-II-5).

Note that receivables from the above companies existing at the end of the 2024 financial year were included under trade receivables.

The different presentation in the current financial statements is solely due to a reclassification made to provide a more appropriate representation based on the nature of the counterparty, with no impact on profit or equity. Specifically, at the end of the 2024 financial year the following trade receivables were recognised under trade receivables:

- Trade receivables from the parent company TVS Motor Company Limited amounting to €706,060.
- Trade receivables from the sister company The Norton Motorcycle Co. Limited amounting to €831,005, of which €32,126 relating to invoices to be issued and €798,879 relating to invoices issued during 2024 and unpaid at year end.

Had these receivables also been recognised in 2025 under trade receivables, the change in trade receivables would have been €1,661,812 lower. Similarly, with reference to the breakdown of receivables, those from foreign customers would have increased by €72,783 instead of decreasing by €1,432,156, while invoices to be issued would have decreased by €1,814,964.

For completeness, note that at the reporting date the company has a receivable of €33,395 from Fantic Motor S.p.A. During the 2025 financial year, that company, being in financial difficulty, filed an application to access a negotiated crisis settlement procedure with protective measures pursuant to Article 19 of the Italian Code of Business Crisis, preparing a plan pursuant to Article 57 thereof providing for the execution of restructuring agreements with the various categories of creditors.

In February 2026, after the close of the 2025 financial year, Engines entered into a “Debt restructuring agreement” pursuant to Article 57 of the Italian Code of Business Crisis with that company, providing for:

- Payment of 85% of the receivable in three instalments or, alternatively,
- Payment of 55% in a single instalment (Option), with definitive waiver of the remaining portion, subject to the condition precedent of approval by the Court of Venice by 30 June 2026 (extendable by three months).

Considering that at the close of the 2025 financial year no restructuring agreement had yet been executed or approved, and that the potential credit loss is fully covered by the existing provision, no

The breakdown of investments outstanding at year-end is as follows:

Name OEIC	Management company	ISIN	Category	Payments	No. of units	Weighted average cost	NAV as at 31/12/25	Value as at 31/12/25	Unrealised gain (loss)
Fidelity Funds - Emerg. Market Debt Fund A-ACC-EUR	Fidelity Inv Mgmt (Lux) S.A.)	LU0238205289	Emerging market bonds	115,000.00	4,964.820	23.1630	23.260	115,680.31	680.31
BNP Paribas Climate Impact CL	BNP Paribas Asset Manag. Lux.	LU0406802339	Ecology equities	115,000.00	413.676	277.9953	266.290	109,611.73	(5,388.27)
TOTAL				230,000			225,292.04	(4,707.96)	

Cash and cash equivalents

Pursuant to Article 2427.1, no. 9, of the Italian Civil Code, note that there are no restricted cash balances. The following table shows information about changes in cash and cash equivalents.

	Value at the beginning of the year	Variations during the year	Value at the end of the year
bank and postal deposits	443,854	573,573	1,017,427
cash and cash equivalents on hand	7,673	(3,713)	3,960
Total	451,527	569,860	1,021,387

Note that the company holds foreign currencies in cash, the value of which was restated at the year end in euros using the exchange rate recorded by the Bank of Italy on the last day of the financial year, with the corresponding recognition of the estimated exchange gain and/or loss, as envisaged by accounting standard OIC 26.

Accrued income and prepaid expenses

The following table shows information about changes in accrued income and prepaid expenses.

	Value at the beginning of the year	Variation during the year	Value at the end of the year
Accrued income	-	213	213
Prepaid expenses	372,405	(79,198)	293,207
Total accrued income and prepaid expenses	372,405	(78,985)	293,420

loss was recognised nor was it necessary to increase the provision for bad debts.

Breakdown of receivables classed as current assets by geographical area

Following table shows the breakdown of receivables classed as current assets by geographical area.

Geographical area	Trade receivables entered in current assets	Receivables from parent companies entered in current assets	Receivables from companies subject to the control of the parent companies entered in current assets	Tax receivables entered in current assets	Assets for prepaid taxes entered in current assets	Other receivables entered in current assets	Total receivables entered in current assets
Italy	2,089,215	-	-	629,358	812,225	82,705	3,613,503
Europe	54,682	-	318,083	-	-	2,790	375,555
Rest of the world	127,552	468,478	-	-	-	-	596,030
Total	2,271,449	468,478	318,083	629,358	812,225	85,495	4,585,088

Trade receivables are stated net of the provision for bad debts.

Receivables included in current assets related to forward repurchase agreements

The company did not enter into any forward repurchase agreements during the year, nor has it entered into any in previous years.

Financial assets not constituting non-current assets

Changes in current financial assets

The following table shows information about changes in financial assets that do not constitute fixed assets.

Entry description	Value at the beginning of the year	Variations during the year	Value at the end of the year
other securities	225,158	(546)	224,612
Total	225,158	(546)	224,612

These consist of investments made in open-ended investment companies (OEIC) following a CAP (Capital Accumulation Plan) formula which provides for the periodic investment – specifically on a monthly basis – of a preset sum of capital which flows into the assets of the investment company and is managed by the latter according to specific guidelines.

ENGINES ENGINEERING S.P.A. SOCIETA' A SOCIO UNICO

The following table illustrates the composition of the entries in question, as indicated in the financial statements.

Description	Detail	Current year amount
ACCRUALS AND DEFERRALS		
	Accrued income	213
	Prepaid expenses	293,208
	Rounding-off	1-
	Total	293,420

In particular, total prepaid expenses of €293,208 are composed as follows: lease payments/maxi instalments

€122,680, maintenance fees €38,566, rental fees €114,168, IT rental fees €8,655, vehicle rental fees €6,443 and other lesser items €2,695.

Note also that prepaid expenses include multi-year prepaid expenses amounting to €89,542, relating to the initial maxi instalment and set-up costs associated with two finance lease agreements:

- (i) A contract relating to a 3D scanner, entered into with Claris Rental with effect from 14 June 2024
- (ii) A contract relating to two engine test bench measurement instruments, entered into with B.N.L. Leasing with effect from 18

March 2025 This amount represents costs attributable to financial years subsequent to the next financial year. Note also that there are no prepaid expenses with a duration exceeding five years.

Capitalised financial charges

All interest and other financial charges were fully accounted for in the financial year. For the purposes of art. 2427, par. 1, No. 8 of the It. Civil Code, we therefore certify that no capitalisations of financial charges exist.

Explanatory note liabilities and shareholders' equity

Below we analyse in detail the movements of the individual balance sheet items where envisaged by law.

Net equity

Variations in net equity

With reference to the year ended, the tables below show the variations in the individual items of shareholders' equity and the breakdown of the other reserves, if listed in the financial statements.

	Value at the beginning of the year	Distribution of the profit - Other distribution	Other changes - increases	Profit (loss) for the financial year	Value at the end of the year
Capital	1,000,000	-	-	-	1,000,000
Share premium account	4,326,206	-	-	-	4,326,206
Legal reserve	163,011	25,165	-	-	188,176
Extraordinary Reserve	1,422,824	500	-	-	1,423,324
Payment on account for capital increase	1,500,000	-	500,000	-	2,000,000
Reserve for merger surplus	3,525	-	-	-	3,525
Total other reserves	2,926,349	500	500,000	-	3,426,849
Profit (loss) carried forward	(2,407,236)	100,160	-	-	(2,307,076)
Profit (loss) for year	125,825	(125,825)	-	(445,323)	(445,323)
Total	6,134,155	-	500,000	(445,323)	6,188,832

The company did not make use of the option provided for by Article 6 of Italian Decree-Law no. 23/2020, and therefore there are no suspended losses to be carried forward within the fifth subsequent financial year.

Availability and use of shareholders' equity

The following tables present the net equity items in detail, with specification of their origins, possibilities for use and distribution, as well as their use in the three previous financial years.

Description	Amount	Origin/ Nature	Possible uses	Amount available
Capital	1,000,000	Capital		-
Share premium account	4,326,206	Capital	A;B	4,326,206
Legal reserve	188,176	Profits	B	188,176
Extraordinary Reserve	1,423,324	Profits	A;B;C	1,423,324
Payment on account for capital increase	2,000,000	Capital	A;B;C	2,000,000
Reserve for merger surplus	3,525	Capital	A;B;C	3,525
Total other reserves	3,426,849			3,426,849
Profit (loss) carried forward	(2,307,076)	Profits		-
Total	6,634,155			7,941,231
Amount not distributable	6,737,682			
Residual distributable portion				1,203,549

Key: A: for capital increase, B: to hedge losses, C: distribution to shareholders, D: for other article of association restraints, E: other

With reference to the availability and distributability of equity items, note the following:

- Share capital:** by definition, share capital is not distributable to shareholders. It may only be reduced through specific procedures (capital reduction, loss coverage, etc.) and does not fall within "available" or distributable reserves.
- Share premium reserve (Article 2431 of the Italian Civil Code):** pursuant to Article 2431 of the Italian Civil Code, this reserve may be used exclusively for a bonus share capital increase (A) and/or to cover losses (B) for its full amount. To the contrary, it cannot be distributed to shareholders (C) as the Legal Reserve has not yet reached the minimum level required by Article 2430 of the Italian Civil Code.
- Legal reserve (art. 2430 c.c.):** the Legal Reserve is available only for the coverage of losses (B), after the use of other reserves, and is not available for a bonus share capital increase (A) and/or distribution to shareholders, as it has not yet reached the minimum threshold required by Article 2430 of the Italian Civil Code.
- Extraordinary reserve:** the extraordinary reserve is a discretionary reserve formed from profits, and in principle is both available and distributable in the absence of statutory restrictions, subject to compliance with applicable legal constraints. Indeed, account must be taken of both the constraints set out in Article 2426, no. 5, of the Italian Civil Code, which provides that "until the amortisation of formation, start-up and development costs is completed, dividends may be distributed only if sufficient available reserves remain to cover the amount of non-amortised costs", and therefore for the amount of €219,775 corresponding to development costs not yet amortised at the reporting date, and the constraints set out in Article 2303 of the Italian Civil Code, which provides that "if a loss of share capital occurs, no distribution of profits may be made until the capital has been reinstated or reduced accordingly".
- Capital contributions / capital increase contributions:** such contributions may be used exclusively for a bonus share capital increase (A) and/or to cover losses (B) for their full amount. To the contrary, it cannot be distributed to shareholders (C) as the Legal Reserve has not yet reached the minimum level required by Article 2430 of the Italian Civil Code.
- Reserve for merger surplus** the merger surplus is a capital reserve that, in the absence of specific constraints, may be used for a bonus share capital increase (A) and/or to cover losses (B) for its full amount. To the contrary, like other capital reserves, it cannot be distributed to shareholders (C) as the Legal Reserve has not yet reached the minimum level required by Article 2430 of the Italian Civil Code.

Provisions for risks and charges

The following table shows information about changes in provisions for risks and charges.

	Value at the beginning of the year	Variations during the year - Provision	Variations during the year - Use	Variations during the year - Total	Value at the end of the year
Provision for pensions and similar obligations	325,317	28,806	24,145	4,661	329,978
Other provisions	33,968	-	-	-	33,968
Total	359,285	28,806	24,145	4,661	363,946

Other provisions

The following table illustrates the composition of the entry in question, as results from the financial statements, pursuant to art. 2427, first section, of the Italian civil code.

Description	Detail	Current year amount
others		
	Other provisions for deferred risks and charges	33,968
	Total	33,968

Employee severance indemnity (TFR)

The following table shows information about changes in employee severance indemnities.

	Value at the beginning of the year	Variations during the year - Provision	Variations during the year - Use	Variations during the year - Total	Value at the end of the year
EMPLOYEE SEVERANCE INDEMNITY (TFR)	208,886	6,651	7,854	(1,203)	207,683
Total	208,886	6,651	7,854	(1,203)	207,683

Provision for pensions and similar obligations

The item "Provision for pensions and similar obligations" includes the severance indemnity provision for directors (TFM), which comprises amounts accrued during the financial year as well as those accrued in previous financial years.

Note that until the beginning of October of the current financial year, the TFM was granted to the previous governing body, specifically to directors Mr Alberto Strazzari, Chairman of the Board of Directors, and Mr Manfredi

Fenici, Vice Chairman and Chief Executive Officer, in accordance with a specific shareholders' resolution governing its payment upon termination of office for any reason, while no such benefit was granted to the remaining members of the governing body.

Following the change in the shareholder structure and the consequent renewal of the governing body in October, the above severance indemnity arrangement is no longer granted to the members of the governing body currently in office.

With reference to changes in the "Provision for pensions and similar obligations", note that, following the resignation of the previous governing body mentioned above, provisions were made for the severance indemnity accrued on a pro rata basis to the above-mentioned directors, for a total amount of €28,806, as well as the full settlement of the severance indemnity (TFM) to Mr Fenici, with the consequent full use of the related provision.

The severance indemnity accrued in favour of Mr Strazzari, by express agreement between the parties, will be paid in instalments over the coming financial years.

Finally, note that for tax purposes the provisions made are deductible only when the related indemnities are actually paid to the beneficiaries.

Employee severance indemnity (TFR)

In accordance with Article 1, paragraphs 755 et seq. of Italian Law no. 296/2006, the company periodically pays the severance indemnity accrued by employees who have not opted for allocation to a supplementary pension fund to the INPS Treasury Fund.

Changes in the TFR provision during the financial year are detailed below:

Provision 01/01/2025	208,887
Increase	270,828
0.5% contribution pursuant to Italian Law no. 297/1982	(18,322)
Increase for revaluation of Employee Severance Indemnity provision charge	36,782
Decrease for substitute tax on Employee Severance Indemnity TFR revaluation (11%)	(6,253)
Use decrease - terminations	(7,854)
Allocation of severance pay to Suppl. pension funds	(109,131)
Allocation of severance pay to INPS (Italian National Social Security Institution) Treasury Fund	(167,254)
Provision 31/12/2025	207,683

Payables

Variations and due date of payables

Information regarding variations in payables and any information related to their expiry dates are provided in the following table.

	Value at the beginning of the year	Variation during the year	Value at the end of the year	Quota expiring within the year	Amount due beyond 12 months
Bank payables	2,790,174	(2,346,525)	443,649	393,528	50,121
Payables to other lenders	-	1,005,173	1,005,173	5,173	1,000,000
Advances	3,780,830	(3,207,699)	573,131	573,131	-
Trade payables	1,136,745	(426,499)	710,246	710,246	-
Payables due to parent companies	1,000,000	753,355	1,753,355	1,753,355	-
Payables due to companies subject to the control of parent companies	-	351,646	351,646	351,646	-
Tax payables	284,490	(38,426)	246,064	246,064	-
Payables to social security and welfare institutions	337,317	90,845	428,162	428,162	-
Other payables	608,327	80,398	688,725	688,725	-
Total	9,937,883	(3,737,732)	6,200,151	5,150,030	1,050,121

Bank payables

The following table shows the breakdown of the item "Bank payables".

Item	Current account payables	Payables for medium-term loans	Payables for long-term loans	Total
4)	3,789	241,709	198,151	443,649

Bank payables

With reference to the item "Bank payables", a breakdown and the main details are provided below.

Composition of the item

Bank payables consist of:

- Current account payables, amounting to €3,789, mainly relating to bank charges accrued during the financial year but debited in the following financial year, as well as advances subject to collection.
- Payables for medium/long-term loans: equal to €241,709, they consist of loans which, at the time of disbursement, had a duration of more than eighteen months, but less than five years;
- Payables for medium-term loans: equal to €198,151, they consist of loans which, at the time of disbursement, had a duration of more five years;

ENGINES ENGINEERING S.P.A. SOCIETA' A SOCIO UNICO

Changes in bank payables

The details of outstanding loans are set out below:

Lending institution	Type	Disbursement date	Maturity date	Amount disbursed	Payable as at 31/12/2024	Drawdowns during the financial year	Repayments during the financial year	Payable as at 31/12/2025
B.C.C. Felsinea	Unsecured loan TV	14-Feb-20	13-May-26	900,000	260,209	0	182,891	77,318
B.P.E.R.	Mortgage loan BEI	23-Mar-15	15-Dec-26	1,300,000	166,667	0	83,334	83,333
B.C.C. Felsinea	Unsecured loan TV	31-Mar-21	31-Mar-26	2,000,000	630,957	0	504,118	126,839
Simest	Unsecured loan BEI TV	31-Dec-20	31-Dec-26	150,000	75,000	0	37,500	37,500
Credem	Unsecured loan	21-Sep-23	21-Sep-27	250,000	177,320	0	62,450	114,870
B.N.I.	Unsecured loan	22/05/2024	31/10/2025	800,000	575,068	0	575,068	0
B.C.C. Felsinea	Bullet loan	02/12/2024	02/06/2025	900,000	901,132	0	901,132	0
Subject to collection B.C.C. Felsinea	Advances Subject to collection			0	0	1,458	0	1,458
Miscellaneous	Fees to be liquidated at the end of the year			0	3,821	2,331	3,821	2,331
TOTAL				6,300,000	2,790,174	3,789	2,350,314	443,649

Additional information

The item "Bank payables" includes loans granted to the company in the form of unsecured and mortgage loans, as well as year-end bank charges debited in the first months of the following financial year.

Repayment schedules are being met in accordance with the contractual terms.

Note that there are no loans with maturity beyond the fifth subsequent financial year.

Loan maturities

The following breakdown by maturity is provided for outstanding loans:

Lending institution	Payable as at 31/12/2025	Portion due within the following financial year	Portion due beyond the following financial year	Portion due beyond five years
B.C.C. Felsinea 2020/2026	77,318	77,318	0	0
B.P.E.R. Mortgage BEI 2015/26	83,333	83,333	0	0
B.C.C. Felsinea 2021/2026	126,839	126,839	0	0
Simest 2020/2026	37,500	37,500	0	0
Credem 2023/2027	114,870	64,749	50,121	0
B.N.I. 2024/2025	0	0	0	0
B.C.C. Felsinea 2024/2025	0	0	0	0
TOTAL	439,860	389,739	50,121	0

Suspensions and emergency measures

Pursuant to Article 56 of Italian Decree-Law no. 18/2020 ("Cura Italia Decree"), in previous financial years the company benefited from the temporary suspension of instalments, including principal and interest, with respect to the following loans:

- B.C.C. Felsinea – Unsecured loan TV 2020/2026
- B.P.E.R. – Mortgage loan BEI 2015/2026

Loan backed by MCC guarantee

During the 2021 financial year, the company also obtained a loan of €2,000,000 from BCC Felsinea, backed by a guarantee from the SME Guarantee Fund pursuant to Article 13, paragraph 1, letter c) of Italian Decree-Law no. 23/2020 ("Liquidity Decree"), covering up to 90% of the amount.

At the end of the 2025 financial year, the outstanding balance of this loan amounted to €126,839, entirely due within the following financial year.

Payables to other lenders

The item also includes, among other things, the payable relating to the loan obtained in 2024 from ACT S.r.l., then the parent company.

In the 2024 financial statements, this payable was recognised under "Payables to parent companies"

(Item D-11 of liabilities), in accordance with applicable regulations and accounting standard OIC 19.

Following the disposal of the entire share capital of the company by ACT S.r.l. during the 2025 financial year, it no longer qualifies as a parent company. Accordingly, in the current financial statements the liability is recognised under "Payables to other lenders".

The payable amounts to €1,005,173 in total, of which €1,000,000 is due beyond the following financial year, and includes accrued interest at 31 December 2025 of €5,173.

Trade payables

The total amount of payables due to suppliers of goods and/or services arising from normal trading activities is recognised under "Trade payables".

The balance shown in the financial statements totalling €710,246=, all due within one year, includes the amount of payables for invoices received up to 31 December 2025 but not yet settled at that date and the amount of payables for invoices received in the first few months of 2026 but referable on an accrual basis to the year 2025, and is shown net of credit notes received and/or to be received.

Description	Detail	Initial amount	Increase	Movement to item	Movement from item	Decrease	Final amount	Absolute variation	Variation %
trade payables									
	Italy suppliers	761,898	-	-	-	183,547	578,351	183,547-	24-
	Foreign suppliers	96,562	-	-	-	67,048	29,514	67,048-	69-
	Invoices to be received	342,930	-	-	-	237,963	104,967	237,963-	69-
	Credit notes to be received	64,645-	-	-	-	62,059-	2,586-	62,059	96-
	Total	1,136,745	-	-	-	426,499	710,246	426,499-	

Other payables

The following table provides a breakdown of the item "Other payables".

Description	Detail	Current year amount
	Other payables	
	Payables to employees for deferred charges	453,084
	Personnel remunerations	207,090
	Payables to credit card issuers	22,651
	Lucchi Lorenzo for compensation	3,602
	Nanni Luca for compensation	1,335
	Di Natale Vittorio for compensation	322
	Filctem - GCIL	641
	Total	688,725

ENGINES ENGINEERING S.P.A. SOCIETA' A SOCIO UNICO

Breakdown of payables by geographical area

The following table shows the breakdown of payables by geographical area.

Geographical area	Bank payables	Payables to other lenders	Advances	Trade payables	Payables due to parent companies	Payables due to companies subject to the control of parent companies	Tax payables	Payables to social security and welfare institutions	Other payables	Payables
Italy	443,649	1,005,173	8,041	676,205	-	-	246,064	428,162	688,725	3,496,019
Europe	-	-	-	5,180	-	351,646	-	-	-	356,826
Rest of the world	-	-	565,090	28,861	1,753,355	-	-	-	-	2,347,306
Total	443,649	1,005,173	573,131	710,246	1,753,355	351,646	246,064	428,162	688,725	6,200,151

Payables secured by charges on company assets

The following table indicates, separately for every entry, the payables covered by real guarantees on company property, specifically indicating the nature of the guarantees.

	Liabilities secured by mortgages	Total payables secured by real guarantees	Payables not covered by real guarantees	Total
Bank payables	83,333	83,333	360,316	443,649
Payables to other lenders	-	-	1,005,173	1,005,173
Advances	-	-	573,131	573,131
Trade payables	-	-	710,246	710,246
Payables due to parent companies	-	-	1,753,355	1,753,355
Payables due to companies subject to the control of parent companies	-	-	351,646	351,646
Tax payables	-	-	246,064	246,064
Payables to social security and welfare institutions	-	-	428,162	428,162
Other payables	-	-	688,725	688,725
Total payables	83,333	83,333	6,116,818	6,200,151

The payables secured by real guarantees refer to the mortgage loan granted by Banca Popolare dell'Emilia Romagna for the amount of €1,300,000 expiring on 15 December 2026, which was secured by a mortgage granted on the property owned. The aforementioned amount refers to the balance of the mortgage-backed capital debt at 31/12/2025.

Payables relating to forward repurchase agreements

The company did not enter into any transactions involving an obligation to repurchase at a future date during the financial year, nor are there any such transactions from previous financial years.

Shareholder loans

Note that following the disposal during the 2025 financial year of the entire share capital of the company by ACT S.r.l., the €1,000,000 loan granted in 2024 no longer qualifies as a shareholder loan.

Accordingly, in the current financial statements this liability is no longer recognised under "Payables for shareholder loans", but rather has been reclassified under "Payables to other lenders", in line with the changed structure of corporate relationships.

Note also that at the reporting date there are no loans granted by the sole shareholder TVS Motor (Singapore) Pte. Ltd.

Accrued liabilities and deferred income

The following table shows information on changes in accrued expenses and deferred income.

	Value at the beginning of the year	Variation during the year	Value at the end of the year
Accrued liabilities	169,300	(115,802)	53,498
Deferred income	35,842	51,416	87,258
Total accrued expenses and deferred income	205,142	(64,386)	140,756

The following table illustrates the composition of the entries in question, as indicated in the financial statements.

Description	Detail	Current year amount
ACCRUALS AND DEFERRALS		
	Accrued liabilities	53,498
	Deferred income	87,258
	Total	140,756

Accruals and deferrals with duration beyond the financial year

Pursuant to Articles 2424 and 2427, paragraph 1, no. 7, of the Italian Civil Code, and in accordance with the OIC national accounting standards (in particular OIC 18 "Accruals and deferrals"), details are provided of accruals and deferrals with duration beyond the financial year.

With reference to the position at the reporting date, there are no accrued expenses with maturity beyond the financial year.

As regards deferred income, amounts with duration beyond the financial year totalling €60,204 are recognised, broken down as follows:

- €469 relating to deferred income on capital grants connected with the acquisition of new capital goods

pursuant to Italian Law no. 178/2020.

- €4,624 relating to deferred income on capital grants associated with the finance lease contract for a 3D

scanner, already described elsewhere in these notes.

- €47,024 relating to deferred income on capital grants associated with the finance lease contract for a measurement instrument (engine test bench), also described elsewhere in these notes.
- €8,087 relating to deferred income on capital grants relating to the tax credit for research and development concerning the "M3E" project.

Finally, there is no deferred income with residual duration exceeding five years.

Explanatory notes, income statement

Income statement

The income statement shows the financial performance for the financial year and provides a representation of operations through the summary of positive and negative income components contributing to its determination. Positive and negative income components are recognised in the financial statements in accordance with Article

2425-bis of the Italian Civil Code and are classified by nature, distinguishing between operating, financial and ancillary activities.

Operating activities include income components generated by transactions occurring on a recurring basis within the company's core business, contributing to the distinctive nature of its operations.

Financial activities include income and expenses of a financial nature arising from the investment

ENGINES ENGINEERING S.P.A. SOCIETA' A SOCIO UNICO

and raising of financial resources.

Ancillary activities include, on a residual basis, transactions generating income components falling within ordinary operations but not attributable to operating or financial activities.

Value of production

Revenue is recognised on an accrual basis and recorded net of returns, allowances, discounts and bonuses, as well as taxes directly related thereto, in accordance with Article 2425-bis of the Italian Civil Code and, where applicable, OIC 34.

Where necessary due to materiality, total consideration is allocated to individual units of account in accordance with national accounting standards.

With reference to the sale of goods, related revenue is recognised when the substantial risks and rewards of ownership are transferred, regardless of the formal transfer of title.

Revenue from services is recognised when the service has been rendered or the performance completed. In the case of continuous services, revenue is recognised based on the portion earned.

Increases in fixed assets from internal work are recognised at production cost, including direct costs (such as materials, direct labour, design costs and external supplies) and a reasonable portion of indirect production costs attributable to the asset during the construction period, up to the point it is ready for use. Financial expenses related to construction are also included where eligible for capitalisation.

Operating grants are recognised on an accrual basis in the financial year in which the right to receive them arises and are recorded under item A5 of the income statement, as they are intended to supplement operating revenue and/or reduce related costs and expenses.

The following table shows the changes in the value of production compared to the previous year:

Entry description	Year 2025	Year 2024	Diff.	Diff %
1) Proceeds from sales and services	12,414,281	8,910,478	3,503,803	39.32
3) Changes in contract work in progress	(1,433,768)	2,243,173	(3,676,941)	163.92
4) Increase in fixed asset base because of internal building work	3,316	0	3,316	100.00
5) Other proceeds and revenues				
Operating grants	16,976	17,488	(512)	(29.28)
others	165,018	111,417	53,601	32.48
Total value of production	181,994	128,905	53,089	41.18
Total value of production	11,165,823	11,282,556	(116,733)	(1.03)

Breakdown of revenues from sales and services by category of activity

The following table illustrates the breakdown of revenues, sales and services by activity categories.

Category of activity	Current year amount
Design	10,884,692
Sale of finished products	626,796
Other lab tests	713,980
Engine testing room	188,813
Total	12,414,281

During the 2025 financial year, total revenue increased by approximately 39%, mainly driven by the significant growth in design services.

Revenue from the sale of finished products also increased, while revenue from laboratory testing and test room services declined compared to the previous financial year.

Specifically, design services recorded significant growth, generating additional revenue of approximately €3.8 million compared with the 2024 financial year, confirming their position as the company's main business area and making a decisive contribution to the overall increase in turnover.

The breakdown of revenue by business area is set out below, compared with the previous financial year, both in absolute terms and as percentages.

Category of activity	2025	%	2024	%
Design	10,884,692	79.77%	7,107,629	79.77%
Sale of finished products	626,796	5.18%	461,185	5.18%
Other lab tests	713,980	11.00%	979,867	11.00%
Testing room	188,813	4.05%	361,797	4.05%
TOTAL	12,414,281	100.00%	5,438,079	100.00%

The comparative analysis shows that revenue growth is mainly attributable to design services, which increased by 53.14%, while sales of finished products rose by 35.91%.

By contrast, testing services declined: revenue from other laboratory tests decreased by 27.14% and revenue from the test room by 47.81%, partly offset by the expansion of the core design business.

Category of activity	2025	2024	Difference	Diff %
Design	10,884,692	7,107,629	3,777,063	53.14%
Sale of finished products	626,796	461,185	165,611	35.91%
Other lab tests	713,980	979,867	(265,887)	(27.14%)
Testing room	188,813	361,797	(172,984)	(47.81%)
TOTAL	12,414,281	8,910,478	3,503,803	39.32%

Breakdown of revenues from sales and services by geographical area

The following table illustrates the breakdown of revenues, sales and services by geographical area.

Geographical area	Current year amount
United Kingdom	6,508,493
Italy	3,033,597
India	2,234,791
China	188,000
European Unit (Italy excluded)	8,500
Rest of the world	440,900
Total	12,414,281

Breakdown of turnover by geographical area

With reference to the breakdown of turnover by geographical area, the tables below show a comparison between the 2025 financial year and the previous financial year, both in absolute values and as percentages.

The analysis shows a significant reshaping of the geographical sales mix, with increasing internationalisation of operations and a greater concentration of revenue in foreign markets, particularly the United Kingdom and India. The United Kingdom remains the main market of reference, with revenue increasing by approximately €3.8 million (+137.86%), rising from 30.71% to 52.43% of total revenue. India also recorded very strong growth, with an increase of approximately €1.7 million (+306.44%), strengthening its share of total revenue (18.00% in 2025 compared with 6.17% in the previous financial year).

For clarity, note that, following the acquisition of the entire share capital by TVS Motor (Singapore) Pte. Ltd., a company controlled by TVS Motor Company Ltd (India), which in turn also controls "The Norton Motorcycle Co. Limited" (United Kingdom), turnover increased in these markets. Specifically, this transaction strengthened commercial relationships with the group and led to increased revenue from the United Kingdom and India, contributing significantly to the reshaping of the geographical turnover mix.

Conversely, the domestic market declined, with turnover in Italy falling by approximately €1.2 million (-27.98%), reducing its share of the total from 47.27% to 24.44%, confirming a gradual shift in the commercial focus towards foreign markets.

Revenue also declined in China (-64.95%), the European Union (excluding Italy) (-66.33%) and Japan, where no revenue was recorded in the current financial year compared with €563,414 in the previous financial year.

By contrast, the "Rest of the world" segment grew by 53.66%, although it still represents a limited share of total turnover (3.55%).

ENGINES ENGINEERING S.P.A. SOCIETA' A SOCIO UNICO

Overall, the geographical structure of revenue shows greater international diversification and increased concentration in higher-potential non-EU markets, such as the United Kingdom and India. Detailed tables are provided below.

Category of activity	2024	%	2023	%
Italy	4,212,351	47.27%	1,708,054	31.41%
European Unit (Italy excluded)	25,245	0.28%	62,330	1.15%
United Kingdom	2,736,279	30.71%	67,104	1.23%
India	549,852	6.17%	1,840,000	33.84%
China	536,398	6.02%	1,404,151	25.82%
Japan	563,414	6.32%	247,162	4.55%
Rest of the world	286,939	3.23%	109,278	2.00%
TOTAL	8,910,478	100.00%	5,438,079	100.00%

Category of activity	2024	2023	Difference	Diff %
Italy	4,212,351	1,708,054	2,504,297	146.62%
European Unit (Italy excluded)	25,245	62,330	(37,085)	(59.50%)
United Kingdom	2,736,279	67,104	2,669,175	3977.67%
India	549,852	1,840,000	(1,290,148)	(70.12%)
China	536,398	1,404,151	(867,753)	(61.80%)
Japan	563,414	247,162	316,252	127.95%
Rest of the world	286,939	109,278	177,661	162.58%
TOTAL	8,910,478	5,438,079	3,472,399	63.85%

Costs of production

The costs and charges are recognised on an accrual basis and by type, net of returns, allowances, discounts and premiums, according to the revenue matching principle and in compliance with the OIC 12 accounting principle. With reference to the purchase of goods, related costs are recognised when the substantial transfer of ownership occurs, regardless of the formal transfer of title, based on the transfer of risks and rewards associated with the goods.

For purchases of services, the related costs are recognised when the service has been received or the performance completed. For continuous service contracts, costs are recognised based on the portion earned.

In general, note that:

- Costs for the purchase of movable goods are recognised on the date of delivery or shipment, as envisaged in the contract, or on the date when the substantial transfer of risks and rewards occurs, if different from delivery or shipment.
- Costs for the purchase of immovable property, where applicable, are recognised on the date the sale agreement is executed, or on the date when the substantial transfer of ownership occurs. The following table shows the changes in the production costs compared to the previous year:

Entry description	Year 2025	Year 2024	Diff.	Diff %
6) For raw and ancillary materials, consumables and goods	785,097	1,111,001	(325,904)	(29.33)
7) For services	3,983,330	3,555,749	427,581	12.03
8) For use of leased assets	604,085	581,004	23,081	3.97
9) For personnel	5,222,062	4,619,390	602,672	13.05
a) salaries and wages	3,768,734	3,353,794	414,940	12.37
b) social security contributions	1,171,713	1,012,041	159,672	15.78
c) employee severance indemnity	257,241	222,706	34,535	15.51
e) other costs	24,374	30,849	(6,475)	(20.99)
10) Amortisation, depreciation and impairments	351,179	856,579	(505,400)	(59.00)
a) amortisation of intangible fixed assets	97,201	146,672	(49,471)	(33.73)
b) depreciation of tangible fixed assets	253,978	291,077	(37,099)	(12.75)
c) other fixed assets depreciation	0	418,830	(418,830)	(100.00)

11) Change in inventory of raw and ancillary materials, consumables and goods	9,804	6,031	3,773	62.56
14) Other operating expenses	542,945	153,217	389,728	254.36
Total costs of production	11,498,502	10,882,971	615,531	5.66

Costs of production

During the 2025 financial year, production costs increased overall by approximately 5.66% compared with the previous financial year, rising from €10,882,971 to €11,498,502.

An analysis of the main items shows different trends across cost components.

Costs for raw and ancillary materials, consumables and goods decreased by 29.33%, reflecting a different mix of production activities and the greater importance of design activities compared with material-based activities. Service costs increased by 12.03%, reflecting greater use of external services to support design and related technical activities.

Costs for the use of third-party assets also rose slightly (+3.97%), remaining broadly in line with the previous financial year.

Personnel costs increased by 13.05%, rising from €4,619,390 to €5,222,062. This increase is mainly attributable to the hiring of new staff at the request of the new shareholder, as part of strengthening the company's organisational and technical structure in line with the expansion of design activities.

Depreciation, amortisation and write-downs decreased significantly (-59.00%), mainly due to the absence of extraordinary write-downs recognised in the previous financial year, as well as the gradual reduction in depreciation and amortisation of tangible and intangible fixed assets.

Changes in inventories of raw materials were marginal overall, showing a slight increase compared with the previous financial year.

Other operating expenses increased significantly (+254.36%), rising from €153,217 to €542,945. This increase is mainly attributable to the sharp rise in foreign withholding taxes applied to invoices for design services (technical consultancy) provided to Indian customers. These taxes, although generally recoverable through the foreign tax credit mechanism pursuant to Article 165 of the TUIR, are not fully offset against Italian tax, resulting in a higher net cost recognised in the income statement.

In fact, the company provides design services (classified as technical consultancy) to TVS Motor India (a company that is tax resident in India), on whose gross consideration withholding tax is applied at a rate of 20% at the time of payment, as envisaged under the relevant double taxation treaty.

In principle, foreign taxes that are definitively paid are eligible for recognition as a tax credit under Article 165 of the TUIR, within the limits of the Italian net tax proportionally attributable to foreign-source income.

In this case, since the foreign tax is calculated on gross revenue while Italian tax is calculated on net income (revenue less costs), and given that the company's activity is mainly focused on the Indian market, a structural excess of foreign tax over Italian tax arises. Accordingly, the portion of foreign taxes not recoverable as a tax credit, even taking into account carryforward mechanisms under tax rules, is recognised under other operating expenses (item B14 of the income statement) in the financial year in which the project is completed, as a tax-related cost other than current, deferred or prepaid income taxes. The increase in revenue from India therefore resulted in a higher amount of non-recoverable foreign taxes, and consequently higher other operating expenses.

Overall, the increase in production costs is consistent with the expansion in business volume, the strengthening of the company's operational structure and the growing internationalisation of its activities.

Financial proceeds and charges

Financial proceeds and charges are recognised on an accrual basis in relation to the portion accrued during the year.

Composition of proceeds from equity investments

Dividends are recognised in the year in which their distribution is approved.

There are no proceeds from equity investments as per art. 2425, no. 15 It. Civil Code, other than dividends.

	Income other than dividends
Income from equity investments from other companies	-

Income from equity investments in other companies refers to the dividend paid during the year by Banca Felsinea - Banca di Credito Cooperativo - for the equity investment in that bank.

Breakdown of interest and other financial charges by type of payables

The following table reports the interest and other financial charges as per art. 2425, No. 17 of the Italian Civil Code, with specific breakdown by those relevant to bond issues, debts towards banks and other cases.

ENGINES ENGINEERING S.P.A. SOCIETA' A SOCIO UNICO

	Bank payables	Others	Total
Interest and other financial charges	61,963	5,977	67,940

Financial charges mainly consist of interest on loans, which represents the largest component, confirming the company's use of medium- to long-term financing to support operations and investments.

Specifically, interest on loans amounts to €60,504, of which €5,859 relates to ancillary costs associated with obtaining credit lines and financing, and represents the most significant item within financial charges.

Interest on the loan outstanding with Act S.r.l., previously the sole shareholder, is also significant.

Bank interest expenses (€1,458) and interest on deferred tax payments (€527) are limited in amount and relate to ordinary treasury management and routine dealings with the tax authorities.

Interest and commissions on factoring transactions (€227), default interest (€1) and other financial charges (€48) are residual and not significant overall.

Overall, financial charges are mainly related to medium- to long-term bank borrowing, with minor components linked to day-to-day liquidity and the management of working capital.

Foreign exchange gains/losses

Here-below is reported the information relevant to foreign exchange gains or losses, differentiating the proportion realised from the proportion deriving from evaluations of foreign exchange assets and liabilities included in the financial statements as at the end of the financial year.

Description	Amount in financial statements	Estimated part	Realised part
foreign exchange gains and losses	326-		
Foreign exchange gains		2	158
Foreign exchange losses		132	354
Total entry		130-	196-

Adjustments in value of financial assets and liabilities

As already noted in a previous paragraph of these Notes, to align the value of investments in open-ended investment companies (OEICs) acquired in previous financial years with their estimated realisable value based on market trends, during the financial year an additional write-down was recognised on the investment in BNP Paribas Climate Impact CL OEIC (ISIN LU0406802339).

PAC position as at 31/12/2025

OEIC	Historic Cost	NAV as at 31/12/2025	Write-down as at 31/12/25	Write-down as at 31/12/24	Reversal of write-down 30/12/25 \ (Additional write-down 30/12/25)
Fidelity Funds - Emerging Market Debt Fund A-ACC-EUR (ISIN: LU0238205289)	115,000.00	115,680.31	0.00	0.00	0.00
BNP Paribas Climate Impact CL (ISIN: LU0406802339)	115,000.00	109,611.73	5,388.27	4,842.22	(546.05)
SITUATION AS AT 31/12/2025	230,000.00	225,292.04	5,388.27	4,842.22	(546.05)

The alignment of the value of these investments with their estimated market value was carried out for each financial instrument individually by increasing the write-down already recognised in previous financial years, with a corresponding adjustment to the related allowance, recorded as a direct reduction of the carrying amount at the reporting date.

Amount and nature of the individual revenue/cost elements that are exceptional in size or incidence

No revenues or other positive elements deriving from events that are exceptional in size or incidence were recorded during this financial year.

The table below sets out the amount and nature of individual cost items of an exceptional size or impact.

Cost item	Amount	Nature
Other operating expenses	446,553	Non-recoverable foreign taxes exceeding Italian tax

Non-recoverable foreign withholding taxes pursuant to Article 165 of the TUIR, amounting to €446,553 in 2025 (€64,201 in 2024), were recognised under other operating expenses (item B14 of the income statement) and treated as fully non-deductible for income tax purposes, resulting in an increase in taxable income.

Given their size and impact on the financial result, these costs are classified as items of an exceptional size or impact pursuant to Article 2427, no. 13, of the Italian Civil Code and are summarised in the above table, which shows that, without them, profit before tax for 2025 would have been €45,485 (€392,806 in 2024), whereas, including non-recoverable foreign taxes, profit before tax is a loss of €394,051 in 2025 (profit of €328,605 in 2024).

The following table summarises the amount of non-recoverable foreign withholding taxes, recognised under other operating expenses (item B14) and treated as non-deductible for income tax purposes, and their impact on the financial result.

Description	Year 2025	Year 2024
Non-recoverable foreign withholding taxes pursuant to Article 165 TUIR	€446,553	€64,201
Profit before tax excluding non-recoverable foreign taxes*	€45,485	€392,806
Profit before tax as per income statement (including non-recoverable expense)**	-€401,068	€328,605
Total impact on profit before tax	€446,553	€64,201

* Amount of profit before tax that would have been recorded in the absence of non-recoverable foreign taxes (pro-forma management figure).

** Income statement figure: actual profit before tax after recognition of non-recoverable foreign taxes under item B14.

Taxes for the financial year, current, deferred, and advanced

The Company set aside taxes for the year based on current tax regulations. Current taxes represent taxes for the financial year determined based on taxable income as reported in the tax returns.

Taxes relating to previous financial years include tax charges relating to prior tax periods, including direct taxes, interest and penalties, as well as the effects arising from the settlement of any tax disputes or assessments, to the extent that such amounts differ from provisions recognised in previous financial years.

Deferred and prepaid taxes are recognised with reference to temporary differences between the carrying amount of assets and liabilities for statutory purposes and their corresponding tax bases. These taxes therefore reflect future tax effects relating to income and expense items that contribute to the statutory result in a different financial year from that in which they are recognised for tax purposes.

Taxes relating to previous years

Taxes relating to previous financial years (negative) relate to the adjustment of taxes for the previous financial year recognised in the financial statements compared with those resulting from the tax return.

Advanced and deferred taxes

This item reflects the effect of deferred taxation on the financial statements, arising from temporary differences between statutory and tax values of assets and liabilities.

The company calculates deferred taxation with reference to IRES and IRAP income taxes.

The advanced and deferred taxes were calculated by applying the following tax rates:

Rate	E.g. n +1	E.g. n +2	E.g. n +3	E.g. n +4	Beyond
IRES (Italian Corporation tax)	24.00%	24.00%	24.00%	24.00%	24.00%
IRAP (Italian Regional TAX on productive assets)	3.90%	3.90%	3.90%	3.90%	3.90%

Where present, below is shown the information required by art. 2427 no. 14 of the Italian Civil Code, namely:

- a description of the temporary differences that led to the recognition of deferred tax assets and liabilities, specifying the rate applied and the changes compared to the previous year, and the amounts credited or debited to the income statement or equity;
- the amount of deferred tax assets recognised in the financial statements relating to losses for the year or previous years and the reasons for recognition; the amount not yet recognised and the reasons for not recognising them;
- the items excluded from the calculation and the relative reasons.

ENGINES ENGINEERING S.P.A. SOCIETA' A SOCIO UNICO

Reporting of deferred and prepaid taxes and consequent effects

	IRES (Italian Corporation tax)	IRAP (Italian Regional TAX on productive assets)
A) Temporary differences		
Total deductible temporary differences	3,434,740	-
Temporary net differences	(3,434,740)	-
B) Tax impact		
Provision for deferred (prepaid) taxes at the beginning of the year	(820,377)	-
Deferred (prepaid) taxes for the year	8,152	-
Provision for deferred (prepaid) taxes at the end of the year	(812,225)	-

Breakdown of deductible temporary differences

Description	Amount at the end of the previous financial year	Variation during the financial year	Amount at the end of the financial year	IRES (Italian Corporation tax) rate	IRES (Italian Corporation tax) tax impact	IRAP (Italian Regional TAX on productive assets) rate	IRAP (Italian Regional TAX on productive assets) tax impact
Tax losses	2,993,690	(37,986)	2,955,704	24.00	709,369	-	-
Directors' fees unpaid during the FY	3,037	(3,037)	-	-	-	-	-
Deductible termination benefits	325,317	4,661	329,978	24.00	79,195	-	-
Taxed write-down of receivables	62,297	-	62,297	24.00	14,951	-	-
Inventory write-down of raw materials	2,327	-	2,327	24.00	558	-	-
Difference in valuation of short-term WIP	14,105	(14,105)	-	-	-	-	-
Provision for future charges	33,968	-	33,968	24.00	8,152	-	-
TOTAL	3,434,740	(50,467)	3,384,273	24.00	812,225	-	-

Tax loss policy

	Amount (current year)	Tax rate (current year)	Prepaid taxes recorded (current year)	Amount (previous year)	Tax rate (previous year)	Prepaid taxes recorded (previous year)
Tax losses of previous years	2,955,704			2,977,190		
Total tax losses	2,955,704			2,977,190		
Tax loss carryforwards recoverable with reasonable certainty	-	24.00	709,369	-	24.00	714,526

Explanatory notes, financial report

The company has prepared a financial report that represents the summary document that matches the changes in the balance sheet during the year with the changes in the company's financial position; it highlights the financial resources that the company needed during the year as well as

how they were used.

With regard to the method used, in accordance with OIC 10 the company adopted the indirect method in which the cash flow is reconstructed by adjusting the net result for the year for non-monetary items.

Explanatory notes, other information

Hereafter we report the other information required by the Italian civil code.

Data on employment

This table shows the average number of employees, divided by category and calculated considering the daily average.

	Managers	Middle-ranking Managers	Office workers	Manual workers	Total employees
Average number	1	16	43	8	68

During the financial year, following the end of the wage supplementation scheme, hiring resumed to strengthen business units that had experienced a reduction in workforce due to the continuation of the scheme.

The Company applies, to employment relationships, the National Labour contract for the "Confindustria [Italian Entrepreneurial Association] rubber-plastic" sector.

We also attest that the normal industrial relationships with workers are "good" and there are no pending labour disputes and/or claims whatsoever.

In addition to the employment relationships described above – during the financial year just closed – our Company also availed itself of other so-called "flexible work" practices for a limited number of days.

For details, see below:

	Temporary jobs	Continuous Collaboration Contract	Total
Average number	0	1	1

Sustainability information and sustainability reporting

At the date of approval of these financial statements, the company is not among the entities required to prepare and publish a sustainability statement under applicable law (national regulations implementing Directive EU

2022/2464 – Corporate Sustainability Reporting Directive – and other provisions applicable to larger public-interest entities).

Although not required to prepare a standalone sustainability report, the company has initiated an internal process to progressively strengthen organisational and information systems in ESG (Environmental, Social, Governance) matters, with particular focus on:

- Employee health and safety
- Staff training and skills development
- Energy efficiency and responsible resource management
- Fairness and transparency in dealings with customers, suppliers and public administrations

The governing body monitors developments in the regulatory framework on sustainability to assess, also in coordination with the group, the possible future adoption of voluntary non-financial reporting or the integration of sustainability information into the report on operations and the notes to the financial statements.

Insurance coverage for catastrophic events

With regard to laws on insurance coverage against risks arising from catastrophic events, the governing body has assessed the company's position against the size and eligibility requirements set out in current regulations.

At the date of approval of these financial statements, the company is already covered by insurance policies that include specific guarantees for material and direct damage to company assets arising from catastrophic events (such as earthquakes, floods and other extreme natural events), as well as, where contractually envisaged, business interruption cover arising from such events.

The governing body monitors developments in the regulatory framework to assess the adequacy of existing insurance coverage against minimum requirements and market best practices.

Emoluments, advances and loans granted to directors and auditors, and commitments entered into on their behalf

Below is shown the information required by Article 2427, no. 16, of the Italian Civil Code.

	Directors	Auditors
Remuneration	320,081	14,803

Note that the item "remuneration of the governing body" includes the fees due to the governing body

ENGINES ENGINEERING S.P.A. SOCIETA' A SOCIO UNICO

in office up to the beginning of October. As discussed elsewhere in the notes, following the change in the ownership structure the previous governing body resigned, in line with standard practice, and a new governing body appointed by the new shareholder took office.

The amount indicated includes both the remuneration accrued up to the date of termination of office due to resignation and the TFM accrued up to that date by directors Mr Strazzari and Mr Fenici.

During the financial year, the TFM accrued by Mr Fenici up to the date of termination of office was paid in full, while the TFM accrued up to that date by Mr Strazzari remains fully outstanding.

Finally, note that no remuneration was awarded to the newly appointed governing body for the 2025 financial year.

With regard to the remuneration of members of the control body, note that the amount of €14,803 relates solely to the fees paid to members of the board of statutory auditors for their role as standing auditors of the company. For completeness, note that former directors Mr Strazzari and Mr Fenici were hired by the company as employees in a senior management role.

Fees to legal auditor or auditing company

The following table shows the remuneration of the legal auditor, broken down by type of service provided.

	Legal audit of annual accounts	Total fees due to the legal auditor or auditing company
Value	7,401	7,401

It should be noted that the legal audit of accounts is assigned to the Board of Statutory Auditors.

Categories of shares issued by the company

The table below shows the number and nominal value of the company's shares, as well as any changes during the financial year.

	Initial amount, number	Initial amount, nominal value	Final amount, number	Final amount, nominal value
Ordinary shares	1,000,000	1,000,000	1,000,000	1,000,000
Total	1,000,000	1,000,000	1,000,000	1,000,000

Share capital and shareholding structure

During the 2025 financial year, there were no changes in the amount of share capital, the number of shares into which it is divided or their nominal value.

The company's share capital amounts to €1,000,000.00, fully subscribed and paid in, and is divided into 1,000,000 ordinary shares with a nominal value of €1.00 each.

However, on 3 October 2025, the entire share capital was transferred by ACT S.r.l. to TVS Motor (Singapore) Pte. Ltd., a company incorporated under Singapore law, with registered office at 1, Kim Seng Promenade, #10-07 Great World City, Singapore – 237994, registration number 200301438H, as per endorsement on the same date authenticated by the Notary Massimiliano Palmeri.

As a result of this transaction, from 3 October 2025 the company is wholly owned by the sole shareholder TVS Motor (Singapore) Pte. Ltd.

The share capital structure is therefore as follows:

Sole

Shareholder	No. of shares	Face value (Euro)	%	Share certificate
TVS Motor (Singapore) Pte. Ltd.	200,000	200,000.00	20.00%	3
	800,000	800,000.00	80.00%	4
TOTAL	1,000,000	1,000,000.00	100.00%	

shareholder

Following the above transfer, the company is subject to Article 2362 of the Italian Civil Code on single-member companies, as the entire share capital is held by a single shareholder, TVS Motor (Singapore) Pte. Ltd.

The directors have completed the disclosure requirements envisaged under applicable law.

Securities issued by the company

The company has issued no securities or similar instruments falling under the provision of art. 2427, No. 18 of the It. Civil Code.

Breakdown of other financial instruments issued by the company

The company has issued no other financial instruments according to art. 2346, par. 6 of the It.

Civil Code.

Commitments, guarantees and potential liabilities not reflected in the balance sheet

Information required by Article 2427, no. 9 of the Italian Civil Code is provided in the following table.

	Amount
Warranties	2,360,000 of
which real	2,340,000
Potential liabilities	71,000

Guarantees and potential liabilities

The item "Guarantees" includes the value of the mortgage registered on property owned by the company as collateral for a bank loan (real guarantees), as well as the amount relating to a guarantee issued by a credit institution in favour of third parties in the company's interest.

The item "Potential liabilities" includes the value of the retention bonus envisaged under the contract entered into with Mr Strazzari, for which the main details are set out below.

1. Annual variable remuneration of the executive

In October 2025, following the resignation of Mr Strazzari from the position of Chairman of the Board of Directors in connection with the change in ownership, the company entered into an employment contract with him in the capacity of senior executive.

In addition to a fixed gross annual salary, the contract provides for a variable annual component linked to the achievement of specific company and individual performance targets.

The variable remuneration accrues on a pro rata basis during the financial year and is determined based on the level of achievement of the assigned targets. It is then paid with the first salary following approval of the financial statements for the relevant year.

In accordance with the accrual principle and national accounting standards on the recognition of payables and personnel costs, at 31 December 2025 the company estimated the amount of variable remuneration accrued based on available information on target achievement and contractual conditions. This amount was recognised under personnel costs (item "remuneration") and under payables to employees, as it is considered certain and reliably measurable.

Any updates to the estimate arising from information obtained after the reporting date but relating to conditions already existing at 31 December 2025 will be reflected at the time of approval of the financial statements, in accordance with the principles of accrual accounting and a true and fair view.

2. Retention bonus of the executive

The same contract also provides for a retention bonus for the executive, with a total gross amount of €71,000, conditional upon remaining employed for a period of two years from the date of hiring.

Under the contractual terms, this bonus:

- Does not accrue if the employment relationship ends during the first year.
- Accrues proportionally, up to a maximum of 70% if termination occurs during the second year.
- Accrues in full if employment continues until the end of the second year, as well as in cases of death or permanent disability of the executive.

At the reporting date, the contractual conditions that would give rise to a present obligation for the company are not met. In particular, in light of the provisions of OIC 31 – Provisions for risks and charges and Employee severance indemnity, there are no grounds for recognising a provision, in the absence of a present obligation arising from a past event and of an amount that can be reliably estimated.

The retention bonus is therefore classified as a potential liability, and as such has not been recognised either among payables or among provisions for risks and charges, but is disclosed in these notes.

It will be recognised among personnel costs and among payables to the executive in the financial year in which – depending on the development of the employment relationship – the contractual conditions determining entitlement thereto are met and the amount becomes certain and reliably measurable, in line with national accounting standards.

Information about assets and loans assigned to specific transactions

Capital assigned to specific transactions

We certify that there was no financing assigned to specific transactions under no. 20 of art. 2427 of the Italian Civil

Code at the date of closure of the financial statements.

Loans assigned to specific transactions

We certify that at the financial statement closing date there were no loans destined for a specific business operation pursuant to Article 2427 no. 21 of the Italian Civil Code.

Information about transactions with related parties

During the 2025 financial year the Company maintained commercial relationships with TVS Motor Company Limited (India), the indirect parent company of Engines Engineering S.p.A., and with The Norton Motors Ltd (United Kingdom), a company incorporated under English law controlled by TVS Motor Singapore Pte. Ltd. and therefore a related party under applicable regulations, consisting mainly of the provision of design, research and development services governed by specific commercial agreements in place.

The services generally included engineering, design, product development and related technical services, as part of the partnership described above, without the transfer of exclusive rights beyond those envisaged under ordinary service supply arrangements.

Consideration for these services was determined on the basis of internal price lists and rates consistent with those applied to comparable third-party customers, taking into account the nature of the services provided and market conditions, and was settled under standard contractual and payment terms. At the reporting date, no more favourable conditions were applied compared to those granted to customers in general.

At the reporting date there are no significant guarantees, commitments or off-balance sheet agreements with the above related parties other than those arising from the ordinary course of business and the contract in place with the parent company.

Information about off-balance sheet arrangements

No off-balance sheet arrangement has been stipulated during the year.

Information about relevant facts occurred after the closing of the financial year

With reference to point 22-quater of Article 2427 of the Italian Civil Code, note that during the 2025 financial year the Italian Revenue Agency initiated an audit with respect to the research and development tax credit claimed by the Company for the 2019 tax period, for a total amount of €156,376.

At the end of December 2025 the Company was served with a draft assessment in which the Tax Authority provisionally challenged the use of the above tax credit in offset, considering it non-existent and requesting repayment with penalties and interest.

The Company provided the Italian Revenue Agency with technical documentation supporting the classification of the activities carried out as research and development under applicable regulations, and in February 2026 submitted defence briefs in response to the draft assessment. In early March 2026, the Company also provided the Italian Revenue Agency with certification of the research and development activities issued by a party registered in the official register of certifiers established at the Ministry of Enterprises and Made in Italy pursuant to Article 23 of Italian Decree-Law no. 73/2022, converted with amendments by Italian Law no. 122/2022, and of the Prime Ministerial Decree of 15 September 2023.

This certification confirms that the activities carried out meet the requirements for the research and development tax credit and is binding on the Tax Authority.

At the date of approval of these financial statements, the audit is still ongoing and no final recovery assessment has been issued.

In light of the technical documentation and the certification obtained, the governing body considers the Tax Authority's claims to be unfounded and the risk of a significant cash outflow unlikely. Accordingly, in line with national accounting standards, no provision for risks was recognised in these financial statements, while the situation continues to be closely monitored.

Companies that prepare the financial statements of the largest/smallest company group to which the company belongs as subsidiary

As at 31 December 2025 the Company is wholly owned by TVS Motor (Singapore) Pte Ltd, a company incorporated and registered under the Companies Act (Singapore), company no. 200301438H, with registered office at 1, Kim Seng Promenade, #10-07 Great World City, Singapore - 237994, which holds 100% of the Company's share capital.

On 3 October 2025 the entire share capital of the Company was acquired by TVS Motor (Singapore) Pte Ltd. Until that date, the share capital was wholly owned by ACT S.r.l., an Italian company with registered office in Bologna (BO), Via Fossolo 23, tax code no. 03806230375, not belonging to the TVS Group. The information provided pursuant to Article 2427, paragraphs 22-quinquies and 22-sexies, of the Italian Civil Code refers to the control structure existing at the reporting date.

To the Company's knowledge, TVS Motor Company Limited, with registered office in Chaitanya, no. 12, Khader Nawaz Khan Road, Nungambakkam, Chennai, Tamil Nadu 600006, India, in turn controlled by TVS Holdings Limited, an Indian company also with registered office at Chaitanya, no. 12, Khader Nawaz Khan Road, Nungambakkam, 600006, exercises control over TVS Motor (Singapore) Pte Ltd and prepares the consolidated financial statements of the multinational group. However, at the date of approval of these financial statements, it has not been possible to obtain formal confirmation regarding:

- Whether or not the financial statements of Engines Engineering S.p.A. are actually included in the scope of consolidation for the 2025 financial year.
- The possible existence of interim consolidated financial statements prepared by TVS Motor

(Singapore) Pte Ltd or other group companies.

- The place where copies of such consolidated financial statements are available, pursuant to Article 2427, paragraphs 22-quinquies and 22-sexies, of the Italian Civil Code.

The Company has requested from the foreign parent companies the information required to comply with the disclosure obligations under Article 2427, paragraphs 22-quinquies and 22-sexies, of the Italian Civil Code, in particular regarding the identification of the entity preparing the consolidated financial statements of the "largest group" and any "smallest group" of which the Company is a part, as well as the place where copies are available. At the date of approval of these financial statements, such information has not been made available to the Company. Accordingly, the disclosure is currently limited to the identifying details of the direct and indirect parent companies specified above.

Information regarding derivative financial instruments under Article 2427-bis of the Italian Civil Code

We certify that no derivative financial instruments have been subscribed.

Summary table of the financial statements of the company performing the activity of management and coordination

At the date of approval of these financial statements, the Company has not yet been formally informed of the entity exercising management and coordination pursuant to Articles 2497 et seq. of the Italian Civil Code, nor have the key figures of the latest financial statements of such entity been made available. The Company will update the relevant disclosure in future financial statements as soon as this information becomes available.

Disclosure on start-ups, including social start-ups, and innovative SMEs

The Company does not qualify as an innovative start-up pursuant to Italian Decree-Law no. 179 of 18 October 2012, nor as an innovative SME pursuant to Article 4 of Italian Decree-Law no. 3 of 24 January 2015, and is not registered in the relevant special sections of the Companies Register. Accordingly, the section of these financial statements relating to "start-ups, including social start-ups, and innovative SMEs" does not apply to the Company and the specific disclosures required by Article 4 of Italian Decree-Law no. 3/2015 regarding research, development and innovation costs are not required, in addition to those already provided in these notes in accordance with Articles 2423, 2423-bis and 2427 of the Italian Civil Code and national accounting standards.

Information pursuant to Article 1/125 of Italian Law No. 124 of 4 August 2017

Pursuant to Article 1, paragraph 125-bis, of Italian Law no. 124/2017 concerning the obligation to disclose in the explanatory notes any amounts received during the financial year in the form of grants, subsidies, benefits, contributions or aid, in cash or in kind that are not of a general nature and are not of a compensatory, remunerative or indemnity nature from public administrations and entities referred to in paragraph 125-bis of the same Article, the relevant amounts are set out below:

Region/ Granting authority	Contribution nominal value - 2025	Aid element	Granted on	Payment description
Emilia- Romagna	6,000 €	6,000 €	20/03/2025	Employers' exemption from payment of social security contributions for new hires/ conversions to permanent contracts in the two years 2021-2022 (Article 1, paragraphs 10-15, Italian Law no. 178/2020)
Emilia- Romagna	3,710 €	3,710 €	25/01/2025	Contribution exemption for the hiring of young workers from 1 January 2021 to 30 June 2022 (Article 1, paragraphs 10-15, Italian Law no. 178/2020)
Fondimpresa training	3,952 €	3,952 €	28/05/2025	General safety training courses and refresher courses, as well as safety training for supervisors and managers
Fondimpresa training	6,338 €	6,338 €	06/10/2025	Technical professional training courses for the use of CREO software (technical office) and V-RED (Alias department)

Detailed information on the above aid is available in the National State Aid Register referred to in Article 52 of Italian Law no. 234 of 24 December 2012.

Proposal for the allocation of profits or coverage of losses

Dear shareholders,

The financial year closed with a loss of €445,323, which is proposed to be carried forward.

Following recognition of the loss for the year, also taking into account losses carried forward of €2,307,076, equity remains at €6,188,832 and therefore the conditions set out in Articles 2446 and 2447 of the Italian Civil Code do not apply.

Indeed, the loss does not result in a reduction of share capital requiring the measures set out in the above provisions as equity remains fully adequate, also considering available reserves and other positive components.

Explanatory notes, concluding section

Dear Shareholders, we confirm that these financial statements, consisting of a balance sheet, income statement, financial report and explanatory notes represent the assets and liabilities and the financial position of the company, as well as the operating result for the year, in an accurate and correct manner, and that they correspond to the company accounting records. We therefore invite you to approve the draft financial statements as at 31/12/2025 together with the suggested allocation of the profit for the year, as proposed by the governing body.

The Financial Statements are true and real and correspond to the book entries.

CASTENASO (BO), 30/03/2026

Enter Signatures

RE-STATED ACCOUNTS OF
ENGINES ENGINEERING S.P.A., CASTENASO, ITALY

ENGINES ENGINEERING S.P.A. SOCIETA' A SOCIO UNICO

BALANCE SHEET AS AT 31ST MARCH 2026

	Notes	EUR in Mn.	Rupees in crores
ASSETS			
Non-current assets			
Property, plant and equipment	1	3.97	43.22
Intangible assets	1	0.22	2.41
Deferred tax assets		0.75	8.27
Financial assets			
i. Non current investments	2	0.23	2.54
ii. Other financial assets		-	0.05
		<u>5.17</u>	<u>56.49</u>
Current assets			
Financial assets			
i. Trade receivables	3	6.66	72.60
ii. Cash and cash equivalents	4	0.50	5.37
iii. Other financial assets	5	0.15	1.59
Other current assets	6	0.99	10.92
		<u>8.30</u>	<u>90.48</u>
Total assets		<u>13.47</u>	<u>146.97</u>
EQUITY AND LIABILITIES			
Equity			
Equity share capital	7	1.00	10.43
Other equity	8	5.21	57.81
		<u>6.21</u>	<u>68.24</u>
Share application money pending allotment		1.10	11.56
Liabilities			
Non-Current liabilities			
Financial liabilities			
Borrowings		0.25	2.73
		<u>0.25</u>	<u>2.73</u>
Current liabilities			
Financial liabilities			
i. Trade payables	9	-	-
a. Total outstanding dues of micro and small enterprises		3.22	35.12
b. Total outstanding dues of other than (i) (a) above		0.04	0.45
ii. Other financial liabilities			
Other current liabilities	10	2.65	28.87
		<u>5.91</u>	<u>64.44</u>
Total liabilities		<u>6.16</u>	<u>67.17</u>
Total equity and liabilities		<u>13.47</u>	<u>146.97</u>

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH 2026

		Notes	EUR in Mn.	Rupees in crores
I	Revenue from operations	11	5.99	61.37
II	Other income	12	0.08	0.78
III	Total Income (I +II)		6.07	62.15
IV	Expenses:			
	Purchases of stock-in-trade		0.02	0.20
	Employee benefits expense	13	3.08	31.60
	Finance costs	14	0.02	0.21
	Depreciation and amortisation expense	15	0.18	1.82
	Other expenses	16	2.76	28.21
	Total expenses		6.06	62.04
V	Profit before exceptional items (III - IV)		0.01	0.11
VI	Exceptional items		-	-
VII	Profit before tax (V+ VI)		0.01	0.11
VIII	Tax expense			
	i. Current tax		0.03	0.26
	ii. Deferred tax		0.03	0.37
	Total Tax expense		0.06	0.63
IX	Profit for the year (VII - VIII)		(0.05)	(0.52)
X	Other Comprehensive Income			
	A. Items that will not be reclassified to profit or loss		-	-
	B. Items that will be reclassified to profit or loss			
	Foreign currency translation adjustments		-	3.37
	Other comprehensive income for the year, net of tax		-	3.37
XI	Total Comprehensive Income (IX + X)		(0.05)	2.85
XII	Earnings per equity share (Face value of AED 1000 each)			
	Basic & Diluted earnings per share (in AED 1000 each)		(0.05)	(5.20)

ENGINES ENGINEERING S.P.A. SOCIETA' A SOCIO UNICO

Notes on accounts - (continued)

1 PROPERTY, PLANT & EQUIPMENT AND INTANGIBLE ASSETS AS AT 31.03.2026

GBP in Mn.

Description	Property, Plant & Equipment							Other Intangible			
	Land	Building	Plant & equipments	Furniture and fixtures	Office equipments	Vehicles	Total	Software	Trade marks, patents, licences	Design Development	Total
Cost of assets											
Gross carrying value as at 01-04-2025	-	-	-	-	-	-	-	-	-	-	-
Additions	1.18	2.45	0.16	0.05	0.11	0.14	4.10	0.02	0.01	0.24	0.27
Sub-total	1.18	2.45	0.16	0.05	0.11	0.14	4.10	0.02	0.01	0.24	0.27
Sales / deletion	-	-	-	-	-	-	-	-	-	-	-
Total	1.18	2.45	0.16	0.05	0.11	0.14	4.10	0.02	0.01	0.24	0.27
Depreciation / Amortisation											
Upto 31-03-2025	-	-	-	-	-	-	-	-	-	-	-
For the year	-	0.06	0.02	0.01	0.01	0.03	0.13	0.01	0.00	0.04	0.05
Sub-total	-	0.06	0.02	0.01	0.01	0.03	0.13	0.01	0.00	0.04	0.05
Withdrawn on assets sold / deleted	-	-	-	-	-	-	-	-	-	-	-
Total	-	0.06	0.02	0.01	0.01	0.03	0.13	0.01	0.00	0.04	0.05
Carrying value											
As at 31-03-2026	1.18	2.39	0.13	0.04	0.11	0.11	3.97	0.02	0.00	0.20	0.22

1 PROPERTY, PLANT & EQUIPMENT AND INTANGIBLE ASSETS AT 31.03.2026 - (continued)

Rupees in crores

Description	Property, Plant & Equipment							Other Intangible			
	Land	Building	Plant & equipments	Furniture and fixtures	Office equipments	Vehicles	Total	Software	Trade marks, patents, licences	Design Development	Total
Cost of assets											
Gross carrying value as at 01-04-2025	-	-	-	-	-	-	-	-	-	-	-
Additions	12.85	26.72	1.72	0.58	1.25	1.53	44.66	0.23	0.08	2.60	2.91
Foreign Currency translation reserve difference	-	-	-	-	-	-	-	-	-	-	-
Sales / deletion	-	-	-	-	-	-	-	-	-	-	-
Sub-total	12.85	26.72	1.72	0.58	1.25	1.53	44.66	0.23	0.08	2.60	2.91
Total	12.85	26.72	1.72	0.58	1.25	1.53	44.66	0.23	0.08	2.60	2.91
Depreciation / Amortisation											
Upto 31-03-2025	-	-	-	-	-	-	-	-	-	-	-
For the year	-	0.61	0.25	0.10	0.07	0.32	1.35	0.06	0.03	0.37	0.47
Foreign Currency translation reserve difference	-	0.04	0.02	0.01	0.00	0.02	0.09	0.00	0.00	0.02	0.03
Withdrawn on assets sold / deleted	-	-	-	-	-	-	-	-	-	-	-
Sub-total	-	0.65	0.27	0.11	0.08	0.34	1.44	0.06	0.03	0.40	0.50
Total	-	0.65	0.27	0.11	0.08	0.34	1.44	0.06	0.03	0.40	0.50
Carrying value											
As at 31-03-2026	12.85	26.08	1.45	0.48	1.17	1.20	43.22	0.17	0.04	2.20	2.41

ENGINES ENGINEERING S.P.A. SOCIETA' A SOCIO UNICO

Notes on accounts - (continued)

	EUR in Mn.	Rupees in crores		EUR in Mn.	Rupees in crores
	As at 31-03-2026			As at 31-03-2026	
2 Non-Current Investments			11 Revenue from Operations		
Investment in equity instruments			Sale of Product	0.28	2.82
Unquoted			Sale of service	5.39	55.26
Investment in subsidiaries/Others			Other operating revenues	0.32	3.29
Equity Investment in B.C.C. Felsinea	0.23	2.54		5.99	61.37
	0.23	2.54			
3 Trade Receivables			12 Other Income		
Unsecured, considered good	6.66	72.60	Other Income	0.08	0.78
	6.66	72.60		0.08	0.78
4 Cash and Cash Equivalents			13 Employee Benefits Expense		
Balances with banks	0.49	5.31	Salaries, wages and bonus	2.15	22.08
Cash on hand	0.01	0.06	Contribution to provident and other funds	0.68	6.96
	0.50	5.37	Staff welfare expenses	0.25	2.56
5 Financial Assets - Others (Current)				3.08	31.60
Other Financial Assets	0.15	1.59			
	0.15	1.59	14 Finance Cost		
6 Other Current Assets			Interest expenses	0.02	0.21
Balance with tax authorities	0.58	6.33		0.02	0.21
Prepaid Expenses	0.41	4.59			
7 Equity Share Capital			15 Depreciation and amortisation expense		
Issued, subscribed and fully paid up:			Depreciation on property plant and equipment	0.13	1.35
10,00,000 Ordinary shares of EUR 1 each	1.00	10.43	Amortisation on intangible assets	0.05	0.47
	1.00	10.43		0.18	1.82
8 Other Equity			16 Other Expenses		
Retained earnings	1.74	18.14	(a) Repairs & Maintenance	0.15	1.52
Capital reserve	3.28	34.33	(b) Insurance	0.08	0.79
Legal Reserve	0.19	1.96	(c) Rates and taxes (excluding taxes on income)	0.20	2.06
Foreign currency translation reserve	-	3.37	(d) Audit fees	0.01	0.08
	5.21	57.81	(e) Power and Fuel	0.10	0.98
9 Trade Payables			(f) Marketing expenses	0.04	0.42
Dues to Micro and Small Enterprises**	-	-	(g) Miscellaneous expenses	2.18	22.36
Dues to enterprises other than Micro and Small Enterprises	3.22	35.12		2.76	28.21
	3.22	35.12			
** Dues to Micro and Small Enterprises have been determined to the extent such parties have been identified on the basis of information received by the management.					
10 Other Current Liabilities					
Statutory dues	0.19	2.05			
Employee related payables	2.38	25.95			
Deferred Income	0.08	0.87			
	2.65	28.87			

THE NORTON MOTORCYCLE CO. LIMITED

STRATEGIC REPORT FOR THE PERIOD ENDED 31 MARCH 2026

The directors present the strategic report for the year ended 31 March 2026.

Review of the business

Founded in 1898, Norton is Britain's iconic sports motorcycle brand. It is among the most popular motorcycle brands in the world and is one of the most emotive marques today. TVS Motor Company Limited, India acquired the Norton brand and certain assets in April 2020, and The Norton Motorcycle Co Limited ("the Company" or "Norton") was formed.

Since acquiring the Norton brand, the Company has laid a strong foundation for sustainable growth, including the establishment of a state-of-the-art manufacturing facility and a dedicated engineering and design centre. These investments have strengthened Norton's capabilities across product development, quality engineering, and industrialisation, leading to long-term value creation.

In FY 2025–26, Norton marked a major milestone with the official global unveiling of four new models at EICMA, Milan, in November 2025. These included two variants of a 1200cc four-cylinder motorcycle and two variants of a 600cc twin-cylinder platform. This launch reflects the significant progress made in rebuilding Norton's product portfolio and brand positioning.

The premium and super-premium motorcycle segments are expected to demonstrate sustained growth, and Norton is well positioned to participate meaningfully in this market through a robust and clearly defined product pipeline.

TVS Motor continues to support Norton through sustained investments in new product development, advanced facilities, research and development, and world-class quality engineering, aligned with Norton's philosophy of Design, Dynamism, and Detail.

The Company will continue to invest strategically, leveraging its engineering, design, development, and supply chain capabilities to deliver high-quality products in a cost-effective and scalable manner.

As part of its growth strategy, Norton is preparing for phased international expansion, with an initial focus on the UK, Europe, India, and the USA in Phase 1. With dealer agreements already in place, the Company is well positioned to commence retail operations from Q1 FY 2026–27.

Details	£m
Revenue	2.90
Loss before tax	(62.2)

As of March 2026, the Company has created tangible assets amounting to £13.25 million and intangible assets of £62.45 million, primarily driven by acquisition costs and product development expenditure. The parent company has infused share capital of £243.75 million, which has been utilised to fund the initial acquisition cost, establish the manufacturing facility and equipment, invest in the future product plan, and support operational expenses. The Company has also utilised a loan facility of \$30 million from a bank, for which repayment has commenced. In addition, the Company currently has an overdraft facility of £5 million to meet its working capital requirements, which remained unutilised as at 31 March 2026.

Corporate Structure

The Norton Motorcycle Co. Limited is a wholly owned subsidiary of TVS Motor (Singapore) Pte Limited, whose shares are wholly owned by TVS Motor Company Limited, one of the largest two- and three-wheeler manufacturers in the world. The ultimate parent company, TVS Holdings Limited, is a listed organisation in India. Principal Risks and uncertainties

Principal Risks and uncertainties

Risk Management

Risk management remains a key priority for the Company. Established processes are in place to identify, assess, mitigate, review, and manage risks across the organisation. The Board of Directors is responsible for the overall governance of risk management activities. The Company follows a structured review mechanism covering new investments, product development, commercial readiness, cost controls, and other critical business areas. As the Company prepares to launch new models, ensuring products are delivered at the appropriate quality and cost levels remains a critical focus area.

Commercial

As part of its growth strategy, Norton is preparing for phased international expansion, with an initial focus on the UK, Europe, India and USA in phase 1. The success of the business also depends on

economic conditions, and growth trajectory in these countries. Since the company's potential market spread across multiple countries & geographies, the economic and commercial risk of the business is well spread among these markets, and this diversified market potential helps to mitigate this risk.

Supply Chain

The company is committed to producing products with high quality standards, establishing a robust supply chain in its journey of relaunching this iconic brand to its rightful place at the global level. In this regard, TVS Motor India's strength and capabilities in various aspects of business will be leveraged to bring more efficiencies in quality, cost, and delivery. The Company is exposed to risks from supply chain shortages in the marketplace, for which a clear cadence for mitigation exists. The current geo-political factors could create a short-term challenge; however, the Company continues to monitor the situation and its impact & modify the strategy accordingly.

Compliance

Non-adherence with legislation in which the Company operates (United Kingdom) could affect the ability to operate. The Company has put in controls to monitor this closely. As the Company expands globally, appropriate governance will be built to monitor the regulatory compliance of each country where the business will operate.

Financials

The Company is exposed to variety of financial risks that include liquidity and currency. Liquidity risk – Norton has a mix of short term and long-term funds (debt and equity) required to take care of the financing requirements. Currency risk – Norton has obtained non-GBP funding & has taken a hedge to secure against the forex risk. Further, it procures materials from various suppliers located in various countries and USD, EUR are predominant currencies apart from GB sterling. Norton is in discussion with the bankers to consider forward covers to mitigate the exchange exposure to its purchases & future sales. As of now, Norton does not sell in any export markets.

Research and Development

The company continues to focus on its research and development activities in the form of understanding technological development and how they can be used for the benefit of customers, developing a deep understanding of the customer preferences and needs, bringing innovation in style and design, and undertaking benchmarking exercises. The company will be fully leveraging TVS Motor India's engineering and R & D capabilities, both in India and the newly acquired Engines Engineering facility in Bologna, Italy, in the development of both internal combustion engine vehicles and electric vehicles. Apart from developing the required technology to meet the stringent emission and safety norms, the team of engineers will also be focusing on breakthrough technology initiatives for meeting the future mobility needs of the customers in accordance with the business plans of the company. The company also collaborates with leading research and educational institutions in UK and in other countries in identifying the emerging trends in advanced technology development.

Key performance indicators

During the last fiscal year, periodic reviews and board meetings were conducted to review the progress on new product development, project costs, gross margin of products, fixed costs, stock, and debtor levels, working capital position and evaluation of funding requirements.

Going Concern

The company has embarked on a journey of reviving the glory of Norton brand by producing and selling superior products which are of high quality coupled with unique design and advanced technology. It has firmed up its product plans for the medium term and is in the process of mobilising the required resources for executing the same. The shareholders are fully committed to making this project a success and have demonstrated their commitment by way of injecting equity capital to the extent of £243.75 million so far. TVS' board was given visibility of Norton's business projections for three years based on which approval for funding was given for financial year 2026-27 (representing at least twelve months from the expected date of approval of the 25/26 financial statements).

The Directors are optimistic that the company will continue to operate in the foreseeable future and hence adopts the "going concern" basis.

On behalf of the Board
S M MISHRA
Director
24th April 2026

THE NORTON MOTORCYCLE CO. LIMITED

DIRECTORS' REPORT

FOR THE PERIOD ENDED 31 MARCH 2026

The directors present their annual report and financial statements for the year ended 31 March 2026.

Principal activities

The Principal business of The Norton Motorcycle Co. Limited (Norton) is design, engineering, manufacturing, distributing and selling of high end premium two wheelers.

Results and dividends

The results for the year are set out on page 9.

No ordinary dividends were paid. The directors do not recommend payment of a final dividend.

Directors

The directors who held office during the year and up to the date of signature of the financial statements were as follows:

Venu Srinivasan	
Dr. Ralf Dieter Speth	
Sudarshan Venu	
K.N. Radhakrishnan	
Sharad Mohan Mishra	
Hendrik Dietrich Eberhard Von Kuenheim	
Richard Arnold	
Robert Hentschel	(Resigned 25 May 2025)
Nevijo Mance	(Resigned 12 April 2026)

Disabled persons

Applications for employment by disabled persons are always fully considered, bearing in mind the aptitudes of the applicant concerned. In the event of members of staff becoming disabled, every effort is made to ensure that their employment within the company continues and that the appropriate training is arranged. It is the policy of the company that the training, career development and promotion of disabled persons should, as far as possible, be identical to that of other employees.

Employee involvement

The company's policy is to consult and discuss with employees, through unions, staff councils and at meetings, matters likely to affect employees' interests.

Information about matters of concern to employees is given through information bulletins and reports which seek to achieve a common awareness on the part of all employees of the financial and economic factors affecting the company's performance.

There is no employee share scheme at present, but the directors are considering the introduction of such a scheme as a means of further encouraging the involvement of employees in the company's performance.

Auditor

In accordance with the company's articles, a resolution proposing that Spencer Gardner Dickens (Audit Services) Limited be reappointed as auditor of the company will be put at a General Meeting

Statement of directors' responsibilities

The directors are responsible for preparing the annual report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and

applicable law). Under company law, the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period.

In preparing these financial statements, the directors are required to select

- suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Strategic report

The company has chosen in accordance with Companies Act 2006, s. 414C(11) to set out in the group's strategic report information required by Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008, Sch. 7 to be contained in the directors' report. It has done so in respect of financial risk management objectives, review of performance, research and development activities and future developments.

Statement of disclosure to auditor

So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information of which the company's auditor is unaware. Additionally, the directors individually have taken all the necessary steps that they ought to have taken as directors in order to make themselves aware of all relevant audit information and to establish that the company's auditor is aware of that information.

Medium-sized companies exemption

This report has been prepared in accordance with the provisions applicable to companies entitled to the medium-sized companies exemption.

Strategic report

The company has chosen in accordance with Companies Act 2006, s. 414C(11) to set out in the group's strategic report information required by Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008, Sch. 7 to be contained in the directors' report. It has done so in respect of financial risk management objectives, review of performance, research and development activities and future developments.

Statement of disclosure to auditor

So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information of which the company's auditor is unaware. Additionally, the directors individually have taken all the necessary steps that they ought to have taken as directors in order to make themselves aware of all relevant audit information and to establish that the company's auditor is aware of that information.

Medium-sized companies exemption

This report has been prepared in accordance with the provisions applicable to companies entitled to the medium-sized companies exemption.

On behalf of the Board
SHARAD MOHAN MISHRA
Director
24th April 2026

Independent Auditor's Report to the Member of The Norton Motorcycle co. Limited

Opinion

We have audited the financial statements of The Norton Motorcycle Co. Limited (the 'company') for the year ended 31 March 2026 which comprise the profit and loss account, the statement of comprehensive income, the balance sheet, the statement of changes in equity and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 March 2026 and of its loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the financial statements* section of our report. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

Other information

The other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard. We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of our audit:

- the information given in the strategic report and the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or the directors' report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of directors

As explained more fully in the directors' responsibilities statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error. In preparing the financial statements, the directors are 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 directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the 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 ISAs (UK) 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 financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below:

- Enquiring of management and those charged with governance around actual and potential litigation and claims.
- Enquiring of entity staff in tax and compliance functions to identify any instances of non-compliance with laws and regulations.
- Reviewing minutes of meetings of those charged with governance.
- Reviewing financial statement disclosures and testing to supporting documentation to assess compliance with applicable laws and regulations.
- Performing audit work over the risk of management override of controls and risk of fraud in revenue recognition, including testing of journal entries and other adjustments for appropriateness, evaluating the business rationale of significant transactions outside the normal course of business and reviewing accounting estimates for bias.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

A further description of our responsibilities is available on the Financial Reporting Council's website at <https://www.frc.org.uk/auditors-responsibilities>. This description forms part of our auditor's report.

Use of our report

This report is made solely to the company's member in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's member those matters we are required to state to the member in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's member, for our audit work, for this report, or for the opinions we have formed.

Demsey Slater FCCA
Senior Statutory Auditor
For and on behalf of Spencer Gardner Dickens (Audit Services) Limited

Chartered Accountants
Statutory Auditor

3 Coventry Innovation Village
Cheetah Road
Coventry
CV1 2TL
Date 24 April 2026

THE NORTON MOTORCYCLE CO. LIMITED

BALANCE SHEET AS AT 31 MARCH 2026

	Notes	2026		2025	
		£	£	£	£
Fixed assets					
Intangible assets	10	6,24,45,318		4,25,62,914	
Tangible assets	11	1,32,54,147		94,36,438	
Investments	12	856		-	
		<u>75,700,321</u>		<u>38,837,640</u>	
Current assets					
Stocks	15	5,337,408		8,574,799	
Debtors	16	5,115,108		3,740,329	
Cash at bank and in hand		<u>815,517</u>		<u>5,484</u>	
		11,268,033		12,320,612	
Creditors: amounts falling due within one year	17	(27,766,436)		(23,486,660)	
Net current assets		<u>(16,498,403)</u>		<u>(16,498,403)</u>	
Total assets less current liabilities		<u>59,201,918</u>		<u>40,833,304</u>	
Creditors: amounts falling due after more than one year	18	<u>(5,249,529)</u>		<u>(12,512,662)</u>	
Net assets		<u>53,952,389</u>		<u>28,320,642</u>	
Capital and reserves					
Called up share capital	21	243,750,001		157,300,001	
Hedging reserve	22	(614,268)		(838,472)	
Profit and loss reserves	22	<u>(189,183,344)</u>		<u>(128,140,887)</u>	
Total equity		<u>53,952,389</u>		<u>28,320,642</u>	

These financial statements have been prepared in accordance with the provisions relating to medium-sized companies.

The financial statements were approved by the board of directors and authorised for issue on 24 April 2026 and are signed on its behalf by:

Sharad Mohan Mishra
Director
Company Registration No. 12545195 (England and Wales)

STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 MARCH 2026

	2026 £	2025 £
Loss for the year	(61,042,457)	(35,917,973)
Other comprehensive income		
Cash flow hedges gain/(loss) arising in the year	224,204	(372,126)
Total comprehensive income for the year	<u>(60,818,253)</u>	<u>(36,290,099)</u>

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 MARCH 2026

	Share capital	Hedging reserve	Profit and loss reserves	Total
Notes	£	£	£	£
Balance at 1 April 2024	109,800,001	(466,346)	(92,222,914)	17,110,741
Year ended 31 March 2025:				
Loss	-	-	(35,917,973)	(35,917,973)
Other comprehensive income: Cash flow hedges gains	-	(372,126)	-	(372,126)
Total comprehensive income	-	(372,126)	(35,917,973)	(36,290,099)
Issue of share capital	21	47,500,000	-	47,500,000
Balance at 31 March 2025	<u>157,300,001</u>	<u>(838,472)</u>	<u>(128,140,887)</u>	<u>28,320,642</u>
Year ended 31 March 2026:				
Loss	-	-	(61,042,457)	(61,042,457)
Other comprehensive income: Cash flow hedges gains	-	224,204	-	224,204
Total comprehensive income	-	224,204	(61,042,457)	(60,818,253)
Issue of share capital	21	86,450,000	-	86,450,000
Balance at 31 March 2026	<u>243,750,001</u>	<u>(614,268)</u>	<u>(189,183,344)</u>	<u>53,952,389</u>

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31 MARCH 2026

	Notes	2026 £	2025 £
Turnover	3	2,897,903	3,992,342
Cost of sales		<u>(8,735,536)</u>	<u>(5,590,543)</u>
Gross loss		<u>(5,837,633)</u>	<u>(1,598,201)</u>
Administrative expenses		<u>(55,042,488)</u>	<u>(34,578,846)</u>
Operating loss	4	<u>(60,880,121)</u>	<u>(36,177,047)</u>
Interest payable and similar expenses	8	<u>(1,337,710)</u>	<u>(2,059,656)</u>
Loss before taxation		<u>(62,217,831)</u>	<u>(38,236,703)</u>
Tax on loss	9	<u>1,175,374</u>	<u>381,445</u>
Loss for the financial year		<u>(61,042,457)</u>	<u>(37,855,258)</u>

The profit and loss account has been prepared on the basis that all operations are continuing operations.

THE NORTON MOTORCYCLE CO. LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 MARCH 2026

1 Accounting policies

Company information

The Norton Motorcycle Co. Limited is a private company limited by shares incorporated in England and Wales. The registered office is Unit 500 Solar Park, Highlands Road, Solihull, B90 4SH.

1.1 Basis of preparation

These financial statements have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the requirements of the Companies Act 2006.

The financial statements are prepared in sterling, which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared under the historical cost convention, modified to include the revaluation of certain hedging related items at fair value. The principal accounting policies adopted are set out below.

This company is a qualifying entity for the purposes of FRS 102, being a member of a group where the parent of that group prepares publicly available consolidated financial statements, including this company, which are intended to give a true and fair view of the assets, liabilities, financial position and profit or loss of the group. The company has therefore taken advantage of exemptions from the following disclosure requirements:

- Section 7 'Statement of Cash Flows': Presentation of a statement of cash flow and related notes and disclosures;
- Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instrument Issues': Interest income/expense and net gains/losses for each category of financial instrument; basis of determining fair values; details of collateral, loan defaults or breaches, details of hedges, hedging fair value changes recognised in profit or loss and in other comprehensive income;
- Section 33 'Related Party Disclosures': Compensation for key management personnel.

At the reporting date, the company was 100% owned by TVS Motor (Singapore) Pte Ltd, a company incorporated in Singapore. The ultimate parent company was TVS Holdings Limited, a company incorporated in India. The registered office is "Chaitanya" No. 12, Khader Nawaz Khan Road, Nungambakkam, Chennai 600 006, Tamil Nadu, India.

At the year end the company itself is a parent entity for the first time and as a result is expected to prepare consolidated financial statements. However the two subsidiaries that have been set up in the year are dormant and therefore it was not deemed necessary to prepare group consolidated financial statements. As a result this set of financial statements relates to the company itself only.

1.2 Going concern

The Company has continued to make significant losses in the financial year as it has continued commercial production whilst developing a new model range.

The directors have prepared a cash flow forecast and have reviewed future financing requirements for the company for at least 12 months from the expected date that these financial statements will be signed. Taking into account funds required for ongoing operations, expected future investment and any potential refinancing requirements, the directors are satisfied that sufficient facilities have been confirmed by the parent company to meet its working capital for at least 12 months following the date of signing these financial statements.

Further, the parent company has confirmed its continuing support for the company and its intention to continue supporting the company with working capital as and when required. The directors are therefore confident that the company has adequate resources and working capital to continue in operational existence for the foreseeable future to meet its ongoing liabilities.

1.3 Revenue

Turnover is recognised at the fair value of the consideration received or receivable for goods and services provided in the normal course of business, and is shown net of VAT and other sales related taxes. The fair value of consideration takes into account trade discounts, settlement discounts and volume rebates.

The company recognises revenue from the following major sources:

- Motorcycle sales
- Parts and servicing
- License fee income

The nature, timing of satisfaction of performance obligations and significant payment terms of the company's major sources of revenue are as follows:

Motorcycle sales

Revenue from the sale of goods is recognised when the significant risks and rewards of ownership of the goods have passed to the buyer (usually on dispatch of the goods), the amount of revenue can be measured reliably, it is probable that the economic benefits associated with the transaction will flow to the entity and the costs incurred or to be incurred in respect of the transaction can be measured reliably.

Parts and servicing

Revenue from the provision of professional services is recognised by reference to the stage of completion when the stage of completion, costs incurred and costs to complete can be estimated reliably. The stage of completion is calculated by comparing costs incurred, mainly in relation to contractual hourly staff rates and materials, as a proportion of total costs. Where the outcome cannot be estimated reliably, revenue is recognised only to the extent of the expenses recognised that are recoverable.

License fee income

License fee income is recognised at fair value in the period to which it relates.

1.4 Research and development expenditure

Research expenditure is written off against profits in the year in which it is incurred. Identifiable development expenditure is capitalised to the extent that the technical, commercial and financial feasibility can be demonstrated and is amortised over the life of the product to which it relates once the product is placed in the market.

1.5 Intangible fixed assets other than goodwill

Intangible assets acquired separately from a business are recognised at cost or valuation and are subsequently measured at cost or valuation less accumulated amortisation and accumulated impairment losses.

Intangible assets acquired on business combinations are recognised separately from goodwill at the acquisition date where it is probable that the expected future economic benefits that are attributable to the asset will flow to the entity and the fair value of the asset can be measured reliably; the intangible asset arises from contractual or other legal rights; and the intangible asset is separable from the entity.

Intangible assets comprise acquired brand names, intellectual property and goodwill and are carried at valuation less amortisation.

1.6 Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Leasehold improvements	8 years straight line
Plant and equipment	3 and 10 years straight line
Fixtures and fittings	3 years straight line
Computers	3 years straight line
Motor vehicles	6 - 8 years straight line

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is credited or charged to profit or loss.

1.7 Fixed asset investments

Interests in subsidiaries are initially measured at cost and subsequently measured at cost less any accumulated impairment losses. The investments are assessed for impairment at each reporting date and any impairment losses or reversals of impairment losses are recognised immediately in profit or loss.

A subsidiary is an entity controlled by the company. Control is the power to govern the financial and operating policies of the entity so as to obtain benefits from its activities.

1.8 Impairment of fixed assets

At each reporting period end date, 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). Where it is not possible to estimate the recoverable amount of an individual asset, the company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

NOTES TO THE FINANCIAL STATEMENTS - 31 MARCH 2026 (Continued)

Recoverable amount is the higher of fair value less costs to sell 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.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Recognised impairment losses are reversed if, and only if, the reasons for the impairment loss have ceased to apply. Where an impairment loss subsequently reverses, the carrying amount of the asset (or 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, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

1.9 Stocks

Stocks are stated at the lower of cost and estimated selling price less costs to complete and sell. Cost comprises direct materials and, where applicable, direct labour costs and those overheads that have been incurred in bringing the stocks to their present location and condition. All stock is valued using the average cost methodology.

Stocks held for distribution at no or nominal consideration are measured at the lower of cost and replacement cost, adjusted where applicable for any loss of service potential.

At each reporting date, an assessment is made for impairment. Any excess of the carrying amount of stocks over its estimated selling price less costs to complete and sell is recognised as an impairment loss in profit or loss. Reversals of impairment losses are also recognised in profit or loss.

1.10 Cash and cash equivalents

Cash and cash equivalents are basic financial assets and include cash in hand, deposits held at call with banks and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

1.11 Financial instruments

The company has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the company's balance sheet when the company becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Debtors and creditors with no stated interest rate and receivable or payable within one year are recorded at transaction price. Any losses arising from impairment are recognised in the profit and loss account in other administrative expenses.

Other financial assets

Other financial assets, including investments in equity instruments which are not subsidiaries, associates or joint ventures, are initially measured at fair value, which is normally the transaction price. Such assets are subsequently carried at fair value and the changes in fair value are recognised in profit or loss, except that investments in equity instruments that are not publicly traded and whose fair values cannot be measured reliably are measured at cost less impairment.

Impairment of financial assets

Financial assets, other than those held at fair value through profit and loss, are assessed for indicators of impairment at each reporting end date.

Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows have been affected. If an asset is impaired, the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in profit or loss.

If there is a decrease in the impairment loss arising from an event occurring after the impairment was recognised, the impairment is reversed. The reversal is such that the current carrying amount does not exceed what the carrying amount would have been, had the impairment not previously been recognised. The impairment reversal is recognised in profit or loss.

Derecognition of financial assets

Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire or are settled, or when the company transfers the financial asset and substantially all the risks and rewards of ownership to another entity, or if some significant risks and rewards

of ownership are retained but control of the asset has transferred to another party that is able to sell the asset in its entirety to an unrelated third party.

Other financial liabilities

Derivatives, including interest rate swaps and forward foreign exchange contracts, are not basic financial instruments. Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured at their fair value. Changes in the fair value of derivatives are recognised in profit or loss in finance costs or finance income as appropriate, unless hedge accounting is applied and the hedge is a cash flow hedge.

Debt instruments that do not meet the conditions in FRS 102 paragraph 11.9 are subsequently measured at fair value through profit or loss. Debt instruments may be designated as being measured at fair value through profit or loss to eliminate or reduce an accounting mismatch or if the instruments are measured and their performance evaluated on a fair value basis in accordance with a documented risk management or investment strategy.

Derecognition of financial liabilities

Financial liabilities are derecognised when the company's contractual obligations expire or are discharged or cancelled.

1.12 Equity instruments

Equity instruments issued by the company are recorded at the proceeds received, net of transaction costs. Dividends payable on equity instruments are recognised as liabilities once they are no longer at the discretion of the company.

1.13 Hedge accounting

The company designates certain hedging instruments, including derivatives, embedded derivatives and non derivatives, as either fair value hedges or cash flow hedges. At the inception of the hedge relationship, the company documents the relationship between the hedging instrument and the hedged item along with risk management objectives and strategy for undertaking various hedge transactions. At the inception of the hedge and on an ongoing basis, the company documents whether the hedging instrument is highly effective in offsetting changes in fair values or cash flows of the hedged item.

Changes in the fair value of derivatives that are designated and qualify as fair value hedges are recognised in profit or loss immediately, together with any changes in the fair value of the hedged asset or liability that are attributable to the hedged risk.

For derivatives that are designated and qualify as cash flow hedges, the effective portion of changes in the fair value of the hedge is recognised in other comprehensive income. The gain or loss relating to the ineffective portion is recognised immediately in profit or loss.

Any gain or loss previously recognised in other comprehensive income is reclassified to profit or loss when the hedge relationship ends. This occurs when the hedging instrument expires or no longer meets the hedging criteria, the forecast transaction is no longer highly probable, the hedged debt instrument is derecognised, or the hedging instrument is terminated.

1.14 Taxation

The tax expense represents the sum of the tax currently payable and deferred tax.

Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the profit and loss account because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the reporting end date.

Deferred tax

Deferred tax liabilities are generally recognised for all timing differences and deferred tax assets are recognised to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits. Such assets and liabilities are not recognised if the timing difference arises from goodwill or from the initial recognition of other assets and liabilities in a transaction that affects neither the tax profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at each reporting end date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised. Deferred tax is charged or credited in the profit and loss account, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity. Deferred tax assets and liabilities are offset when the company has a legally enforceable right to offset current tax assets and liabilities and the deferred tax assets and liabilities relate to taxes levied by the same tax authority.

1.15 Employee benefits

The costs of short-term employee benefits are recognised as a liability and an expense, unless those costs are required to be recognised as part of the cost of stock or fixed assets.

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

THE NORTON MOTORCYCLE CO. LIMITED

NOTES TO THE FINANCIAL STATEMENTS - 31 MARCH 2026 (Continued)

Termination benefits are recognised immediately as an expense when the company is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

1.16 Retirement benefits

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

1.17 Leases

Rentals payable under operating leases, including any lease incentives received, are charged to profit or loss on a straight line basis over the term of the relevant lease except where another more systematic basis is more representative of the time pattern in which economic benefits from the leases asset are consumed.

1.18 Foreign exchange

Transactions in currencies other than pounds sterling are recorded at the rates of exchange prevailing at the dates of the transactions. At each reporting end date, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing on the reporting end date. Gains and losses arising on translation in the period are included in profit or loss.

2 Judgements and key sources of estimation uncertainty

In the application of the company's accounting policies, the directors are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

Critical judgements

The following judgements, estimates and assumptions which have had the most significant effect on amounts recognised in the financial statements and which have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities are as follows.

Stock obsolescence provisions

At each balance sheet date the directors assess stock for obsolescence. Due to the size and nature of stock this is a key accounting estimate.

The provision is applied to inventory lines which are no longer used in production, based on a general assessment of their likelihood of future use or sale. This approach is reviewed periodically.

Tangible and intangible fixed assets

Judgements are required on estimating the useful economic lives of tangible and intangible fixed assets. In selecting the depreciation and amortisation rates the directors have taken note of industry specific practices together with asset specific factors to ensure that the rates selected best fit the expected useful economic life of the assets being depreciated and amortised. Where an indication of impairment is identified the estimation of recoverable value requires estimation.

Included within Plant and Machinery are assets with a net book value of £5.4m. No depreciation or impairment has been made against any of these tangible assets pertaining to the new bikes which are yet in production.

Management have forecast the future financial contribution to be derived from the finalised new bike tangible and intangible assets and have concluded that such contribution is more than the expected costs of the completed fixed asset base.

Deferred tax

Management estimation is required to determine the amount of deferred tax assets that can be recognised, based upon likely timing and level of future taxable profits. At the balance sheet date no deferred tax asset has been recognised. See note ten for additional information on unrelieved losses.

Capitalisation of development costs

Having due regard for section 18 of FRS102, management judgement has been applied in estimating the proportion of time spent by staff involved with the development of intangible assets. In addition to employee time costs the directors have reviewed other costs, such as travel, and have capitalised any costs that were directly attributable to the creation of the intangible assets. A small proportion of overheads have been capitalised as part of the intangible assets.

No impairment has been made against any of the intangible assets pertaining to the new bikes which are yet to go into production. Management have forecast the future financial contribution to be derived from the finalised intangible assets and have concluded that such contribution is more than the expected costs of the completed intangible assets.

3 Turnover

	2026 £	2025 £
Turnover analysed by class of business		
Motorcycle sales	2,167,576	3,293,175
Parts and servicing	109,673	90,296
Royalty income	-	5,562
Other income	620,654	88,649
	<u>2,897,903</u>	<u>3,477,682</u>

4 Operating loss

	2026 £	2025 £
Operating loss for the year is stated after charging/(crediting):		
Exchange gains	178,594	(310,701)
Research and development costs	813,296	592,135
Depreciation of owned tangible fixed assets	2,016,845	2,253,125
Profit on disposal of tangible fixed assets	(25,165)	(62,800)
Amortisation of intangible assets	4,798,662	3,964,726
Operating lease charges	<u>756,435</u>	<u>837,548</u>

5 Auditor's remuneration

	2026 £	2025 £
Fees payable to the company's auditor and associates:		
For audit services		
Audit of the financial statements of the company	42,000	42,000
For other services		
Taxation compliance services	935	890
All other non-audit services	10,125	12,085
	<u>11,060</u>	<u>12,975</u>

6 Employees

The average monthly number of persons (including directors) employed by the company during the year was:

	2026 Number	2025 Number
Administration	83	64
Production	172	157
Total	<u>255</u>	<u>221</u>

Their aggregate remuneration comprised:

	2026 £	2025 £
Wages and salaries	18,852,665	13,677,594
Social security costs	1,733,109	1,274,223
Pension costs	774,311	617,742
	<u>21,360,085</u>	<u>15,569,559</u>

£4,756,058 (2025: £3,554,847) of wages and salary costs, £661,354 (2025: £420,435) of social security costs and £426,466 (2025: £373,244) of pension costs have been capitalised as development costs and are not included in the figures noted above.

7 Directors' remuneration

	2026 £	2025 £
Remuneration for qualifying services	961,096	1,003,507
Company pension contributions to defined contribution schemes	23,333	7,292
	<u>984,429</u>	<u>1,010,799</u>

The number of directors for whom retirement benefits are accruing under defined contribution schemes amounted to 1 (2025: 1).

THE NORTON MOTORCYCLE CO. LIMITED

NOTES TO THE FINANCIAL STATEMENTS - 31 MARCH 2026 (Continued)

Remuneration disclosed above include the following amounts paid to the highest paid director:

	2026	2025
	£	£
Remuneration for qualifying services	613,125	636,507

8 Interest payable and similar expenses

	2026	2025
	£	£
Interest on bank overdrafts and loans	1,114,706	1,973,820
Other interest on financial liabilities	223,004	278,610
	<u>1,337,710</u>	<u>2,252,430</u>

9 Taxation

	2026	2025
	£	£

Current tax

Adjustments in respect of prior periods (1,175,374) (787,865)

The actual credit for the year can be reconciled to the expected credit for the year based on the profit or loss and the standard rate of tax as follows:

	2026	2025
	£	£
Loss before taxation	(62,217,831)	(36,705,838)
Expected tax credit based on the standard rate of corporation tax in the UK of 25.00% (2025: 25.00%)	(15,554,458)	(9,176,460)
Unutilised tax losses carried forward	15,554,458	9,176,460
Research and development tax credit in respect of prior period	(1,175,374)	(787,865)
Taxation credit for the year	<u>(1,175,374)</u>	<u>(787,865)</u>

At the year end the company had unrelieved tax losses in excess of £150m (2025: in excess of £100m).

10 Intangible fixed assets

	Patents and licences	Development costs	Brand names and trademarks	Total
	£	£	£	£

Cost

At 1 April 2025	429,000	35,212,513	24,016,280	59,657,793
Additions	-	24,681,066	-	24,681,066
At 31 March 2026	<u>429,000</u>	<u>59,893,579</u>	<u>24,016,280</u>	<u>84,338,859</u>

Amortisation and impairment

At 1 April 2025	241,313	2,431,288	14,422,278	17,094,879
Amortisation charged for the year	53,625	1,743,251	3,001,786	4,798,662
At 31 March 2026	<u>294,938</u>	<u>4,174,539</u>	<u>17,424,064</u>	<u>21,893,541</u>

Carrying amount

At 31 March 2026	<u>134,062</u>	<u>55,719,040</u>	<u>6,592,216</u>	<u>62,445,318</u>
At 31 March 2025	<u>187,687</u>	<u>32,781,225</u>	<u>9,594,002</u>	<u>42,562,914</u>

The net book value of the development costs relate to projects under development and these will start to be amortised once they are in use.

11 Tangible fixed assets

	Leasehold improvements	Plant and equipment	Fixtures and fittings	Computers	Motor vehicles	Total
	£	£	£	£	£	£
Cost						
At 1 April 2025	4,995,410	5,826,610	2,580,959	1,206,595	2,348,900	16,958,474
Additions	-	4,973,947	287,942	469,103	127,547	5,858,539
Disposals	-	-	-	-	(82,314)	(82,314)
Transfers	-	(24,246)	20,306	3,940	-	-
At 31 March 2026	<u>4,995,410</u>	<u>10,776,311</u>	<u>2,889,207</u>	<u>1,679,638</u>	<u>2,394,133</u>	<u>22,734,699</u>
Depreciation and impairment						
At 1 April 2025	2,056,474	1,282,014	2,264,499	949,924	969,125	7,522,036
Depreciation charged in the year	624,426	591,425	188,621	247,177	365,196	2,016,845
Eliminated in respect of disposals	-	-	-	-	(58,329)	(58,329)
At 31 March 2026	<u>2,680,900</u>	<u>1,873,439</u>	<u>2,453,120</u>	<u>1,197,101</u>	<u>1,275,992</u>	<u>9,480,552</u>
Carrying amount						
At 31 March 2026	<u>2,314,510</u>	<u>8,902,872</u>	<u>436,087</u>	<u>482,537</u>	<u>1,118,141</u>	<u>13,254,147</u>
At 31 March 2025	<u>2,938,936</u>	<u>4,544,596</u>	<u>316,460</u>	<u>256,671</u>	<u>1,379,775</u>	<u>9,436,438</u>

THE NORTON MOTORCYCLE CO. LIMITED

NOTES TO THE FINANCIAL STATEMENTS - 31 MARCH 2026 (Continued)

12 Fixed asset investments

	Notes	2026	2025
		£	£
Investments in subsidiaries	13	856	-
Movements in fixed asset investments		Shares in subsidiaries	
		£	
Cost or valuation			
At 1 April 2025			-
Additions			856
At 31 March 2026			856
Carrying amount			
At 31 March 2026			856
At 31 March 2025			-

13 Subsidiaries

Name of undertaking	Address	Class of shares held	% Held Direct
Norton Motorcycle Private Limited	1	Ordinary	100.00
Norton USA LLC	2	Ordinary	100.00

Registered office addresses:

- Chaitanya, No.12, Khader Nawaz, Khan Road, Nungambakkam, Chennai - 600006, Tamil Nadu, India
- 1209 Orange St., Wilmington, New Castle County, Delaware 19801

14 Financial instruments

	2026	2025
	£	£
Carrying amount of financial liabilities include:		
Measured at fair value through profit or loss		
- Other financial liabilities	1,091,822	1,316,027

15 Stocks

	2026	2025
	£	£
Raw materials and consumables	3,719,803	7,431,237
Work in progress	752,532	61,092
Finished goods and goods for resale	865,073	1,082,470

The above values are shown net of a stock provision which totals £4.9m (2025: £1.2m). The £4.9m was an additional provision in year as a result of events which are non recurring.

16 Debtors

Amounts falling due within one year:	2026	2025
	£	£
Trade debtors	1,470	35,996
Amounts owed by group undertakings	270,794	402,635
Other debtors	1,886,713	556,461
Prepayments and accrued income	2,956,131	2,745,237
	5,115,108	3,740,329

Amounts due from group undertakings are interest free and repayable on demand.

17 Creditors: amounts falling due after more than one year

	Notes	2026	2025
		£	£
Bank loans and overdrafts	17	12,512,662	21,374,287
Trade creditors		5,217,604	3,833,683
Amounts owed to group undertakings		7,615,478	4,087,432
Taxation and social security		786,061	800,291
Derivative financial instruments		1,091,822	1,316,027
Other creditors		1,100	665,688
Accruals and deferred income		6,055,002	2,183,005
		27,766,436	23,486,660

Amounts owed to group undertakings are interest free and repayable on demand.

18 Creditors: amounts falling due after more than one year

	Notes	2026	2025
		£	£
Bank overdrafts	19	5,249,529	12,512,662

19 Loans and overdrafts

	2026	2025
	£	£
Bank loans	12,248,898	19,662,754
Bank overdrafts	-	3,450,442
	12,248,898	23,113,196
Payable within one year	6,999,369	10,600,534
Payable after one year	5,249,529	12,512,662

As shown at Companies House the bank loan is secured by a charge over the company's assets dated 1 August 2024.

The bank loan bears interest of 2.60% per annum over SOFR and is repayable by December 2027.

20 Retirement benefit schemes

Defined contribution schemes	2026	2025
	£	£
Charge to profit or loss in respect of defined contribution schemes	774,311	617,742

The company operates a defined contribution pension scheme for all qualifying employees. The assets of the scheme are held separately from those of the company in an independently administered fund.

21 Operating lease commitments

At the reporting end date the company had outstanding commitments for future minimum lease payments under non-cancellable operating leases, which fall due as follows:

Ordinary share capital Issued and fully paid	2026	2025	2026	2025
	Number	Number	£	£
Ordinary shares of £1 each	243,750,001	157,300,001	243,750,001	157,300,001

The company has one class of ordinary shares which have full rights to voting, dividends and capital distribution. They do not confer any rights of redemption.

At various points during the year a total of 86,450,000 (2025: 47,500,000) ordinary shares of £1 each were issued for cash at par.

22 Reserves

Hedging reserve

The hedging reserve represents accumulated gains or losses on hedging transactions.

Profit and loss reserves

Profit and loss reserves represent the retained losses of the company since its inception.

THE NORTON MOTORCYCLE CO. LIMITED

NOTES TO THE FINANCIAL STATEMENTS - 31 MARCH 2026 (Continued)

22 Related party transactions

Remuneration of key management personnel

The remuneration of key management personnel is disclosed in note 7.

Other information

The company has taken advantage of the exemption under the terms of FRS102 not to disclose related party transactions with wholly owned companies within the group.

23 Operating lease commitments

As lessee

At the reporting end date the company had outstanding commitments for future minimum lease payments under non-cancellable operating leases, which fall due as follows:

	2026 £	2025 £
Within 1 year	1,853,078	1,152,230
Years 2-5	5,011,046	3,550,009
After 5 years	696,574	286,194
	<u>7,560,698</u>	<u>4,988,433</u>

Included within the above are two leases with a combined lease commitment of £1.6m (2025: £2m) at the reporting date. These leases are covered by an agreement with a fellow group company whereby all costs are recharged in full to the fellow group company meaning that the company itself bears no costs arising from this lease.

24 Capital commitments

Amounts contracted for but not provided in the financial statements:

	2026 £	2025 £
Acquisition of tangible fixed assets	<u>1,931,267</u>	<u>1,377,401</u>

25 Related party transactions

Remuneration of key management personnel

The remuneration of key management personnel is disclosed in note 7.

Other information

The company has taken advantage of the exemption under the terms of FRS102 not to disclose related party transactions with wholly owned companies within the group.

26 Cash flow hedges

During 2023 the company took out a loan facility of \$30m. To mitigate against currency fluctuations the company also entered into a currency swap agreement. The hedging instrument used was a forward currency contract which had a fair value of £13.24m (2025 £20.807m) at the year end.

The amount of change in fair value of the hedging instrument recognised in other comprehensive income during the year was a profit of £224k (2025: loss of £372k).

RE-STATED ACCOUNTS OF
THE NORTON MOTORCYCLE CO. LIMITED

THE NORTON MOTORCYCLE CO. LIMITED

BALANCE SHEET AS AT 31ST MARCH 2026

	Notes	GBP in Mn.	Rupees in crores
ASSETS			
Non-current assets			
Property, plant and equipment	1	13.25	104.46
Intangible assets	1	62.45	471.19
		<u>75.70</u>	<u>575.65</u>
Current assets			
Inventories	2	5.34	94.93
Financial assets			
i. Trade receivables	3	1.89	6.56
ii. Cash and cash equivalents		0.82	0.06
Other current assets	4	3.23	34.85
		<u>11.28</u>	<u>136.40</u>
Total Assets		<u>86.98</u>	<u>712.05</u>
EQUITY AND LIABILITIES			
Equity			
Equity share capital	5	243.75	1,607.82
Other equity	6	(189.80)	(1,294.30)
		<u>53.95</u>	<u>313.52</u>
Liabilities			
Non-Current liabilities			
Financial liabilities			
Borrowings		<u>5.25</u>	<u>150.13</u>
		<u>5.25</u>	<u>150.13</u>
Current liabilities			
Financial liabilities			
(i) Borrowings		7.00	117.35
(ii) Trade payables	7		
a. Total outstanding dues of micro and small enterprises		-	-
b. Total outstanding dues of other than (ii) (a) above		12.84	76.08
(iii) Other financial liabilities		1.09	14.57
Other current liabilities	8	6.85	40.40
		<u>27.78</u>	<u>248.40</u>
Total liabilities		<u>33.03</u>	<u>398.53</u>
Total equity and liabilities		<u>86.98</u>	<u>712.05</u>

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH 2026

	Notes	GBP in Mn.	Rupees in crores
I Revenue from operations	9	2.90	34.35
II Other income		0.03	0.30
III Total Income (I + II)		<u>2.93</u>	<u>34.65</u>
IV Expenses:			
Cost of material consumed		9.22	111.18
Changes in inventories of finished goods, Stock-in -trade and work-in-progress		(0.48)	(7.65)
Employee benefits expense	10	21.35	253.15
Finance costs	11	1.34	15.85
Depreciation and amortisation expense	12	6.82	80.77
Other expenses	13	26.90	318.71
Total expenses		<u>65.15</u>	<u>772.01</u>
V Profit before exceptional items (III - IV)		(62.22)	(737.36)
VI Exceptional items		-	-
VII Profit before tax (V+ VI)		<u>(62.22)</u>	<u>(737.36)</u>
VIII Tax expense			
i) Current tax		(1.18)	(13.93)
ii) Deferred tax		-	-
Total Tax expense		<u>(1.18)</u>	<u>(13.93)</u>
IX Profit for the year (VII - VIII)		<u>(61.04)</u>	<u>(723.43)</u>
X Other Comprehensive Income			
A. Items that will not be reclassified to profit or loss		-	-
B. Items that will be reclassified to profit or loss			
Fair value of cash flow hedges		0.22	2.66
Foreign currency translation adjustments		-	57.93
Other comprehensive income for the year, net of tax		<u>0.22</u>	<u>60.59</u>
XI Total Comprehensive Income (IX + X)		<u>(60.82)</u>	<u>(662.84)</u>
XII Earnings per equity share (Face value of GBP 1/- each)			
Basic & Diluted earnings per share (in GBP/ in rupees)		(0.25)	(29.68)

THE NORTON MOTORCYCLE CO. LIMITED

Notes on Accounts

1 PROPERTY, PLANT & EQUIPMENT AND INTANGIBLE ASSETS AS AT 31.03.2026

GBP in Mn.

Description	Property, Plant & Equipment							Other Intangible			
	Building	Plant & equipments	Furniture and fixtures	Office equipments	Vehicles	Right of use	Total	Brand names and trademarks	Development costs	Patents and Licenses	Total
Cost of assets											
Gross carrying value as at 01-04-2025	5.00	5.83	2.58	1.21	2.35		16.96	24.02	35.21	0.43	59.66
Additions	-	4.97	0.29	0.47	0.13	-	5.86	-	24.68	-	24.68
Sub-total	5.00	10.80	2.87	1.68	2.48	-	22.82	24.02	59.89	0.43	84.34
Transfers	-	(0.02)	0.02	0.00	-	-	0.00	-	-	-	-
Sales / deletion	-	-	-	-	0.08		0.08	-	-	-	-
Total	5.00	10.82	2.85	1.67	2.39	-	22.73	24.02	59.89	0.43	84.34
Depreciation / Amortisation											
Upto 31-03-2025	2.06	1.28	2.26	0.95	0.97	-	7.52	14.42	2.43	0.24	17.09
For the year	0.62	0.59	0.19	0.25	0.37	-	2.02	3.00	1.74	0.05	4.80
Sub-total	2.68	1.87	2.45	1.20	1.33	-	9.54	17.42	4.17	0.29	21.89
Withdrawn on assets sold / deleted	-	-	-	-	0.06	-	0.06	-	-	-	-
Total	2.68	1.87	2.45	1.20	1.28	-	9.48	17.42	4.17	0.29	21.89
Carrying value											
As at 31-03-2026	2.31	8.95	0.40	0.47	1.12	-	13.25	6.59	55.72	0.13	62.45

1 PROPERTY, PLANT & EQUIPMENT AND INTANGIBLE ASSETS AT 31.03.2026 - (continued)

Rupees in crores

Description	Property, Plant & Equipment							Other Intangible			
	Building	Plant & equipments	Furniture and fixtures	Office equipments	Vehicles	Right of use	Total	Brand names and trademarks	Development Costs	Patents and Licenses	Total
Cost of assets											
Gross carrying value as at 01-04-2025	55.30	64.50	28.57	13.36	26.00	-	187.73	265.87	389.81	4.75	660.43
Additions	-	62.43	3.61	5.89	1.60	-	73.52	-	309.77	-	309.77
Foreign Currency translation reserve difference	7.40	8.93	3.57	1.74	3.48	-	25.11	35.56	52.14	0.64	88.34
Sales / deletion	-	-	-	-	1.03	-	1.03	-	-	-	-
Total	62.70	135.86	35.75	20.98	30.05	-	285.33	301.43	751.72	5.38	1,058.54
Depreciation / Amortisation											
Upto 31-03-2025	22.77	14.19	25.07	10.52	10.73	-	83.27	159.66	26.91	2.67	189.24
For the year	7.40	7.01	2.24	2.93	4.33	-	23.90	35.58	20.66	0.64	56.87
Foreign Currency translation reserve difference	3.48	2.31	3.49	1.58	1.69	-	12.55	23.46	4.82	0.39	28.67
Withdrawn on assets sold / deleted	-	-	-	-	0.73	-	0.73	-	-	-	-
Total	33.65	23.51	30.79	15.02	16.01	-	118.99	218.69	52.39	3.70	274.79
Carrying value											
As at 31-03-2026	29.05	112.35	4.96	5.96	14.03	-	166.35	82.74	699.34	1.68	783.75

THE NORTON MOTORCYCLE CO. LIMITED

Notes on accounts - (continued)

As at 31-03-2026				For the Year Ended 31-03-2026			
		GBP in Mn.	Rupees in crores			GBP in Mn.	Rupees in crores
2	INVENTORIES			9	REVENUE FROM OPERATIONS		
	Raw materials and components	3.72	82.27		Sale of Product	2.17	35.52
	Work in progress	0.75	0.68		Sale of service	0.11	1.03
	Finished goods	0.87	11.98		Other operating revenues	0.62	4.31
		<u>5.34</u>	<u>94.93</u>			<u>2.90</u>	<u>40.86</u>
3	TRADE RECEIVABLES			10	OTHER INCEOME		
	Unsecured, considered good	1.89	6.56		Other non operating income	0.03	0.68
		<u>1.89</u>	<u>6.56</u>			<u>0.03</u>	<u>0.68</u>
4	OTHER CURRENT ASSETS			11	EMPLOYEE BENEFITS EXPENSE		
	Vendor advance	0.27	4.46		Salaries, wages and bonus	20.58	166.34
	Prepaid expenses	2.96	30.39		Contribution to provident and other funds	0.77	6.66
		<u>3.23</u>	<u>#REF!</u>			<u>21.35</u>	<u>173.00</u>
5	EQUITY SHARE CAPITAL			12	FINANCE COST		
	Issued, subscribed and fully paid up:				Interest expense	1.34	24.29
	243,750,001 Ordinary shares of GBP 1 each	243.75	1,607.82			<u>1.34</u>	<u>24.29</u>
		<u>243.75</u>	<u>1,607.82</u>				
6	OTHER EQUITY			13	DEPRECIATION		
	Retained earnings	(189.18)	(1,316.04)		Depreciation on property plant and equipment	2.02	24.30
	Fair value of cash flow hedges	(0.62)	(8.71)		Amortisation on Intangible assets	4.80	42.76
	Foreign currency translation reserve	-	30.45			<u>6.82</u>	<u>67.06</u>
		<u>(189.80)</u>	<u>(1,294.30)</u>				
7	TRADE PAYABLES			14	OTHER EXPENSES		
	Dues to Micro and Small Enterprises**	-	-		(a) Insurance	0.83	6.80
	Dues to enterprises other than Micro and Small Enterprises	12.84	76.08		(b) Audit fees	0.06	5.75
		<u>12.84</u>	<u>76.08</u>		(c) Other marketing expenses	6.26	0.59
					(d) Foreign exchange loss (Net)	0.18	12.10
					(e) Miscellaneous expenses	19.57	86.79
						<u>26.90</u>	<u>112.03</u>
** Dues to Micro and Small Enterprises have been determined to the extent such parties have been identified on the basis of information received by the management							
8	OTHER CURRENT LIABILITIES						
	Employee related liability	0.79	8.86				
	Advance from customers	-	7.37				
	Deferred income	6.06	24.17				
		<u>6.85</u>	<u>40.40</u>				

Directors' Statement

The directors present their statement to the member together with the audited financial statements of TVS DIGITAL PTE. LTD. (the "company") for the financial year ended 31 March 2026.

1. OPINION OF THE DIRECTORS

In the opinion of the directors,

- (a) the financial statements of the company are drawn up so as to give a true and fair view of the financial position of the company as at 31 March 2026 and the financial performance, changes in equity and cash flows of the company for the financial year then ended; and
- (b) at the date of this statement, with the continued financial support from its immediate holding company, there are reasonable grounds to believe that the company will be able to pay its debts as and when they fall due.

2. DIRECTORS

The directors of the company in office at the date of this statement are:

Venu Srinivasan

Sudarshan Venu

3. ARRANGEMENTS TO ENABLE DIRECTORS TO ACQUIRE SHARES AND DEBENTURES

Neither at the end of nor at any time during the financial year was the company a party to any arrangement whose object are, or one of whose objects is, to enable the directors of the company to acquire benefits by means of the acquisition of shares in, or debentures of, the company or any other body corporate.

4. DIRECTORS' INTERESTS IN SHARES AND DEBENTURES

The directors who held office at the end of the financial year, had no interest in the shares of the company and related corporations as recorded in the register of directors' shareholdings required to be kept by the company under Section 164 of the Singapore Companies Act 1967.

5. SHARE OPTIONS

During the financial year, no option to take up unissued shares of the company was granted.

During the financial year, there were no shares of the company issued by virtue of the exercise of options to take up unissued shares.

As at the end of the financial year, there were no unissued shares of the company under option.

6. AUDITOR

Rama & Co LLP has expressed its willingness to accept re-appointment as auditor.

On behalf of the Board

Venu Srinivasan
Director

Sudarshan Venu.
Director

Date: 13th May 2026

Independent Auditors' report to the Member of TVS Digital Pte. Ltd.

Report on the audit of the financial statements

Opinion

We have audited the financial statements of TVS DIGITAL PTE. LTD. (the "company"), which comprise the statement of financial position as at 31 March 2026, and statement of comprehensive income, statement of changes in equity and statement of cash flows for the financial year then ended, and notes to financial statements, including material accounting policy information.

In our opinion, the accompanying financial statements of the company are properly drawn up in accordance with the provisions of the Companies Act 1967 (the "Act") and Financial Reporting Standards in Singapore (FRSs) so as to give a true and fair view of the financial position of the company as at 31 March 2026 and of the financial performance, changes in equity and cash flows of the company for the financial year ended on that date.

Basis for Opinion

We conducted our audit in accordance with Singapore Standards on Auditing (SSAs). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the company in accordance with the Accounting and Corporate Regulatory Authority (ACRA) Code of Professional Conduct and Ethics for Public Accountants and Accounting Entities (ACRA Code) together with the ethical requirements that are relevant to our audit of the financial statements in Singapore, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ACRA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other Information

Management is responsible for the other information. The other information comprises the Directors' Statement set out on pages 1 and 2.

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

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

Responsibilities of Management and Directors for the Financial Statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the provisions of the Act and FRSs, and for devising and maintaining a system of internal accounting controls sufficient to provide a reasonable assurance that assets are safeguarded against loss from unauthorised use or disposition; and transactions are properly authorised and that they are recorded as necessary to permit the preparation of true and fair financial statements and to maintain accountability of assets.

In preparing the financial statements, management 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 management either intends to liquidate the company or to cease operations, or has no realistic alternative but to do so.

The directors' responsibilities include overseeing the company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the 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 SSAs 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 financial statements.

- (a) As part of an audit in accordance with SSAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:
- (b) Identify and assess the risks of material misstatement of the 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.
- (c) Obtain an understanding of internal 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.
- (d) Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by 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 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 financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

Report on Other Legal and Regulatory Requirement

In our opinion, the accounting and other records required by the Act to be kept by the company have been properly kept in accordance with the provisions of the Act.

R. Rahul Raj is the engagement partner on the audit resulting in this independent auditor's report.

RAMA & CO. LLP
PUBLIC ACCOUNTANTS AND CHARTERED ACCOUNTANTS
SINGAPORE

Singapore,
13th May 2026

STATEMENT OF FINANCIAL POSITION AS AT 31 MARCH 2026

	Note	2026 S\$	2025 S\$
ASSETS			
Non-current assets:	(8)	-	682,894
Plant and equipment			
Intangible assets	(9)	103,412	155,118
Investments in associates	(10)	9,023,926	18,741,480
Other investment	(11)	10,204,473	6,780,039
Total non-current assets		19,331,811	26,359,531
Current assets:	(12)	314,322	901,626
Trade and other receivables			
Bank balances	(13)	213,240	2,896,525
Total current assets		527,562	3,798,151
Total assets		19,859,373	30,157,682
EQUITY AND LIABILITIES			
Equity:	(14)	25,158,918	25,158,918
Share capital			
Share application money	(15)	26,807,373	6,700,000
Other reserves		(356,888)	-
Accumulated losses		(33,409,936)	(34,092,074)
Total equity/ (capital deficiency)		18,199,467	(2,233,156)
Non-current liability:	(16)	-	428,760
Lease liability			
Current liabilities:	(16)	-	203,884
Current portion of lease liability			
Trade and other payables	(17)	1,659,906	31,758,194
Total current liabilities		1,659,906	31,962,078
Total liabilities		1,659,906	32,390,838
Total equity and liabilities		19,859,373	30,157,682

The accompanying notes form an integral part of these financial statements

STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 MARCH 2026

	Note	2026 S\$	2025 S\$
Revenue	(18)	6,357,648	1,412,915
Cost of services		(543,104)	(1,094,270)
Gross profit		5,814,544	318,645
Other income	(19)	2,000	2,000
Administrative expenses		(4,286,850)	(9,186,586)
Impairment loss on trade receivables	(12)	181,713	(920,621)
Finance cost	(20)	(25,988)	(6,317)
Other expenses		(1,003,281)	(1,169,022)
Profit/ (Loss) before income tax		682,138	(10,961,901)
Income tax expense	(21)	-	-
Profit/ (Loss) for the year	(22)	682,138	(10,961,901)
Other comprehensive income		(356,888)	-
Total comprehensive income/ (loss) year		325,250	(10,961,901)

The accompanying notes form an integral part of these financial statements

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 MARCH 2026

	Share Capital S\$	Share Application Money S\$	Accumulated Losses S\$	Other Reserve S\$	Total S\$
Balance as at 1 April 2024	25,158,918	1,700,000	(23,130,173)	-	3,728,745
Share application money received	-	5,000,000	-	-	5,000,000
Loss for the year	-	-	(10,961,901)	-	(10,961,901)
Balance as at 31 March 2025	25,158,918	6,700,000	(34,092,074)	-	(2,233,156)
Reclassification	-	20,107,373	-	-	20,107,373
Profit for the year	-	-	682,138	-	682,138
Other comprehensive income for the year	-	-	-	(356,888)	(356,888)
Balance as at 31 March 2026	25,158,918	26,807,373	(33,409,936)	(356,888)	18,199,467

The accompanying notes form an integral part of these financial statements

STATEMENT OF CASH FLOW
FOR THE YEAR ENDED 31 MARCH 2026

	Note	2026 S\$	2025 S\$
Profit/ Loss before income tax		682,138	(10,961,901)
Adjustments for:	(9)	51,706	285,197
Amortisation of intangible assets			
Depreciation of plant and equipment	(8)	253,974	354,091
Reversal/ Impairment loss on trade receivables	(12)	(492,836)	920,621
Write off of trade receivables		311,123	-
Interest on lease liability	(23)	25,988	6,317
Loss on derecognition of leasehold property and lease liability		59,610	-
Reversal of accrued revenue		-	809,740
Operating cash flows before working capital changes		891,703	(8,585,935)
Trade and other receivables		769,017	(238,280)
Trade and other payables		(1,989,525)	(262,354)
Net cash used in operating activities		(328,805)	(9,086,569)
Investing activities:			
Other investment	(11)	-	(6,780,039)
Proceeds from disposal of investments		5,936,232	2,554,785
Purchase of plant and equipment	(8)	(4,239)	(47,569)
Net cash generated from/ (used in) investing activities		5,931,993	(4,272,823)
Financing activities:			
Advances from holding company	(23)	3,250,000	10,941,891
Advances from related party	(23)	-	2,597
Repayment of advance to holding company	(23)	(11,316,246)	-
Payment of principal portion of lease liability	(23)	(194,239)	(175,672)
Payment of interest portion of lease liability	(23)	(25,988)	(6,317)
Share application money received		-	5,000,000
Net cash (used in)/ generated from financing activities		(8,286,473)	15,762,499
Net decrease in bank balances		(2,683,285)	2,403,107
Bank balances at beginning of year		2,896,525	493,418
Bank balances at end of year	(13)	213,240	2,896,525

The accompanying notes form an integral part of these financial statements

NOTES TO THE FINANCIAL STATEMENTS - 31 MARCH 2026

These notes form an integral part of and should be read in conjunction with the accompanying financial statements.

1. GENERAL

a) Corporate Information

TVS Digital Pte. Ltd. (the "company") (Registration number: 202114606H) is a private limited company incorporated and domiciled in the Republic of Singapore with its registered office at:

1 Kim Seng Promenade
#11-11 Great World City
Singapore 237994

The company is established with a mission to deliver high quality digital solutions that help address real life business challenges of global companies in the automotive financial services and manufacturing industries, by harnessing the power of exponential technologies including Internet of Things (IoT), Analytics and Data Science, Artificial Intelligence & Machine Learning (AI & ML), Augmented Reality (AR) and Virtual Reality (VR).

b) Going concern

At the end of the reporting date, the company incurred a net profit S\$682,138 (2025: a net loss of S\$10,961,901) during the financial year ended 31 March 2026, and as of the date, the company's net assets S\$18,199,467 (2025: net capital deficiency S\$2,233,156). These conditions indicate the existence of a material uncertainty that may cast significant doubt about the company's ability to continue as a going concern. However, its immediate holding company will continue to provide financial support to the company to enable it to discharge its obligations as and when they fall due.

c) Authorisation of financial statements for issue

The financial statements of the company for the year ended 31 March 2026 were authorised for issue by the Board of Directors on 13 May 2026.

2. MATERIAL ACCOUNTING POLICY INFORMATION

2.1. Basis of Accounting

The financial statements are prepared in accordance with the historical cost convention, except as disclosed in the accounting policies below, and are drawn up and in accordance with the provisions of the Singapore Companies Act and Singapore Financial Reporting Standards ("FRS").

Historical cost is generally based on the fair value of the consideration given in the exchange for goods and services.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the company takes into account the characteristics of the asset or liability which market participants would take into account when pricing the asset or liability at the measurement date. Fair value for measurement and/ or disclosure purposes in these financial statements is determined on such a basis, except for measurements that have some similarities to fair value but are not fair value, such as net realisable value in FRS 2 Inventories and value in use in FRS 36 Impairment of Assets.

In addition, for financial reporting purpose, fair value measurements are described in Note 5.

The preparation of financial statements in conformity with FRS requires management to exercise its judgement in the process of applying the company's accounting policies. It also requires the use of accounting estimates and assumption. The areas involving a higher degree of judgement or complexity or areas when assumption and estimates are significant to the financial statements as disclosed in Note 4.

2.2. Changes in Accounting Policies

a) Adoption of new revised FRSs and INT FRSs

In the current financial year, the company has adopted all the new and revised FRSs and Interpretations of FRS ("INT FRS") that are relevant to its operations and effective for annual periods beginning on or after 1 April 2026. The adoption of these new/ revised FRSs and INT FRSs did not result in substantial changes to the company's accounting policies and had no material effect on the amounts reported for the current financial year.

b) Standards issued but not yet effective

At the date of authorisation of financial statements, the following FRSs that are relevant to the company were issued but not effective are as follows:

Description	beginning on or after	Effective for annual periods	Reference
FRS 109 and FRS 107	Amendments to FRS 109 and FRS 107: Amendments to the Classification and Measurement of Financial Instruments	1 January 2026	
FRS 118	Presentation and Disclosure in Financial Statements	1 January 2027	
FRS 119	Subsidiaries and Small Entities without Public Accountability: Disclosures	1 January 2027	
Various	Annual Improvements to FRSs-Volume 11	1 January 2026	

The directors expect that the adoption of the above standards will have no material impact on the financial statements in the period of initial application.

2.3. Functional and Foreign Currency

a) Functional and presentation currency

Items included in the financial statements of the company are measured using the currency of the primary economic environment in which the company operates (the "functional currency"). The functional currency of the company is Singapore dollar.

The financial statements of the company are presented in Singapore dollar.

b) Foreign currency transactions

Transactions in foreign currencies are measured in the functional currency of the company and are recorded on initial recognition in the functional currency at exchange rates approximating those ruling at the transaction dates. Monetary assets and liabilities denominated in foreign currencies are retranslated at the rate of exchange ruling at the end of the reporting period. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined. All realised and unrealised exchange adjustment gains and losses are dealt with in profit or loss.

2.4. Plant and Equipment

a) Measurement

Plant and equipment are initially stated at cost and subsequently carried at cost less accumulated depreciation and accumulated impairment losses, if any.

b) Components of costs

The cost of an item of plant and equipment includes its purchase price and any cost that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management. The projected cost of dismantlement, removal or restoration is also included as part of the cost of plant and equipment if the obligation for the dismantlement, removal or restoration is incurred as a consequence of acquiring or using the asset.

c) Depreciation

The carrying values of plant and equipment are reviewed for impairment when events or changes in circumstances indicate that the carrying value may not be recoverable.

Depreciation is calculated on the straight line method to write off the cost of the plant and equipment over their estimated useful lives as follows:

	Years
Computer and IT equipment	2 to 3
Renovation	2 to 3
Building (Right-of-use asset)	3

Fully depreciated assets are retained in the financial statements until they are no longer in use and no further charge for depreciation is made in respect of these assets.

The residual values, useful life and depreciation method are reviewed at the end of each reporting period to ensure that the amount, method and period of depreciation are consistent with previous estimates and the expected pattern of consumption of the future economic benefits embodied in the items of plant and equipment.

NOTES TO THE FINANCIAL STATEMENTS - 31 MARCH 2026 (Continued)

d) Subsequent expenditure

Subsequent expenditure relating to plant and equipment that has already been recognised is added to the carrying amount of the asset only when it is probable that future economic benefits associated with the item will flow to the group and the cost of the item can be measured reliably. Other subsequent expenditure is recognised as repair and maintenance expense in profit or loss during the financial year in which it is incurred.

e) Disposal

On disposal of an item of plant and equipment, the difference between the net disposal proceeds and its carrying amount is taken to profit or loss. Any amount in revaluation reserve relating to that asset is transferred to retained earnings directly.

2.5 Intangible Assets

An identifiable non-monetary asset without physical substance is recognised as an intangible asset at acquisition cost if it is probable that the expected future economic benefits that are attributable to the asset will flow to the entity and the cost of the asset can be measured reliably. After initial recognition, an intangible asset with finite useful life is carried at cost less any accumulated amortisation and any accumulated impairment losses. An intangible asset with an indefinite useful life is not amortised. An intangible asset is regarded as having an indefinite useful life when, based on an analysis of all of the relevant factors, there is no foreseeable limit to the period over which the asset is expected to generate net cash inflows for the entity.

The amortisable amount of an intangible asset with finite useful life is allocated on a systematic basis over the best estimate of its useful from the point at which asset is ready for use.

Amortisation is calculated in the straight-line method to write off the cost of intangible assets, over their estimated useful lives of 5 years (2025: 3 years).

Intangible asset refers to capitalisation of costs relating to development of software.

2.6 Associates

An associate is an entity over which the company has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control over those policies.

Investments in the associate companies is stated at cost, less impairment if any.

The company did not perform equity accounting of the results of the associate as the ultimate holding company, TVS Holdings Limited will be preparing the consolidated financial statements, which are available for public use at their registered office at No.12, Chaitanya Building, Khader Nawaz Khan Road, Chennai – 600 006, India.

2.7 Impairment of Non-Financial Assets

At the end of each reporting period, the company reviews the carrying amounts of its tangible 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. Where it is not possible to estimate the recoverable amount of an individual asset, the company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Recoverable amount is the higher of fair value less costs to sell 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.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss.

Where an impairment loss subsequently reverses, the carrying amount of the asset (or 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.

2.8 Bank balances

Bank balances in statements of cash flows comprise cash at bank that are readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value. These are classified as measured at amortised cost under FRS 109.

2.9 Leases

As a lessee

The company assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

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. Control is considered to exist if the company has both the right to obtain substantially all of the economic benefits from the use of an identified asset and the right to direct the use of that asset.

At lease commencement date, the company recognises a right-of-use asset and a corresponding lease liability on the statement of financial position.

Right-of-Use Asset

The right-of-use asset is measured at cost, which is made up of the initial measurement of the lease liability, any initial direct costs, an estimate of any costs to dismantle and remove the asset at the end of the lease, and any lease payments made in advance of the lease commencement date (net of any incentives received).

Right-of-use assets are generally depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis. If the company is reasonably certain to exercise a purchase option, the right-of-use asset is depreciated over the underlying asset's useful life (which is determined on the same basis as those of plant and equipment).

The company also assesses the right-of-use asset for impairment when such indicators exist. In addition, the right-of-use asset is periodically adjusted for certain remeasurements of the lease liability.

Lease liability

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the company's incremental borrowing rate, being the rate, it would have to pay to borrow the funds necessary to obtain an asset of similar value to the right-of-use asset in a similar economic environment with similar terms, security and conditions.

Lease payments included in the measurement of the lease liability are made up of fixed payments, variable payments based on an index or rate, amounts expected to be payable under a residual value guarantee, lease payments arising from extension options reasonably certain to be exercised, exercise price under purchase option reasonably certain to be exercised and penalties for early termination of a lease unless the company is reasonably certain not to terminate early.

Subsequent to initial measurement, the liability will be reduced for payments made and increased for interest. It is remeasured to reflect any reassessment or modification. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if the company changes its assessment of whether it will exercise a purchase, extension or termination option.

When the lease liability is remeasured, the corresponding adjustment is reflected in the right-of-use asset, or profit and loss if the carrying amount of the right-of-use asset has been reduced to zero.

Lease payments are allocated between principal and finance cost. The finance cost is charged to profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

Short-term leases and leases of low-value assets

The company has elected not to recognise right-of-use assets and lease liabilities for short-term leases and leases of low-value assets. Lease payments associated with these leases are recognised as an expense on a straight-line basis over the lease term.

Short-term leases are leases with a lease term of 12 months or less. Low-value assets comprise items of office equipment with individual values not exceeding S\$15,000.

2.10 Revenue Recognition

Revenue from sale of goods and services in the ordinary course of business is recognised when the company satisfies a performance obligation ("PO") by transferring control of a promised good

NOTES TO THE FINANCIAL STATEMENTS - 31 MARCH 2026 (Continued)

or service to the customer. The amount of revenue recognised is the amount of the transaction price allocated to the satisfied PO.

The transaction price is the amount of consideration in the contract to which the company expects to be entitled in exchange for transferring the promised goods or services. The transaction price may be fixed or variable and is adjusted for time value of money if the contract includes a significant financing component.

Revenue may be recognised at a point in time or over time following the timing of satisfaction of the PO. If a PO is satisfied over time, revenue is recognised based on the completion reflecting the progress towards complete satisfaction of that PO.

Service income of the company is earned when the actual service is provided to the customers, fulfilling its obligations as per the contracts signed with customers. The company generates the revenue from delivering software-as-a-service to its global customers (usage of cloud hosted software developed by the company and delivered on mobile phones or PCs accessible through web browsers) and one-time services (project management & software setup).

Revenue relating to the sale of software is recognised at a point in time when the company transfers control of the software to the customer. Control of the software transfers when the software is made available to the customer, and the company has not retained any significant risks of ownership or future obligations with respect to the software.

2.11. Income Taxes

Income tax expense represents the sum of the tax currently payable and deferred tax.

a) Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from profit as reported in the statement of comprehensive income because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are not taxable or tax deductible. The company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted at the end of reporting period.

b) Deferred tax

Deferred tax is provided, using the liability method on all temporary differences at the end of reporting period between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred tax liabilities are recognised for all temporary differences except where the deferred tax liability arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at that time of the transaction, affects neither accounting profit or loss nor taxable profit or loss.

Deferred tax assets are recognised for all deductible temporary differences carry-forward of unutilised tax assets and unutilised tax losses to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, carry-forward of unutilised tax assets and unutilised tax losses can be utilised except where the deferred tax asset relating to the deductible temporary difference arise from the initial recognition of an asset or liability in a transaction and at the time of transaction affects neither the accounting profit or loss nor taxable profit or loss.

The carrying amount of a deferred tax asset is reviewed at the each of reporting period and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are reassessed at the end of reporting period and are recognised to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

Deferred assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the end of reporting period.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

2.12. Employee Benefits

a) Short-term employee benefits

Short-term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided. A liability is recognised for the amount expected to be paid if the company has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee, and the obligation can be estimated reliably.

b) Defined contribution plans

Payments to defined contribution plans are charged as an expense as they fall due. Payments made to state-managed schemes, such as the Singapore Central Provident Fund, are dealt with as payments to defined contribution plans where the company's obligations under the plans are equivalent to those arising in a defined contribution plan.

2.13. Related Parties

A related party is a person or an entity related to the company and is further defined as follows:

- a) A person or a close member of that person's family is related to the company if that person:
 - i. has control or joint control over the company;
 - ii. has significant influence over the company; or
 - iii. is a member of the key management personnel of the company or of a parent of the company.
- b) An entity is related to the company if any of the following conditions applies:
 - i. the entity and the company are members of the same group i.e each parent, subsidiary and fellow subsidiary is related to the others;
 - ii. one entity is an associate or joint venture of the other entity or an associate or joint venture of a member of a group of which the other entity is a member;
 - iii. both entities are joint ventures of the same third party;
 - iv. one entity is a joint venture of a third entity and the other entity is an associate of the third entity;
 - v. the entity is a post-employment benefit plan for the benefit of employees of either the company or an entity related to the company. If the company is itself such a plan, the sponsoring employers are also related to the company;
 - vi. the entity is controlled or jointly controlled by a person identified in (a);
 - vii. a person identified in (a) i) has significant influence over the entity or is a member of the key management personnel of the entity or of a parent of the entity; or
 - viii. the entity, or any member of the group of which it is a part, provides key management personnel services to the company or to the parent of the company.

Close members of the family of a person are those family members who may be expected to influence, or be influenced by, that person in their dealings with the entity and include:

- (a) that person's children and spouse or domestic partner;
- (b) children of that person's spouse or domestic partner; and
- (c) dependants of that person or that person's spouse or domestic partner.

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly, including any director of the company.

Related party transactions and outstanding balances disclosed in the financial statement are in accordance with the above definition as per FRS 24 – Related Party Disclosures.

2.14. Provisions

Provisions are recognised when the company has present obligations (legal or constructive) as a result of a past event, it is probable that the company will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. Where a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows.

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, the receivable is recognised as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

2.15. Contingent Liabilities and Contingent Assets

A contingent liability is a possible obligation that arises from past events and whose existence will only be confirmed by the occurrence or non-occurrence of one or more uncertain future event not wholly within the control of the company. It can also be a present obligation arising

NOTES TO THE FINANCIAL STATEMENTS - 31 MARCH 2026 (Continued)

from past events that is not recognised because it is not probable that outflow of economic resources will be required or the amount of obligation cannot be measured reliably.

A contingent liability is not recognised but is disclosed in the notes to the financial statements. When changes in the probability of an outflow occur so that the outflow is probable, it will then be recognised as a provision.

A contingent asset is a possible asset that arises from past events and whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain events not wholly within the control of the company.

Contingent assets are not recognised but are disclosed in the notes to the financial statements when an inflow of economic benefits is probable. When inflow is virtually certain, an asset is recognised.

2.16. Events after the Reporting Period

Events after the reporting period that provide additional information about the company's position at the end of the reporting period or those that indicate the going concern assumption is not appropriate are adjusting events and are reflected in the financial statements. Events after the reporting period that are not adjusting events are disclosed in the notes to the financial statements when material.

3. FINANCIAL INSTRUMENTS

Financial assets and financial liabilities are recognised on the company's statement of financial position when the company becomes a party to the contractual provisions of the instrument.

3.1. Financial Assets

All financial assets are recognised and de-recognised on a trade date basis where the purchase or sale of an investment is under a contract whose terms require delivery of the assets within the timeframe established by the market concerned.

a) Classification and subsequent measurement

Initial recognition and measurement

Financial assets are classified, at initial recognition, at amortised cost and fair value through other comprehensive income (OCI).

The classification of financial assets, at initial recognition depends on the financial asset's contractual cash flow characteristics and the company's business model for managing them. The company initially measures a financial asset at its fair value.

Trade receivables are measured at the amount of consideration to which the company expects to be entitled in exchange for transferring promised goods or services to a customer, excluding amounts collected on behalf of third party, if the trade receivables do not contain a significant financing component at initial recognition.

In order for a financial asset to be classified and measured at amortised cost or fair value through OCI, it needs to give rise to cash flows that are "solely payments of principal and interest (SPPI)" on the principal amount outstanding. This assessment is referred to as the SPPI test and is performed at an instrument level. The company's business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both.

Subsequent measurement

Financial assets at amortised cost

Financial assets that are held for the collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost using the effective interest rate (EIR) method, less impairment. Gains and losses are recognised in profit or loss when the assets are derecognised or impaired, and through amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in finance income in the statement of profit or loss. The losses arising from impairment are recognised in the statement of profit or loss in other income.

As at the reporting date, the company's debt instruments at amortised cost consist of trade and other receivables and bank balances.

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

Equity instruments that meet the following conditions are subsequently measured at fair value through other comprehensive income (FVTOCI):

- the financial asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling the financial assets; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that solely payments of principal and interest on the principal amount outstanding.

As at the reporting date, the company's financial assets at FVTOCI cost consist of unquoted equity investment.

b) Impairment of financial assets

The company recognises a loss allowance for expected credit losses ("ECL") on investments in debt instruments that are measured at amortised cost. The amount of expected credit losses is updated at each reporting date to reflect changes in credit risk since initial recognition of the respective financial instruments.

The company will recognise lifetime ECL for trade receivables. The expected credit losses on these financial assets will be estimated using a provision matrix based on the company's historical credit loss experience, adjusted for factors that are specific to the debtors, general economic conditions and an assessment of both the current as well as the forecast direction of conditions at the reporting date, including time value of money where appropriate.

For all other financial instruments, the company will recognise lifetime ECL when there has been significant increase in credit risk since initial recognition. If, on the other hand, the credit risk on the financial instrument has not increased significantly since initial recognition, the company measured the loss allowance for that financial instrument at an amount equal to 12 months ECL. The assessment of whether lifetime ECL should be recognised is based on significant increase in the likelihood or risk of default occurring since initial recognition instead of an evidence of a financial asset being credit-impaired at the reporting date or an actual default occurring.

Lifetime ECL represents the expected credit losses that will result from all possible default events over the expected life of a financial instrument. In contrast, 12-month expected credit loss is the expected credit loss that result from default events that are possible within 12 months after the reporting date.

A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

Measurement and recognition of expected credit losses

The measurement of expected credit losses is a function of the probability of default, loss given default (i.e. the magnitude of the loss if there is a default) and the exposure at default. The assessment of the probability of default and loss given default is based on historical data adjusted by forward-looking information. As for the exposure at default, for financial assets, this is represented by the assets gross carrying amount at the reporting date; or for loan commitments and financial guarantee contracts, the exposure includes the amount drawn down as at reporting date, together with any additional amounts expected to be drawn down in the future by default date determined based on historical trend, the company's understanding of the specific future financing needs of the debtors, and other relevant forward-looking information.

For financial assets, the expected credit loss is estimated as the difference between all contractual cash flows for the company in accordance with the contract and all the cash flows that the company expects to receive, discount at the original effective interest rate.

c) Derecognition of financial assets

A financial asset is derecognised where the contractual rights to receive cash flows from the asset have expired.

On derecognition of a financial asset in its entirety, the difference between the carrying amount and the sum of (a) the consideration received and (b) any cumulative gain or loss that has been recognised directly in equity is recognised in profit or loss.

3.2. Equity and Financial Liabilities

Equity instruments issued by the company and financial liabilities are classified accordingly to the substance of the contractual arrangements entered into and the definitions of an equity instrument and a financial liability.

a) Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities. Equity instruments issued by the company are recorded at the proceeds received, net of direct issue costs.

Ordinary share capital is classified as equity.

b) Financial liabilities

NOTES TO THE FINANCIAL STATEMENTS - 31 MARCH 2026 (Continued)

Financial liabilities at amortised cost

The company determines the classification of its financial liabilities at initial recognition. Financial liabilities are initially recognised at fair value of consideration received net of transaction costs.

After initial recognition, they are subsequently measured at amortised cost using the effective interest method. Gains and losses are recognised in profit or loss when the liabilities are derecognised and through the amortisation process.

Financial liabilities at amortised cost consist of lease liability, trade and other payables.

c) Derecognition of financial liabilities

The company derecognises financial liabilities when, and only when, the company's obligations are discharged, cancelled or they expire. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payables, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss.

4. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

In the application of the company's accounting policies, which are described in Note 2 to the financial statements, management is required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

4.1. Critical Accounting Judgements

Determination of functional currency

In determining the functional currencies of the company, judgement is required to determine the currency that mainly influences sales prices for goods and services and of the country whose competitive forces and regulations mainly determines the sales prices of its goods and services. The functional currency of the company is determined based on management's assessment of the primary economic environment in which the company operates and the company's process of determining sales prices.

4.2. Key Sources of Estimation Uncertainty

The key assumptions concerning the future and other key sources of estimation uncertainty at the end of the reporting period, that have a significant risk of causing material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below:

a) Impairment of investment in associates

The company follows the guidance of FRS 36 in determining the recoverability of its investment in associates. The company determines the recoverable amount of the associates based on the associates' net assets values at the end of the reporting period as in the opinion of the management, the net assets values of these associates reasonably approximate the fair values less costs to sell.

The carrying amount of investment in associates is disclosed in Note 10 to the financial statements.

b) Impairment of plant and equipment

As the end of the reporting period, the company assesses whether plant and equipment have any indication of impairment, in accordance with relevant accounting policies. The recoverable amounts of plant and equipment have been determined based on value-in use calculations. These calculations and valuations require the use of judgement and estimates on future operating cash flows and discount rates adopted.

The carrying amount of plant and equipment are disclosed in Note 8 to the financial statements.

c) Impairment of intangible assets

Determining whether intangible assets are impaired requires an estimation of the value in use of the cash-generating units to which the intangible assets are allocated. This requires the company to estimate the future cash flows expected from the cash-generating units and an appropriate discount rate in order to calculate the present value of the future cash flows.

The carrying amount of intangible assets is disclosed in Note 9 to the financial statements.

d) Impairment of trade receivables

The company uses a provision matrix to calculate ECLs for trade receivables. The provision rates are based on number of days past due for groupings of various customer segments that have similar loss patterns.

The provision matrix is initially based on the company's historical observed default rates. The company will calibrate the matrix to adjust historical credit loss experience with forward-looking information. At every reporting date, historical default rates are updated and changes in the forward-looking estimates are analysed.

The carrying amount of the company's trade receivables as at the reporting date is disclosed in Note 12 to the financial statements.

5. FINANCIAL INSTRUMENTS, FINANCIAL RISK MANAGEMENT AND CAPITAL MANAGEMENT

5.1. Categories of financial assets and liabilities

The carrying amounts of financial assets and financial liabilities included in the statement of financial position and the headings in which they are included are as follows:

	2026	2025
	S\$	S\$
Financial assets		
At amortised cost:		
- Trade and other receivables	303,407	874,332
- Bank balances	213,240	2,896,525
At fair value through other comprehensive income:		
- Other investment	10,204,473	6,780,039
	<u>10,721,120</u>	<u>10,550,896</u>
Financial liabilities		
At amortised cost:		
- Lease liability	-	632,644
- Trade and other payables	1,484,773	31,757,195
	<u>1,484,773</u>	<u>32,389,839</u>

5.2. Financial Risk Management Policies and Objectives

The company's overall risk management policy seeks to minimise potential adverse effects on the financial performance of the company. The company, however, does not have any written risk management policies and guidelines. The management meet periodically to analyse, formulate and monitor the following risk management of the company and believe that the financial risks associated with these financial instruments are minimal. The company adopt systematic approach towards risk assessment and management. This is carried out in three phases, i.e. identification and assessment of risks, formulation and implementation of risk treatment, and monitoring and reporting of risk profile.

The company is exposed to credit risk, foreign currency exchange rate risk and liquidity risk. The company is not significantly exposed to interest rate risk.

There has been no change to the company's exposure to these financial risks or the manner in which it manages measures the risk.

a) Credit risk

Credit risk refers to risk that a counterparty will default on its contractual obligations to repay amounts owing to company resulting in a loss to the company. The company's primary exposure to credit risk arises through its trade receivables and bank balance.

It is the company's policy to enter into transactions with creditworthy customers and high credit rating counter-parties to mitigate any significant credit risk. The company has procedures in place to control credit risk and that exposure to such risk is monitored on an ongoing basis.

Credit risk management

The company considers the probability of default upon initial recognition of asset and at each reporting date, assesses whether there has been a significant increase in credit risk since initial recognition. If credit risk has not increased significantly since initial recognition or if the credit quality of the financial instruments improves such that there is no longer a significant increase in credit risk since initial recognition, loss allowance is measured at an amount equal

NOTES TO THE FINANCIAL STATEMENTS - 31 MARCH 2026 (Continued)

to 12-month ECLs. When credit risk has increased significantly since initial recognition, loss allowance is measured at an amount equal to lifetime ECLs.

Significant increase in credit risk

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECLs, the company considers reasonable and supportable information that is relevant and available without undue cost or effort.

This includes both quantitative and qualitative information and analysis, based on the company's historical experience and informed credit assessment and includes forward-looking information such as the following:

- Credit rating information supplied by publicly available financial information;
- Existing or forecast adverse changes in business, financial or economic conditions that are expected to cause a significant decrease in the debtor's ability to meet its debt obligations; and
- Significant changes in the expected performance and behavior of the debtor, including changes in the payment status of debtors and changes in the operating results of the debtor.

Regardless of the analysis above, a significant increase on credit risk is presumed if a debtor is more than 30 days past due in making contractual payment unless the company has reasonable and supportable information that demonstrates otherwise.

The maximum period considered when estimating ECLs is the maximum contractual period over which the company is exposed to credit risk.

Low credit risk

The company assumes that the credit risk on a financial asset has not increased significantly since initial recognition if the financial asset is determined to have low credit risk at the reporting date.

A financial asset is considered to have low credit risk if:

- The financial instrument has a low risk of default;
- The borrower has a strong capacity to meet its contractual cash flow obligations in the near term and
- Adverse changes in economic and business conditions in the longer term may, but will not necessarily, reduce the ability of the borrower to fulfil its contractual cash flow obligations.

Credit-impaired

A financial asset is credit-impaired when one or more events that have a detrimental impact on the estimated future cash flows of that financial asset have occurred. Evidence that a financial asset is credit-impaired includes observable data about the following events:

- Significant financial difficulty of the counter-party or the borrower;
- A breach of contract, such as default or past due event; or
- It is becoming probable that the debtor will enter bankruptcy or other financial reorganisation;

Default event

The company considers the following as constituting an event of default when:

- The borrower fails to make contractual payments, within 90 days when they fall due, unless the company has reasonable and supportable information to demonstrate that a more lagging default criterion is more appropriate; or
- Internal or external information indicates that the borrower is unlikely to pay its credit obligations to the company in full, without recourse by the company to actions such as realising security (if any is held).

Write-off policy

The company categorises a receivable for potential write-off when:

- There is information indicating that the counterparty is in severe financial difficulty and there is no realistic prospect of recovery or
- When a debtor fails to make contractual payments more than 365 days past due.

Where receivables have been written off, the company continues to engage enforcement activity to attempt to recover the receivable due. Where recoveries are made, these are recognised in profit or loss.

Credit risk grading framework

The company's current credit risk grading framework comprises the following categories:

Category	Definition of category	Basis for recognizing expected credit loss (ECL)
I - Performing	Counterparty has a low risk of default and does not have any past due amounts and a strong capacity to meet contractual cash flows.	12-month ECL
II – Under performing	Amount is > 30 days past due or there has been a significant increase in credit risk since initial recognition.	Lifetime ECL – not credit impaired
III – Default	Amount is > 90 days past due to or there is evidence indicating the asset is credit-impaired (in default).	Lifetime ECL – credit impaired
IV – Write off	Amount is > 365 days past due or there is evidence indicating that the debtor is in severe financial difficulty and there is no realistic prospect of recovery.	Amount is written off

There are no significant changes to estimation techniques or assumptions made during the reporting period.

Simplified approach

The company applies the simplified approach using the provision matrix to provide for ECLs for trade receivables. The simplified approach requires the loss allowance to be measured at an amount equal to lifetime ECLs.

The provision matrix is based on historical credit loss experience over the past three years and adjusted for forward-looking estimates. Trade receivables are grouped based on similar credit risk characteristics and days past due.

Expected credit loss assessment

The following are qualitative information on expected credit loss for financial assets under amortised cost:

- Trade receivables

These are due from customers that have a good credit record with the company. The loss allowance is measured based on lifetime ECL using the provision matrix. Details of ECL are disclosed in Note 12.

Other receivables

Management assessed credit risk for other receivables has not increased significantly since their initial recognition. Therefore, these have been measured based on 12-month expected credit loss model and management considers the amount of ECL to be insignificant.

- Bank balances

The company places its bank deposit with credit worthy financial institution. Impairment on bank balances is measured on the 12-month expected loss basis. Management considers that its bank balances have low credit risk based on the external credit ratings of the counterparty. Therefore, management considers the amount of ECL to be insignificant.

Significant concentration of credit risk

As at the reporting date, the company has significant concentration of credit risk with one customer (2025: three customers) amounted to S\$407,266 (2025: S\$1,460,817), which accounted for 62% (2025: 92%) of its trade receivables.

The company does not hold any collateral or other credit enhancements to cover its credit risks associated with its financial assets.

b) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of the company's financial instruments will fluctuate because of changes in market interest rate.

The company has bank balances that is non-interest bearing, therefore has no exposure to cash flow interest rate risk.

No interest rate sensitivity analysis is disclosed as the impact of changes in interest rate is not expected to be material.

c) Foreign currency exchange rate risk

Foreign currency exchange rate risk arose from the change in foreign exchange rates that may have an adverse effect on the company in the current reporting period and in the future periods.

The company transacts mainly in Singapore dollar. Management believes that the foreign exchange rate risk is manageable. Hence, the company does not use derivative financial instruments to mitigate this risk.

NOTES TO THE FINANCIAL STATEMENTS - 31 MARCH 2026 (Continued)

The company's exposure to foreign currency exchange rate risk in equivalent Singapore dollar is as follows:

	2026	2025
In United States dollar	S\$	S\$
Financial assets		
Other investment at FVTOCI	10,204,473	6,780,039
Trade and other receivables	234,888	707,064
Bank balances	33,239	2,337,304
	10,472,600	9,824,407
Financial liabilities		
Trade and other payables	7,571	185,893
Net exposure	10,465,029	9,638,514
	2026	2025
In Indian rupee	S\$	S\$
Financial assets		
Trade and other receivables	1,689	2,902
Financial liabilities		
Trade and other payables	591,588	611,682
Net exposure	(589,899)	(608,780)

Sensitivity analysis

A 10% increase or decrease is used when reporting foreign currency exchange rate risk internally to key management personnel and represents management's assessment of the possible change in foreign currency exchange rates.

A 10% strengthening of Singapore dollar against the following currency would increase/ (decrease) profit or loss and equity by the amount shown below:

	2026	2025
	S\$	S\$
US\$ impact	(1,046,503)	(963,851)
INR impact	58,989	60,878

A 10% weakening of Singapore dollar against the above currency would have had the equal but opposite effect on the above currency to the amounts shown above, on the basis that all other variables remain constant.

d) Liquidity risk management

Liquidity risk refer to risk that the company will not have sufficient funds to pay its debts as and when they fall due.

The company is exposed to liquidity risk. Its immediate holding company has agreed to provide unconditional financial support to the company to enable it to discharge its obligations as and when they fall due as stated in Note 1 to the financial statements.

The following table summarises the company's remaining contractual maturity for its non-derivative financial liabilities at the end of the reporting period based on undiscounted cash flows of financial instruments based on the earlier of the contractual date or when the company is expected to pay.

Contractual undiscounted cash flows

2026	Effective interest rate (%)	Carrying amount	Less than a year	Within 2 to 5 years	Later than 5 years	Total
		S\$	S\$	S\$	S\$	S\$
Financial liabilities						
Lease liability	5%	-	-	-	-	-
Trade and other payables	-	1,484,773	1,484,773	-	-	1,484,773
		1,484,773	1,484,773	-	-	1,484,773

Contractual undiscounted cash flows

2025	Effective interest rate (%)	Carrying amount	Less than a year	Within 2 to 5 years	Later than 5 years	Total
		S\$	S\$	S\$	S\$	S\$
Financial liabilities						
Lease liability	4.5%- 5%	632,644	230,892	450,591	-	681,483
Trade and other payables	-	31,757,195	31,757,195	-	-	31,757,195
		32,389,839	31,988,087	450,591	-	32,438,678

e) Fair value of financial assets and financial liabilities

Fair value is defined as the amount at which the instrument could be exchanged in a current transaction between knowledgeable willing parties in an arm's length transaction, other than in a forced or liquidation sale. Fair values are obtained through discounted cash flow models as appropriate.

Financial assets and liabilities

Management has determined that the carrying amounts of bank balances, trade and other receivables, lease liability and other payables, based on their notional amounts, reasonably approximate their fair values because these are mostly short-term in nature.

ii) Fair value hierarchy

- a) Level 1 - Quoted prices (unadjusted) in active markets for identical assets or liabilities that the company can access at the measurement date;

- b) Level 2 - Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly; and

- c) Level 3 - Unobservable inputs for the asset or liability.

The company categorises fair value measurements using a fair value hierarchy that is dependent on the valuation inputs used as follows:

Fair value measurements that use inputs of different hierarchy levels are 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.

During the financial year ended 31 March 2026, there was no transfer between instruments in Level 1, Level 2 and Level 3, or vice versa.

The company does not anticipate that the carrying amounts recorded at end of the reporting period would significantly be different from the values that would eventually be received or settled.

NOTES TO THE FINANCIAL STATEMENTS - 31 MARCH 2026 (Continued)

iii) Assets measured at fair value

Assets

Financial Asset	2026 S\$	2025 S\$	Fair Value Hierarchy	Valuation Technique and Key Impact	Significant unobservable input	Relationship of unobservable inputs to fair value
<u>At fair value through other comprehensive income</u>						
Other investments - Equity securities (unquoted)	10,204,473	6,780,039	Level 3	Income approach – discounted cash flow method was used to capture the present value of the expected future economic benefits to be derived from the ownership of these investees.	Discount for lack of marketability, determined by reference to the share price of listed entities in similar industries accordingly recognised at cost.	A significant increase in the discount for lack of marketability would result in a significant decrease in fair value

5.3. Capital Risk Management Policies and Objectives

The company's objective when managing capital is to safeguard the company's ability to continue as a going concern and to maintain an optimal capital structure so as to maximize shareholder value. In order to maintain or achieve an optimal capital structure, the company may adjust the amount of dividend payment, return capital to shareholders, issue new shares, obtain new borrowings or sell assets to reduce borrowings.

The company monitors capital using gearing ratio, which is net debt divided by total capital. Net debt is calculated as trade and other payables plus lease liability less bank balances. Total capital is calculated as equity and net debt. The company's overall strategy remains unchanged during the period.

	2026 S\$	2025 S\$
Trade and other payables	1,659,906	31,758,194
Lease liability	-	632,644
Less: Bank balances	(213,240)	(2,896,525)
Net debt	1,446,666	29,494,313
Total equity	18,199,467	(2,233,156)
Total capital	19,646,133	27,261,157
Gearing ratio	7.36%	108.2%

The company is not subject to externally imposed capital requirements.

6. HOLDING COMPANY

The company is wholly-owned subsidiary of TVS Motor (Singapore) Pte. Limited, incorporated in Singapore. The company's ultimate holding company is TVS Holdings Limited, incorporated in India. The registered office of the holding company is at No.12, Chaitanya Building, Khader Nawaz Khan Road, Chennai – 600 006, India.

Some of the company's transactions and arrangements are between members of the company and the effects of these on the basis determined between the parties are reflected in these financial statements.

Significant holding company transactions:

	2026 S\$	2025 S\$
Service income	-	-
Recovery of manpower cost	-	-

7. RELATED PARTY TRANSACTIONS

Parties are considered to be related if one party has the ability to control the other party or exercise significant influence over the other party in making financial and operating decisions.

Some of the company's transactions and arrangements are with related parties and the effect of these on the basis determined between the parties are reflected in these financial statements.

(a) Significant related parties' transactions:

	2026 S\$	2025 S\$
Service income	328,805	326,666
Sale of software	5,870,000	-
Staff salary	(1,101,785)	-
Staff augmentation expense	(288,654)	(1,300,167)

(b) Key management personnel compensation:

	2026 S\$	2025 S\$
Salaries, bonus, allowances and severance pay	-	2,177,063
Performance bonus	-	-
Employer's contribution to Central Provident Fund	-	12,240

NOTES TO THE FINANCIAL STATEMENTS - 31 MARCH 2026 (Continued)

8. PLANT AND EQUIPMENT

	Computer and IT Equipment	Renovation	Leasehold Property	Total
	S\$	S\$	S\$	S\$
Cost				
At 01.04.2024	51,893	416,187	363,217	831,297
Additions	47,569	-	648,676	696,245
Disposal	-	-	(363,217)	(363,217)
At 31.03.2025	99,462	416,187	648,676	1,164,325
Additions	4,239	-	-	4,239
Disposal/ Write off	(25,558)	-	(648,676)	(674,234)
At 31.03.2026	78,143	416,187	-	494,330
Accumulated depreciation				
At 01.04.2024	15,656	265,353	209,548	490,557
Charged for the year	31,569	150,834	171,688	354,091
Disposal	-	-	(363,217)	(363,217)
At 31.03.2025	47,225	416,187	18,019	481,431
Charged for the year	47,630	-	206,344	253,974
Disposal/ Write off	(16,712)	-	(224,363)	(241,075)
At 31.03.2026	78,143	416,187	-	494,330
Carrying amount				
At 31.03.2025	52,237	-	630,657	682,894
At 31.03.2026	-	-	-	-

At the end of the reporting period, the company carried out a review of the recoverable amount of all plant and equipment. As a result of the review, no allowances for impairment or revisions to the useful lives was found to be necessary for plant and equipment.

9. INTANGIBLE ASSETS

	Computer Software	Total
	S\$	S\$
Cost		
At 31.03.2025 and 31.03.2026	1,340,300	1,340,300
Accumulated amortisation		
At 1.04.2024	899,985	899,985
Charged for the year	285,197	285,197
At 31.03.2025	1,185,182	1,185,182
Charged for the year	51,706	51,706
At 31.03.2026	1,236,888	1,236,888
Carrying amount		
At 31.03.2025	155,118	155,118
At 31.03.2026	103,412	103,412

At the end of the reporting period, the company carried out a review of the recoverable amount of all intangible assets. As a result of the review, no allowances for impairment or revisions to the useful lives was found to be necessary for intangible assets.

10. INVESTMENT IN ASSOCIATES

	2026	2025
	S\$	S\$
Unquoted equity shares at cost:		
At beginning of the year	18,741,480	21,296,265
Less: Disposal	-	(2,554,785)
Less: Reclassification of other investment	(9,717,554)	-
At end of the year	9,023,926	18,741,480
Less: Impairment loss	-	-
Carrying amount	9,023,926	18,741,480
The movement in allowance for impairment of investment in associates was as follows:		
	2026	2025
	S\$	S\$
At beginning of the year	-	2,762,653
Addition during the year	-	-
Write off during the year	-	(2,762,653)
At end of the year	-	-

NOTES TO THE FINANCIAL STATEMENTS - 31 MARCH 2026 (Continued)

Details of the associates are as follows:

Name of associate/ Country of incorporation	Principal activity	Proportion of ownership Interest	
		2026	2025
Predictronics Corp. United States of America	Providing end to end customisable predictive analytics platform and best in class predictive robot monitoring solution driven by high performing proprietary machine learning Artificial Intelligence (AI) models	23.5%	23.5%
Altizon Inc. United States of America	Empowering Industrial Digital Revolutions globally by digitizing legacy factories and helping enterprises use machine data to drive business decisions	20.0%	20.0%
Scienaptic Systems Inc. United States of America	A leading AI-powered credit underwriting decisioning platform company	-	17.7%

The company did not perform equity accounting of the results of the associate as the ultimate holding company, TVS Holdings Limited will be preparing the consolidated financial statements, which are available for public use at their registered office at No.12, Chaitanya Building, Khader Nawaz Khan Road, Chennai – 600 006, India.

On 1 April 2025, the company reclassified the investment in Scienaptic Systems Inc to other investment, as it no longer has significant influence over the investee.

At the end of the reporting period, the company carried out a review on the recoverable amount of its investment in associates. The recoverable amount of the relevant investment in each associate has been determined on the basis of its net assets value at the end of the reporting period.

11. OTHER INVESTMENT

	2026	2025
	S\$	S\$
Equity instruments		
At fair value through other comprehensive income:		
Unquoted equity investment:		
At beginning of the year	6,780,039	-
Addition	-	6,780,039
Reclassification from investment in associate	9,717,554	-
Disposal	(5,936,232)	-
Decreased in fair value	(356,888)	-
At end of the year	10,204,473	6,780,039

The above investment offers the company the opportunity for return through dividend income and fair value gains.

Equity investment is categorised as at fair value through other comprehensive income. The company has elected to measure these equity securities at FVTOCI due to the company's intention to hold these equity instruments for long-term appreciation.

During the year, the company partially disposed of its Series A Preferred Stock in Scienaptic Systems, Inc. at a price of USD 3.199 per share.

Details of the other investment are as follows:

Name of company	Country of incorporation	Proportion of ownership Interest	
		2026	2025
		%	%
Commeasure Pte. Ltd.	Singapore	2.07	2.06
Scienaptic Systems Inc.	United States of America	5.47	-

Other investment is denominated in United States Dollar.

12. TRADE AND OTHER RECEIVABLES

	2026	2025
	S\$	S\$
Trade receivables – third parties	655,381	1,589,907
Trade receivables – related parties (Note 7)	3,115	2,902
	658,496	1,592,809
Less: Allowance for impairment of trade receivables	(427,785)	(920,621)
Accrued revenue	6,735	39,092
	237,446	711,280
Deposits	65,961	147,729
Other receivable – third party	-	15,323
GST receivables	10,915	16,012
Prepayments	-	11,282
	314,322	901,626

Trade receivables are non-interest bearing and they are normally settled on 30 to 360 days' (2025: 30 to 150 days') term.

Trade receivables are not secured by any collateral or credit enhancement and are recognised at their original invoice amounts, which represents their fair values on initial recognition.

The credit risk profile of trade receivables is presented based on their past due status as follows:

2026	Days past due					Total
	Not past due	< 30 days	31 to 60 days	61 to 90 days	>90 days	
	S\$	S\$	S\$	S\$	S\$	S\$
Trade receivables						
- gross amounts	3,238	2,780	112,743	968	538,767	658,496
Expected Credit						
Loss (ECL)	-	-	-	-	(427,785)	(427,785)
						230,711

NOTES TO THE FINANCIAL STATEMENTS - 31 MARCH 2026 (Continued)

2025	Days past due					Total
	Not past due	< 30 days	31 to 60 days	61 to 90 days	>90 days	
	S\$	S\$	S\$	S\$	S\$	
Trade receivables						
- gross amounts	7,322	1,976	665,914	1,008	916,589	1,592,809
Expected credit						
Loss (ECL)	(1,008)	(1,008)	(1,008)	(1,008)	(916,589)	(920,621)
						672,188

* ECL is not significant

Allowance for expected credit loss

The movement in allowance for expected credit loss of trade receivables computed based on lifetime ECL was as follows:

	2026	2025
	S\$	S\$
At beginning of year	920,621	-
Less: Reversal	(492,836)	-
Add: Additional allowance	-	920,621
At end of year	427,785	920,621

Trade and other receivables are denominated in the following currencies:

	2026	2025
	S\$	S\$
Singapore dollar	77,744	150,881
United States dollar	234,889	707,064
Indian rupee	1,689	2,902
Indonesia rupee	-	23,254
Philippine peso	-	17,525
	314,322	901,626

13. BANK BALANCES

	2026	2025
	S\$	S\$
Cash at bank	213,240	2,896,525

Bank balances are denominated in the following currencies:

	2026	2025
	S\$	S\$
Singapore dollar	180,001	559,221
United States dollar	33,239	2,337,304
	213,240	2,896,525

14. SHARE CAPITAL

	2026	2025	2026	2025
	Number of ordinary shares		S\$	S\$
Issued and fully paid up:				
At the beginning and at the end of the year	25,158,918	25,158,918	25,158,918	25,158,918

The company has one class of ordinary shares with no par value, which carry one vote per share and a right to dividends as and when declared by the company.

15. SHARE APPLICATION MONEY

The share application money is advance receipt for future subscription of shares in the company.

16. LEASE LIABILITY

	2026	2025
	S\$	S\$
<i>Maturity analysis:</i>		
Within one year	-	230,892
Within two to five years	-	450,591
		681,483
Less: future finance charges	-	(48,839)
	-	632,644
<i>Analysed as:</i>		
Current	-	203,884
Non-current	-	428,760
		632,644

The company leases office premises for its operations (Note 8). The effective interest rate is 5% (2025: 4.5% - 5%) per annum.

Total cash outflows for the lease during the financial year amounted to **S\$220,227** (2025: S\$181,989).

Lease liability is denominated in Singapore dollar.

On 18 March 2026, the company entered into an agreement with the landlord to surrender the lease of the premises with effect from 14 March 2026. Accordingly, the company derecognised the leasehold property and the corresponding lease liability, and recognised a loss of **S\$59,610**, representing compensation fees and reinstatement cost.

NOTES TO THE FINANCIAL STATEMENTS - 31 MARCH 2026 (Continued)

17. TRADE AND OTHER PAYABLES

	2026	2025
	S\$	S\$
Trade payables:		
- third parties	616	262,611
- intermediate holding company (Note 6)	217,750	249,408
- related parties (Note 7)	84,319	166,053
	302,685	678,072
Amount due to immediate holding company (Note 6)	-	28,173,619
Amount due to intermediate holding company (Note 6)	373,838	362,274
Amount due to a related party (Note 7)	739,760	748,768
Accrued expenses	39,465	1,779,014
Advance billing	175,133	999
Deposit received	7,055	6,955
Other payables	21,970	8,493
	1,659,906	31,758,194

Trade payables are unsecured, non-interest bearing and they are normally settled on 30 to 60 days' (2025: 30 to 60 days') term.

Amounts due to immediate holding company, intermediate holding company and related parties are unsecured, interest free and repayable on demand.

Trade and other payables are denominated in the following currencies:

	2026	2025
	S\$	S\$
Indian rupee	591,588	611,682
Singapore dollar	885,614	30,759,178
United States dollar	182,704	186,892
Philippine Peso	-	23,643
Indonesia Rupiah	-	176,799
	1,659,906	31,758,194

18. REVENUE

Disaggregation of revenue from contracts with customers:

	2026	2025
	S\$	S\$
Service income	487,648	1,412,915
Sale of software	5,870,000	-
	6,357,648	1,412,915
Timing of transfer of good or service		
At a point in time	5,870,000	-
Over time	487,648	1,412,915
	6,357,648	1,412,915

19. OTHER INCOME

	2026	2025
	S\$	S\$
CPF Transition Offset	-	-
CIT cash grant	2,000	2,000
	2,000	2,000

20. FINANCE COST

	2026	2025
	S\$	S\$
Interest on lease liability	25,988	6,317

21. INCOME TAX

The income tax benefit varied from the amount of income tax determined by applying the Singapore income tax rate of 17% (2025: 17%) to loss before income tax due to the following:

	2026	2025
	S\$	S\$
Profit/ (Loss) before income tax	682,138	(10,961,901)
Income tax expenses/ (benefit) at statutory rate of 17%	115,963	(1,863,523)
Income tax effect of:		
- non-deductible expense	118,395	78,882
- tax losses carried forward	(234,358)	1,784,641
	-	-

The company has unutilised tax losses carry forward available for offsetting against future taxable income as follow:

	2026	2025
	S\$	S\$
At beginning of year	28,913,259	18,415,369
Addition during the year	(1,378,579)	10,497,890
At end of year	27,534,680	28,913,259
Deferred tax benefit on above unrecorded	4,680,896	4,915,254

The realisation of the future income tax benefits from these unutilised tax losses carried forward is available for an unlimited period subject to the conditions imposed by law including the retention of majority shareholders as defined.

The deferred tax benefits of tax losses carried forward has not been recognised in the financial statements because it is not probable that future taxable profits will be available against which the company can utilise the benefits.

Comparative year ended 31 March 2026 for unutilised tax losses have been adjusted for based on the latest income tax return.

22. PROFIT/ LOSS FOR THE YEAR

Profit/ (Loss) for the year has been arrived at after charging/ (crediting):

	2026	2025
	S\$	S\$
Amortisation of intangible assets	51,706	285,197
Cloud service cost	472,709	760,413
Depreciation of plant and equipment	253,974	354,091
Foreign currency exchange loss, net	162,307	2,796
Insurance expense	86,495	168,684
Office expense	34,998	50,849
Professional and consultancy fees	314,645	329,321
Staff augmentation expense	754,227	2,343,630
Short-term employee's benefits	2,834,978	5,580,493
Cost of defined benefits plans included in employee benefits expenses	101,318	189,953

NOTES TO THE FINANCIAL STATEMENTS - 31 MARCH 2026 (Continued)

23. RECONCILIATION OF LIABILITIES ARISING FROM FINANCING ACTIVITIES

The table below details changes in the company's liabilities arising from financing activities, including both cash and non-cash changes.

Liabilities arising from financing activities are those for which cash flows were, or future cash flows will be, classified in the statement of cash flows as cash flows from financing activities.

	2026	2025
	S\$	S\$
Lease liability (Note 16)		
At beginning of the year	632,644	159,640
<i>Financing cash flows:</i>		
Less: Payment of principal	(194,239)	(175,672)
Less: Payment of interest	(25,988)	(6,317)
	(220,227)	(181,989)
	412,417	(22,349)
<i>Non-cash transactions:</i>		
Add: New lease (Note 8)	-	648,676
Add: Interest expense	25,988	6,317
Less: Derecognise lease liability	(438,405)	-
At the end of year	-	632,644
	2026	2025
Amount due to immediate holding company (Note 17)	S\$	S\$
At beginning of the year	28,173,619	17,231,728
<i>Financing cash flow:</i>		
Add: Advances received	3,250,000	10,941,891
Less: Repayment of advance	(11,316,246)	-
	(8,066,246)	10,941,891
<i>Non-cash transactions:</i>		
Reclassification to share application money (Note 15)	(20,107,373)	-
At the end of year	-	28,173,619
	2026	2025
Amount due to a related party (Note 17)	S\$	S\$
At beginning of the year	748,768	746,171
<i>Financing cash flows:</i>		
Add: Advances received	-	2,597
Less: Repayment of advances	-	-
	-	2,597
<i>Non-cash transactions:</i>		
Less: Offsetting of interco balances	(6,410)	-
Less: Adjustment with software tools	(2,597)	-
At the end of year	739,761	748,768

24. EVENTS AFTER THE REPORTING PERIOD

No items, transactions or events of material and unusual nature have arisen between the end of the reporting period and the date of authorisation for issue of the financial statements which are likely to affect substantially the results of operations of the company for the succeeding reporting period except as follows:

DETAILED STATEMENT OF PROFIT OR LOSS**FOR THE FINANCIAL YEAR ENDED 31 MARCH 2026**

	2026	2025
	S\$	S\$
Revenue	6,357,648	1,412,915
Cost of service		
Amortisation of intangible assets	(51,706)	(285,197)
Cloud service cost	(472,709)	(760,413)
Service cost	(5,910)	(17,205)
Customer support	(12,779)	(31,455)
	(543,104)	(1,094,270)
Gross profit	5,814,544	318,645
Add: other income		
CPF Transition Offset	-	-
CIT cash grant	2,000	2,000
	2,000	2,000
Total income	5,816,544	320,645
Less: Expenses		
- Schedule 'A'	(5,134,406)	(11,282,546)
Profit/ (Loss) before income tax	682,138	(10,961,901)

This schedule does not form part of the statutory audited financial statements.

NOTES TO THE FINANCIAL STATEMENTS - 31 MARCH 2026 (Continued)

EXPENSES

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2026

	2026	2025
	S\$	S\$
Administrative expenses		
Auditors' remuneration	18,000	18,000
Bank charges	5,510	5,647
Computer and IT expenses	440	5,794
Cloud development expense	102,852	136,206
CPF contribution	101,318	189,953
Equalization tax	-	17,710
Equipment leasing	2,150	5,160
General expense	595	11,478
Gifts	-	1,671
Insurance expense	86,495	168,684
Loss on derecognised of leasehold property and lease liability	59,610	-
Marketing	(641)	10,386
Medical expense	1,115	2,591
Meeting and events expense	-	7,514
Office expense	34,998	50,849
Postage & courier	342	2,755
Professional and consultancy fees	314,645	329,321
Printing & Stationery	1,076	5,105
Recruitment expense	-	129,189
Refreshments & entertainments	5,413	33,459
Retainer fee and incentive	-	-
Salary and bonus	2,639,138	5,212,175
SDL	784	1,755
Service charge	22,289	23,559
Staff welfare	6,912	6,557
Subscription and membership fee	5,082	10,252
Software expenses	41,473	178,595
Staff augmentation expense	754,227	2,343,630
Telecommunications & internet	13,840	25,624
Training and development expense	533	Transport
	2,333	11,427
Travelling expenses	62,829	231,596
Utilities	1,474	4,540
Vehicle expense	2,551	4,871
Impairment loss on financial assets		
Reversal/ Impairment loss on trade receivables	(492,836)	920,621
Write off of trade receivables	311,123	-
Finance cost		
Interest on lease liability	25,988	6,317
Other expense		
Depreciation of plant and equipment	253,974	354,091
Foreign currency exchange loss	162,307	2,796
Reversal of accrued revenue	-	809,740
Withholding tax	587,000	2,395
	5,134,406	11,282,546

This schedule does not form part of the statutory audited financial statements.

RE-STATED ACCOUNTS OF
TVS DIGITAL PTE. LTD.

BALANCE SHEET AS AT 31ST MARCH 2026

	Notes	SGD in Mn.	Rupees in crores
ASSETS			
Non-current assets			
Other intangible assets	1	0.10	0.33
Investments Accounted Using Equity Method	2	12.44	0.99
Financial assets	3		4.02
Non current investments		6.78	109.61
		<u>19.32</u>	<u>132.43</u>
Current assets			
Financial assets			
i. Trade receivables	4	0.63	4.61
ii. Cash and cash equivalents	5	0.21	1.57
Other current assets	6	0.09	0.61
		<u>0.93</u>	<u>6.79</u>
Total Assets		<u>20.25</u>	<u>139.22</u>
EQUITY AND LIABILITIES			
Equity			
Equity share capital	7	25.16	138.78
Other equity	8	(33.77)	(197.28)
		<u>(8.61)</u>	<u>(58.50)</u>
Share application money pending allotment		26.81	182.59
Liabilities			
Non-Current liabilities			
Financial liabilities			
Lease liability		0.43	2.73
		<u>0.43</u>	<u>2.73</u>
Current liabilities			
Financial liabilities			
Trade payables		0.20	1.30
a. Total outstanding dues of micro and small enterprises	9		
b. Total outstanding dues of other than (a) above		-	-
		2.04	15.08
Other Current liabilities	10	0.01	0.05
Total liabilities		<u>2.05</u>	<u>15.13</u>
Total equity and liabilities		<u>20.25</u>	<u>139.22</u>

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH 2026

	Notes	SGD in Mn.	Rupees in crores
I Revenue from operations	11	6.36	43.61
II Other income		-	-
III Total Income (I + II)		<u>6.36</u>	<u>43.61</u>
IV Expenses:			
Employee benefits expense	12	2.84	19.45
Finance costs	13	0.03	0.18
Depreciation and amortisation expense	14	0.31	2.10
Other expenses	15	2.50	17.18
		<u>5.68</u>	<u>38.91</u>
V Profit before exceptional items (III - IV)		0.68	4.70
VI Exceptional items		-	-
VII Profit before tax (V+ VI)		<u>0.68</u>	<u>4.70</u>
VIII Tax expense			
i. Current tax		-	-
ii. Deferred tax		-	-
Total Tax expense		-	-
IX Profit for the year (VII - VIII)		<u>0.68</u>	<u>4.70</u>
X Other Comprehensive Income			
A. Items that will not be reclassified to profit or loss			
Fair value changes of equity instruments		(0.36)	(2.45)
B. Items that will be reclassified to profit or loss			
Foreign currency translation adjustments		-	5.82
Other comprehensive income for the year, net of tax		<u>(0.36)</u>	<u>3.37</u>
XI Total Comprehensive Income (IX + X)		<u>0.32</u>	<u>8.07</u>
XII Earnings per equity share (Face value of SGD 1/- each)			
Basic & Diluted earnings per share (in SGD / in rupees)		0.03	1.87

Notes on Accounts

1. PROPERTY, PLANT & EQUIPMENT AND INTANGIBLE ASSETS AS AT 31.03.2026

SGD in Mn.

Description	Property, Plant & Equipment			Other Intangible	
	Office equipment	Right of use asset	Total	Software	Total
Cost of assets					
Gross carrying value as at 01-04-2025	0.10	0.65	0.75	1.34	1.34
Additions	0.00	-	0.00	-	-
Sub-total	0.10	0.65	0.75	1.34	1.34
Sales / deletion	0.03	0.65	0.67	-	-
Total	0.08	-	0.08	1.34	1.34
Depreciation / Amortisation					
Upto 31-03-2025	0.05	0.02	0.07	1.19	1.19
For the year	0.05	0.21	0.25	0.05	0.05
Sub-total	0.09	0.22	0.32	1.24	1.24
Withdrawn on assets sold / deleted	0.02	0.22	0.24	-	-
Total	0.08	-	0.08	1.24	1.24
Carrying value					
As at 31-03-2026	-	-	-	0.10	0.10

1 Property, Plant & Equipment and Intangible Assets as at 31.03.2026

Rupees in crores

Description		Property, Plant & Equipment			Other Intangible	
		Office equipment	Right of use asset	Total	Software	Total
Cost of assets						
Gross carrying value as at 01-04-2025		0.61	4.00	4.62	8.27	8.27
Additions		0.03	-	0.03	-	-
Foreign Currency translation reserve difference		0.12	0.77	0.88	0.50	0.50
Sales / deletion		0.19	4.77	4.96	-	-
Sub-total		0.57	-	0.57	9.85	8.77
Total		0.57	-	0.57	9.85	8.77
Depreciation / Amortisation						
Upto 31-03-2025		0.17	0.11	0.28	2.29	2.29
For the year		0.33	1.42	1.74	0.35	0.35
Foreign Currency translation reserve difference		0.07	(1.53)	(1.46)	6.45	6.45
Withdrawn on assets sold / deleted		-	-	-	-	-
Sub-total		0.57	(0.00)	0.57	9.09	9.09
Total		0.57	(0.00)	0.57	9.09	9.09
Carrying value						
As at 31-03-2026		(0.00)	0.00	(0.00)	0.76	0.76

Notes on accounts - (continued)

As at 31-03-2026			For the Year Ended 31-03-2026		
	SGD in Mn.	Rupees in crores		SGD in Mn.	Rupees in crores
2 Investments Accounted using Equity Method			11 Revenue from Operations		
Investment in Associates			Sale of service	6.36	43.61
24,827 fully paidup equity shares of Predictronics Corp, USA (face value of USD 0.01 each)	4.36	22.36		6.36	43.61
8,06,429 fully paidup equity shares of Altizon Inc, USA (face value of USD 0.00001 each)	4.66	34.28	12 Employee Benefits Expense		
829,773 fully paidup equity shares of Scienaptic Systems Inc, USA (face value of USD 0.001 each)	3.42	25.18	Salaries, wages and bonus	2.09	14.33
	12.44	81.82	Contribution to provident and other funds	0.10	0.69
			Staff Welfare Expenses	0.65	4.43
3 Non-Current Investments				2.84	19.45
78,703 fully paidup equity shares of GWC Family Fund Investment Pte Ltd (Commeasure Pte Ltd)	6.78	49.85	13 Finance Cost		
	6.78	49.85	Interest on lease liabilities	0.03	0.18
4 Trade Receivables				0.03	0.18
Unsecured, considered good	0.63	4.61	14 Depreciation and amortisation expense		
	0.63	4.61	Depreciation on property plant and equipment	0.05	0.33
5 Cash and Cash Equivalents			Depreciation on Lease asset	0.21	1.42
Balances with banks in current accounts	0.21	1.57	Amortisation on intangible assets	0.05	0.35
	0.21	1.57		0.31	2.10
6 Other Current Assets			15 Other Expenses		
Trade deposits	0.07	0.48	(a) Cost of services	0.49	3.37
Accrued Revenue	0.01	0.05	(b) Rent	0.02	0.15
Advances made	0.01	0.08	(c) Rates and taxes (excluding taxes on income)	0.60	4.11
	0.09	0.61	(d) Administrative expenses	0.76	5.23
7 Equity Share Capital			(e) Loss on disposal of ROU Asset	0.06	0.41
Issued, subscribed and fully paid up:			(f) Other expenses	0.57	3.91
25,158,918 Ordinary shares of SGD 1 each	25.16	138.78		2.50	17.18
	25.16	138.78			
8 Other Equity					
Retained earnings	(33.41)	(201.54)			
Foreign currency translation reserve	-	6.71			
	(33.41)	(194.83)			
9 Trade Payables					
Dues to Micro and Small Enterprises**					
Dues to enterprises other than Micro and Small Enterprises	2.04	15.08			
	2.04	15.08			
** Dues to Micro and Small Enterprises have been determined to the extent such parties have been identified on the basis of information received by the management. Other Current Liabilities					
10 Other Payables	0.01	0.05			
	0.01	0.05			

MANAGEMENT REPORT COMPANY AND BUSINESS MODEL

TVS EBIKE is an e-bike company that specializes in engineering, distribution and maintenance of e-bikes. Our primary markets are Switzerland, Germany and Austria where we operate through our subsidiaries, TVS EBIKE Austria, TVS EBIKE Germany and EGO Germany. The Company has two business models, namely direct to consumer (D2C) and business to business (B2B). The Company is a wholly owned subsidiary of TVS Motor (Singapore) Pte Limited, which in turn is a subsidiary of TVS Motor Company Limited, a global automotive enterprise listed in India.

TVS EBIKE is one of the market leaders in Switzerland and has a network of over 30 stores and an omnichannel platform. TVS EBIKE offers a curated assortment of e-bikes from third party brands and self-owned brands along with spare parts, accessories and services. The B2B business has a strong partnership with retailers who offer e-bikes across Europe. Our omnichannel platform caters to customers in the European Union and Switzerland.

During the financial year, Swiss E-Mobility Group (Schweiz) AG (CHE-103.423.923) and Alexand'Ro Edouard'O Passion Vélo Sàrl (CHE-114.793.695), were merged into Swiss E Mobility Group (Holding) AG (CHE- 465.238.081) with retroactive effect as of 1 January 2025. As part of the same transaction, The GO Corporation (CHE-439.270.305) was also merged into the Company, and its subsidiary, EGO Movement Stuttgart GmbH, was allocated to the Holding company. Subsequently, Swiss E-Mobility Group (Holding) AG changed its name to TVS EBike Company AG in July 2025.

Market Situation

Around 316'000 bicycles and e-bikes were sold in 2025 in Switzerland of which 41% were e-bikes. The e-bike segment experienced a 14% decline year over year. In Germany, the market remained stable year over year. Inventory levels remain high in the industry but are trending downward. The effect of the above-mentioned market conditions were reflected in the sales and margin of TVS EBIKE. The market is expected to remain stressed in 2026.

Strategic Outlook

The Group continues to operate in a challenging market environment. Management remains focused on disciplined execution, cost control and the careful allocation of resources to support operational stability and financial resilience.

Looking ahead, the Group will continue to monitor market developments closely and to adapt its operational priorities as appropriate. While the near-term environment remains demanding, management believes that this approach provides an appropriate basis for navigating current market conditions.

CONSOLIDATED INCOME STATEMENT
in TCHF

	Notes	2025	2024
Net sales from goods and services	1	53'673	56'862
Other income		2'864	465
Release negative goodwill (badwill)	15	263	0
Total income		56'800	57'327
Manufacturing costs / cost of goods		-44'254	-45'820
Gross profit		12'546	11'507
Personnel expenses	2	-19'214	-16'835
Rental expenses		-4'965	-4'532
Logistics expenses		-2'745	-2'634
Marketing expenses		-3'319	-3'716
Other operating expenses	3	-9'214	-5'331
EBITDA		-26'911	-21'541
Depreciation on tangible fixed assets	9	-1'950	-1'545
Amortization of intangible assets	10	-6'520	-3'079
Profit/Loss from disposal of property, plant and equipment		-250	-2
EBIT		-35'631	-26'167
Financial result	4	-1'264	-2'743
Ordinary result		-36'895	-28'910
Extraordinary result	14	16	-158
EBT		-36'879	-29'068
Income taxes	5	-3'970	-14
Net result		-40'849	-29'082

CONSOLIDATED BALANCE SHEET
in TCHF

Assets	Notes	31.12.2025	31.12.2024
Cash and cash equivalents		4'221	6'119
Trade receivables	6	4'650	2'487
Other current receivables	7	2'279	1'504
Prepayments to vendors		2'680	2'716
Inventories	8	21'562	24'056
Accrued income and prepaid expenses		74	870
Current assets		35'466	37'752
Property, plant and equipment	9	4'702	5'488
Intangible assets	10	8'301	12'635
Deferred tax assets	5	0	3'940
Non-current assets		13'003	22'063
Total assets		48'469	59'815
Liabilities and shareholder's equity			
Current financial liabilities	12	33'053	200
Trade payables		2'429	4'880
Prepayments from clients		2'118	520
Other current liabilities	11	2'004	1'270
Accrued liabilities and deferred income		1'471	2'115
Current liabilities		41'075	8'985
Non-current financial liabilities	12	0	41'200
Other long-term employee benefits		23	18
Provisions - non current		789	0
Non-current liabilities		812	41'218
Total Liabilities		41'887	50'203
Share capital		343	270
Capital reserves		40'483	70'630
Retained earnings, accumulated losses		-34'244	-61'288
Equity		6'582	9'613
Total liabilities and equity		48'469	59'815

CONSOLIDATED CASH FLOW STATEMENT in TCHF

	Notes	2025	2024
Net profit		-40'849	-29'082
Depreciation and amortization	9, 10	8'470	4'624
Income tax expenses	5	3'970	14
Badwill Release	15	-263	0
Other non-cash adjustments		-5	-113
Profit/Loss from disposal of property, plant and equipment		250	2
Cash flow before changes in net working capital and provisions		-28'427	-24'555
Change in trade receivables		-1'734	3'530
Change in inventories		5'978	11'309
Change in other current receivables, prepayments and accrued income		2'008	2'254
Change current liabilities		-2'761	-2'488
Change of other non-current liabilities		0	-1
Paid income taxes (net)		0	-14
Operating cash flow		-24'936	-9'965
Investment in property, plant and equipment	9, 10	-2'634	-6'012
Inflows from disposal of tangible and intangible assets	9, 10	1	504
Acquisitions	15	2'818	0
Cash flow from investing activities		185	-5'508
Capital increase		37'720	0
Issuance/repayment of short-term financial liabilities		-1'163	0
Issuance/repayment of long-term financial liabilities		-13'700	19'709
Cash flow from financing activities		22'857	19'709
Total cash flow		-1'894	4'236
Cash and cash equivalents at the beginning of the period		6'119	1'882
Total cash flow		-1'894	4'236
Currency translation effect on cash		-4	1
Cash and cash equivalents at the end of the period		4'221	6'119
Paid interest (included in cash flow from operating activities)		-1'099	-2'235
Received interest (included in cash flow from operating activities)		0	3

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY in TCHF

	Share capital*	Capital reserves	Treasury shares	Retained earnings, accumulated losses		Total	Equity
				Profit/losses carried forward	Accumulated translation differences		
01.01.2024	153	10'238	0	-32'644	499	-32'145	-21'754
Net result				-29'082		-29'082	-29'082
Capital increase	117	60'392			0	0	60'509
Currency translation differences				9	-70	-61	-61
31.12.2024	270	70'630	0	-61'717	430	-61'288	9'613
Net result				-40'849		-40'849	-40'849
Merger loss reclassification		-35'265		35'265		35'265	
Capital increase	73	37'647					37'720
Reclassification of loss offset		-32'530	0	32'530	0	32'530	0
Currency translation differences				-9	108	99	99
31.12.2025	343	40'483	0	-34'781	538	-34'244	6'582
Total non-distributable statutory or legal reserves							171

* The share capital is divided into 342'740 registered shares of CHF 1.00

Principles of consolidation

General information

TVS EBIKE Company AG ("TVS EBIKE") is an investment of TVS Motor (Singapore) Pte Limited. TVS EBIKE, as a comprehensive and market-leading provider of E-Mobility solutions in the e-bike segment, maintains in Switzerland, in addition to a strong B2B business, more than 30 POS under the name m-way, which represent the B2C part of TVS EBIKE. In the ecommerce business, TVS EBIKE is represented by its German and Austria subsidiary TVS EBIKE Company GmbH and Swiss E-Mobility Group (Österreich) GmbH, respectively, thus acts as a comprehensive omnichannel provider for e-bike products in the market.

TVS EBIKE is a stock corporation incorporated and domiciled in Switzerland. The registered office is in Zurich.

Accounting principles

The consolidated financial statements are based on the financial statements of TVS EBIKE and its subsidiaries as of December 31, 2025, and prepared in accordance with uniform accounting principles.

The Group prepares its accounts in compliance with all existing guidelines of Swiss GAAP FER (Swiss Accounting and Reporting Recommendations) and the provisions of Swiss law.

Valuation is based on historical cost (acquisition cost or production cost) or actual value. The section "Principles of valuation" contains the valuation principles of specific balance sheet items. The income statement is presented using the classification of expenses based on their nature. The consolidated financial statements are based on economic values and present a true and fair view of the company's assets, financial position, and results of operations. They are prepared under the assumption of a going concern.

The consolidated financial statements are presented in Swiss francs (CHF). Except where stated otherwise, all amounts in the financial report are presented in thousands of Swiss francs. Accounting estimates and judgements The preparation of consolidated financial statements in conformity with Swiss GAAP FER requires the use of certain accounting estimates and judgments which have an impact on the assets and liabilities, income and expenses reported, as well as the disclosure of contingent liabilities. These estimates and judgments are continuously evaluated and are based on historical experience and other factors, including expectations and assessments of future events that are assumed to be reasonable under the given circumstances. Real results may differ from these estimates.

Management continuously reviews and, if necessary, adapts the estimates and underlying assumptions. Any changes are recognized in the period in which the estimate is revised.

Scope of consolidation

The consolidated financial statements include the financial statements of TVS EBIKE and the Group companies in which TVS EBIKE directly or indirectly holds more than 50% of the voting rights or exercises control by contractual agreement (control principle). The companies included in consolidation are listed in Note 21 to the consolidated financial statements.

Changes in scope of consolidation

... in the year under review (2025)

In 2025, the Group completed a merger by absorption into Swiss E-Mobility Group (Holding) AG. Swiss E-Mobility Group (Schweiz) AG and Alexand'Ro Edouard'O Passion Vélo Sàrl were already included in the scope of consolidation. The Go Corporation, previously a sister entity under common control, was merged into the Group and is therefore included in the scope of consolidation as of 2025. As a result, its subsidiary/investee EGO Movement Stuttgart GmbH is fully consolidated. For further details, refer to Note 21.

... in the previous year (2024)

The scope of consolidation is unchanged from the previous year.

Consolidation method

Capital consolidation is performed using the Anglo-Saxon purchase method. Assets and liabilities as well as income and expenses of the fully consolidated companies are recognized at 100%. Minority interests in the consolidated equity and in the results of operations are disclosed separately.

Companies and businesses acquired during the year are revalued as at the date of acquisition in accordance with uniform Group principles and consolidated as of this date. Any goodwill remaining after such revaluation (difference between the purchase price and the Group's share of the equity reported) is capitalized and amortized over the useful life of generally ten years. Badwill (negative goodwill) is reversed over a period depending on the economic reasons for its occurrence.

Companies sold during the year are excluded from the consolidated financial statements from the date of sale.

Translation of foreign currencies

Foreign currency transactions in Group companies

The foreign currency transactions and items contained in the individual financial statements of the consolidated companies are translated as follows: foreign currency transactions are translated into the functional currency at the exchange rate valid on the transaction date (current rate). At year-end, monetary assets and liabilities in foreign currency are measured using the exchange rate valid at the balance sheet date, with any profit or loss from such valuation taken to the income statement. Foreign exchange gains and losses resulting from the measurement of intercompany loans that are part of the net investment in a subsidiary are recognised in equity.

Exchange differences resulting from the revaluation of shares in associates are recognised in equity.

Translation of financial statements to be consolidated

Group financial statements are presented in Swiss francs. Assets and liabilities of Group companies with a functional currency other than the Swiss franc are translated at year-end rates (rates on balance sheet date); equity is translated at historical rates, while the income statement and cash flow statement are translated using average rates for the year. Any resulting exchange differences are recognised in shareholders' equity.

Accumulated exchange differences of foreign companies recognised in equity, resulting from the translation of annual statements and loans between Group companies that are part of the net investment in a subsidiary, are derecognised upon sale of the company and repatriated in the income statement as part of the gain or loss resulting from the sale.

Year-end rates in CHF

	2025	2024
1 EUR	0.9314	0.9412

Annual average rates in CHF

	2025	2024
1 EUR	0.9370	0.9526

Debt consolidation, intercompany sales and intercompany profits

All intercompany transactions and transactions between consolidated companies are mutually offset and eliminated. Intercompany profits on intercompany transactions are eliminated.

Cash flow statement

Cash and cash equivalents form the basis for the presentation of the cash flow statement.

Cash flow from operating activities is calculated using the indirect method.

Principles of valuation

Income statement

The consolidated income statement of Swiss E-Mobility Group AG has been prepared using the nature of expense method. The revenues from sales and services are compared with the direct expenses.

Net sales and revenue recognition

Net sales represent amounts received and receivable for goods supplied and for services rendered. Revenue from the sale of goods is recognised in the income statement when the risks and rewards of ownership of the goods have been transferred to the buyer, generally upon shipment. Revenue from services is recognised in the period when the services were rendered. Net sales consist of the amounts invoiced for products and services less credits, deductions, and sales tax.

All intercompany sales are eliminated.

Income taxes

Taxes on the current income of companies included in the consolidation are calculated based on local tax rates.

Impairment

The value of non-current assets is assessed on the reporting date for indicators of impairment. If there is evidence of any lasting reduction in value, the recoverable amount is calculated (impairment test). If the book value exceeds the recoverable amount, the difference is recognised in the income statement as an impairment charge. Major goodwill items are tested for impairment annually, based on a value-in-use calculation. The value-in-use calculation is based on cash flows for usually the next five years and the extrapolated values thereafter. Since the goodwill is already offset against retained earnings at the date of acquisition, any impairment to goodwill does not lead to a charge to the income statement, but only to disclosure in the notes.

Balance sheet - assets

Cash and cash equivalents

Cash and cash equivalents comprise cash on hand, postal giro and bank accounts, and short-term time deposits with a remaining term of less than three months. They are valued at nominal value.

Trade receivables

This item includes short-term receivables with a remaining term of generally up to one month from ordinary business activities. Receivables are recognized at nominal values. Allowance has been made for any value adjustments required for business reasons.

Inventories

Inventories are valued at the lower of cost or net realizable value. Discounts received are treated as reductions in acquisition cost. Appropriate allowance has been made for any value adjustments required for business reasons. Cost includes all directly attributable material and production costs. Acquisition costs are determined using the weighted average cost method.

Property, plant and equipment

Property, plant and equipment are measured at cost less depreciation. Own work is only capitalized if it is clearly identifiable and the costs can be reliably determined, and if it provides the company with a measurable benefit over several years.

Depreciation is calculated on a straight-line basis over the useful life of the asset. This was determined as follows:

Machinery/technical equipment	: 5-10 years
Vehicles	: 3-5 years
Furniture and fittings	: 5 years
IT hardware	: 3-5 years

Financial assets

In addition to non-consolidated participations, financial assets also include securities and long-term loans held with the intention of permanent investment. Listed and over-the-counter securities are valued at the lower of cost or market value at the balance sheet date. Securities without market value and loans are valued at acquisition cost less economically necessary value adjustments.

Intangible assets

This item includes licences and IT software as well as goodwill from acquisitions. Intangible assets are capitalised if they are clearly identifiable, and the costs can be reliably determined and if they provide the company with a measurable benefit over several years. Intangible assets are valued at acquisition cost less economically necessary depreciation.

Depreciation is calculated on a straight-line basis. The useful life of licences and IT software is between three and five years. Goodwill from acquisitions is amortised over ten years (also see consolidation principles). The expected useful life of other intangible assets is determined on a case-by-case basis.

Balance sheet – liabilities and

equity

Liabilities

All liabilities in the Group are recorded at nominal value. Only liabilities that are due within one year are recognised in current liabilities.

Provisions

Provisions are recognised when there is a reasonable probable obligation as a result of a past event, the amount and/or timing of which is uncertain but can be estimated. The measurement of the provision is based on an estimate of the cash outflow to settle the obligation.

Negative Goodwill (Badwill)

Negative goodwill ("badwill") arises when the purchase consideration is lower than the fair value of the identifiable net assets acquired. After allocating the purchase price to the identifiable assets and liabilities at fair value and recognising any required restructuring provisions, the resulting badwill is deferred. Badwill is released to profit or loss on a straight-line basis over five years, considering the economic reasons for its occurrence. Integration-related costs are considered when determining the release pattern and timing.

Badwill is presented under provisions and classified as current or non-current depending on the planned release period.

Deferred taxes

The accrual of deferred income taxes is based on a balance sheet-oriented view and basically considers all future income tax effects. The calculation of deferred income taxes to be accrued annually is based on the future tax rate applicable to the respective taxable entity as at the balance sheet date.

A deferred tax asset for tax loss carry-forwards is only recognised to the extent that it is probable that future profits will be available against which the tax loss carry-forwards can be utilised.

Derivative financial instruments

Derivate financial instruments are used to hedge currency risks. They are recognised in the balance sheet if they meet the definition of an asset or liability. Instruments used to hedge future cash flows are not recognised in the balance sheet. They are disclosed in the notes.

Employee benefit obligations

Employees and former employees receive various employee benefits and retirement pensions, which are paid in accordance with the legal provisions of the respective countries. Since 2021, a new insurance solution has been in place in which the investment risk is no longer insured. As of 31 December 2025, it is adequately covered. Financing is provided by regular employer and employee contributions.

Regarding the application of Swiss GAAP FER 16 "Pension liabilities", please refer to note 13 in the notes to the consolidated financial statements.

Leasing

A distinction is made between finance leases and operating leases. A finance lease exists when substantially all the risks and rewards incidental to ownership of an asset are transferred. Assets and liabilities from finance leases are recognised in the balance sheet. Currently, no contracts qualify as finance leases.

Lease obligations from operating leases that cannot be terminated within one year are disclosed in note 17 to the consolidated financial statements.

Contingent liabilities

Contingent liabilities are valued on the balance sheet date. If an outflow of resources is probable without a usable inflow of resources, a provision is made.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS in TCHF

1. Net sales from goods and services

	2025	2024
Trading income E-bikes & bicycles	51'717	55'185
Other trading income	54	51
Service income	2'560	2'247
Reduction of income	-658	-621
Net sales from goods and services	53'673	56'862

2. Personnel expenses

In the current year and previous year, we have no short-time compensation received.

3. Other operating expenses

Maintenance and repair	-238	-391
Duties, fees, permits, taxes	-260	-170
Administration expenses	-4'619	-3'205
IT expenses	-1'546	-1'529
Research and development	-1'330	-165
Energy and consumables	-244	-283
Exchange differences	-525	437
Other	-452	-25
Total	-9'214	-5'331

4. Financial result

Financial income	165	3
Total financial income	165	3
Interest expenses	-1'099	-2'235
Other financial expenses	-330	-511
Total financial expenses	-1'429	-2'746
Net financial result	-1'264	-2'743

5. Income taxes

	2025	2024
Current income tax expenses	-30	-14
Deferred tax income/(expenses)	-3'940	0
Total	-3'970	-14
Deferred tax assets / deferred tax liabilities		
Deferred income tax asset for unused loss carryforwards	3'940	3'940
Deferred tax liabilities on valuation differences	-3'940	0
Net deferred tax assets	0	3'940

The Company has decided to write off the DTA asset considering the challenging market conditions currently prevailing in Europe.

6. Trade receivables

Trade receivables, nominal	5'052	2'525
Allowance for doubtful accounts	-402	-38
Trade receivables, net	4'650	2'487

7. Other current receivables

Claims against government agencies	81	72
Transfer account	15	-39
Other current receivables	2'183	1'471
Total	2'279	1'504

8. Inventories

As of 31 December 2025, the Group has inventories worth CHF 21.6m (CHF 24.1m as of 31 December 2024). CHF 17.7m or 82% of the total inventory is in Switzerland (as of 31 December 2024: CHF 21.3, around 88%). The remaining inventory is held by the German company TVS EBike Company GmbH and Swiss E-Mobility Group (Österreich) GmbH.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)
in TCHF

9. Property, plant and equipment

	Machinery and technical equipment	Assets under construction	Furniture and fittings	Vehicles	Total
Historical cost, 31.12.23	8'679	1'221	5'032	127	15'059
Additions	1'172	0	2'087	0	3'259
Disposals	-3'979	0	-4'001	-27	-8'007
Reclassifications	0	-1'221	0	0	-1'221
Currency translation differences	17	0	-4	1	14
Historical cost, 31.12.24	5'889	0	3'114	101	9'104
Addition in scope of consolidation	0	508	116	4	628
Additions	375	1'145	2	3	1'525
Disposals	-51	0	-372	0	-423
Reclassifications	0	-508	-42	-4	-554
Currency translation differences	-12	0	-6	0	-18
Historical cost, 31.12.25	6'201	1'145	2'812	104	10'262
Accum. depreciation, 31.12.23	-5'222	0	-4'250	-101	-9'573
Depreciations	-1'021	0	-512	-13	-1'546
Disposals	3'545	0	3'929	27	7'501
Reclassifications	0	0	0	0	0
Currency translation differences	2	0	0	0	2
Accum. depreciation, 31.12.24	-2'696	0	-833	-87	-3'616
Depreciations	-1'291	0	-643	-16	-1'950
Disposals	0	0	0	0	0
Reclassifications	0	0	0	0	0
Currency translation differences	3	0	2	1	6
Accum. Depreciation, 31.12.25	-3'984	0	-1'474	-102	-5'560
Net book value, 31.12.23	3'457	1'221	782	26	5'486
Net book value, 31.12.24	3'193	0	2'281	14	5'488
Net book value, 31.12.25	2'217	1'145	1'338	2	4'702

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

in TCHF

10. Intangible assets

	Software	Trade marks, patents, licences	Development costs	Assets under construction	Goodwill	Total
Historical cost, 31.12.23	6'124	988	279	0	18'555	25'946
Addition in scope of consolidation	0	0	0	0	0	0
Additions	1'062	82	0	1'609	0	2'753
Disposals	-1'632	-578	0	0	0	-2'210
Reclassifications	0	0	-279	1'500	0	1'221
Currency translation differences	-1	-1	0	2	0	0
Historical cost, 31.12.24	5'553	491	0	3'111	18'555	27'710
Addition in scope of consolidation	407	58	0	0	0	465
Additions	164	17	159	860	0	1'200
Disposals	0	0	0	0	0	0
Reclassifications	-53	-58	3'463	-2'831	0	521
Currency translation differences	0	0	0	0	0	0
Historical cost, 31.12.25	6'071	508	3'622	1'140	18'555	29'896
Accum. amortisations, 31.12.23	-4'669	-880	-279	0	-8'376	-14'204
Addition in scope of consolidation	0	0	0	0	0	0
Amortisations	-1'157	-67	0	0	-1'855	-3'079
Disposals	1'632	578	0	0	0	2'210
Reclassifications	0	0	279	-279	0	0
Currency translation differences	0	0	0	-2	0	-2
Accum. amortisations, 31.12.24	-4'194	-369	0	-281	-10'231	-15'075
Addition in scope of consolidation	0	0	0	0	0	0
Amortisations	-968	-80	-900	0	-4'571	-6'520
Disposals	0	0	0	0	0	0
Reclassifications	0	0	0	0	0	0
Currency translation differences	0	0	0	-1	0	0
Accum. amortisations, 31.12.25	-5'162	-449	-900	-282	-14'802	-21'595
Net book value, 31.12.23	1'455	108	0	0	10'179	11'742
Net book value, 31.12.24	1'359	122	0	2'830	8'324	12'635
Net book value, 31.12.25	909	59	2'722	858	3'753	8'301

During the financial year, the Group fully impaired two goodwill positions at consolidation level, namely goodwill relating to the Bike Evasion asset deal in the amount of CHF 1'821'852.70 and goodwill arising from the merger with Alexand'Ro Edouard'O Passion Vélo Sàrl in the amount of CHF 893'021.00.

The impairment of both goodwill positions was based on a more prudent management assessment regarding the challenging market conditions currently prevailing. At the time of the reassessment, no formal decision had yet been taken regarding a sale, closure or similar structural measures. Nevertheless, management decided to fully impair the goodwill balances as a precautionary measure.

TVS EBIKE COMPANY

11. Other current liabilities

	2025	2024
Other liabilities to government agencies	310	0
Liabilities from employee benefits	1'663	1214
Other current liabilities third parties	31	56
Total	2'004	1'270

12. Financial liabilities

31.12.2025

Residual terms	up to 1 year	Residual terms 1 to 5 years	Residual terms over 5 years	Total
Bank loans ¹⁾	33'002	0	0	33'002
Covid19-loans ²⁾	0	0	0	0
Shareholder loans	51	0	0	51
Total	33'053	0	0	33'053
Current financial liabilities	33'053			

Non-current financial liabilities

31.12.2024

Residual terms	up to 1 year	Residual terms 1 to 5 years	Residual terms over 5 years	Total
Bank loans ¹⁾	0	40'000	0	40'000
Covid19-loans ²⁾	200	1'200	0	1'400
Shareholder loans	0	0	0	0
Total	200	41'200	0	41'400
Current financial liabilities	200			
Non-current financial liabilities			41'200	

¹⁾ Joint guarantee issued to DBS bank for loan facility was dissolved in CY 2025.

²⁾ TVS EBIKE Company AG received a Covid-19 loan of initially TCHF 2'000 as part of the 2nd allocation round of the COVID-19 hardship programme of the Canton of Zurich. These amounts were repaid in full during

13. Employee benefit schemes

According to Swiss GAAP FER 16, the accumulated pension liabilities are as follows:

Economic benefit/economic obligation and pension expenses

	Excess/ insufficient cover as per Swiss GAAP FER 26	Economic benefit/obligation for the company	Change vs. previous year or taken to the income statement in the FY	Contributions limited to the period	Pension expenses in personnel expenses	
	31.12.25	31.12.25	31.12.24		2025	2024
Pension schemes with excess cover	0	0	0	0	-1'190	-681
Total	0	0	0	0	-1'190	-681

There were no employer contribution reserves either on 31 December 2025 or on 31 December 2024.

14. Extraordinary result

	2025	2024
Payment from an insured event	0	-140
Other extraordinary expenses	0	-18
Other extraordinary income	16	0
Total	16	-158

15. Acquisitions

	2025	2024
Cash and cash equivalents	2'818	0
Trade receivables	1'140	0
Other current receivables	180	0
Prepayments to vendors	1'537	0
Inventories	3'506	0
Accrued income and prepaid expenses	117	0
Financial assets	5'540	0
Property, plant and equipment	629	0
Software	407	0
Trade marks, licences and patents	58	0
Current financial liabilities	-4'475	0
Prepayments from clients	-1'480	0
Other current liabilities	-118	0
Accrued liabilities and deferred income	-914	0
Non-current financial liabilities	-7'615	0
Total net assets acquired	1'330	0
Badwill (negative Goodwill)	-1'330	0
Net cash outflow for acquisitions made in respective period	0	0
Acquired cash	-2'818	0
Net cash outflow (+) / inflow (-) from acquisitions	-2'818	0

In 2025, The GO Corporation, a sister company of Swiss E-Mobility Group (Holding) AG under common control, was merged into Swiss E-Mobility Group (Holding) AG by way of absorption. As a result, EGO Movement Stuttgart GmbH became a direct subsidiary of Swiss E-Mobility Group (Holding) AG.

16. Derivative financial instruments

There are no open forward transaction as on 31 December 2025, as well as of 31 December 2024.

17. Off-balance sheet leasing/rental obligations

	2025	2024
up to 1 year	3'701	3'965
1 to 5 years	5'526	9'474
> 5 years	19	569
Total	9'246	14'009

18. Transactions with related parties

Business transactions with related parties are based on customary contractual forms and conditions. All transactions are included in the consolidated financial statements. Business transactions with related parties are based on arm's length conditions. All transactions are reported in the consolidated financial statements.

Transactions with shareholders	2025	2024
Income statement		
Sales	72	529
Purchase	0	541
Other income	2'500	18
Other operating expenses	541	278
Financial expenses	152	596
Total	3'265	1'962
Balance Sheet		
Interest on Loan from parent entity	51	0
Receivables	2'556	312
Payables	43	683
Accrued expenses and deferred income	50	596
Total	2'700	1'591

Entities considered for related party transactions are the following:

1. TVS Motor Company Limited, India - Holding company of Parent entity
2. TVS Motor (Singapore) Pte Limited - Parent entity
3. The Norton Motorcycle Co. Limited – Held by same Parent entity
4. Ebike Company Limited (UK) – Held by same Parent entity
5. TVS Digital Limited – Held by the holding company of parent entity
6. Celerity Motor GmbH – Held by same Parent entity

During the financial year 2025, the Company recognized intercompany revenue of CHF 2.5m vis-à-vis its Indian parent company, which is outside the scope of consolidation, based on an agreement dated 22 December 2025 and the related credit note issued on 29 December 2025. The amount was recognized in revenue. The related receivable was substantially settled in March 2026, with CHF 2.25m received in cash and the remaining CHF 0.25m relating to withholding tax expected to be recovered.

19. Contingent Liabilities

In connection with hardship compensation of CHF 750k granted in prior years, the Zurich Finance Department raised follow-up questions on 31 July 2025. The Company submitted its response on 30 September 2025. As at the reporting date, the outcome of this matter remained open. Based on the information currently available, management considers the likelihood of a repayment to be low. Accordingly, no provision has been recognized. The matter is disclosed as a contingent liability. Total contingent liabilities amount to CHF 774k, consisting of the hardship compensation matter of CHF 750k described above and a rental guarantee of CHF 24k.

20. Subsequent Events

Subsequent to the balance sheet date, the Company carried out a capital increase of CHF 27.1m on 22 April 2026. The capital increase serves to strengthen the Company's equity base and to cover the losses expected for the 2026 financial year.

From the balance sheet date, until the financial statements were approved by the Board of Directors on 23 April 2026, no other major events occurred, which could have adversely affected the validity of the consolidated financial statements for 2025, or which would have to be disclosed.

TVS EBIKE COMPANY

21. Summary of consolidated companies

Company	Head office	Business activity	Capital		Capital share (=voting share)	
			Currency	Amount	31.12.25	31.12.24
TVS EBIKE Company AG	Zürich, CH	Trading	CHF	342'740		
Swiss E-Mobility Group (Schweiz) AG	Zürich, CH	Trading	CHF	1'000'000	0%	100%
TVS EBIKE Company GmbH	Nürnberg, DE	Trading	EUR	25'000	100%	100%
Alexand'Ro Edouard'O Passion Vélo Sàrl	La Chaux-de- Fonds, CH	Trading	CHF	20'000	0%	100%
Swiss E-Mobility Group (Österreich) GmbH	Wien, AT	Trading	EUR	35'000	100%	100%
EGO Movement Deutschland GmbH	Nürnberg, DE	Trading	EUR	25'000	100%	0%

In 2025, the Group carried out a series of mergers. Swiss E-Mobility Group (Schweiz) AG and Alexand'Ro Edouard'O Passion Vélo Sàrl were each merged into Swiss E-Mobility Group (Holding) AG by way of absorption. These two mergers did not affect the scope of consolidation, as both entities were already fully consolidated prior to the mergers.

In addition, The GO Corporation, a sister company of Swiss E-Mobility Group (Holding) AG under common control, was merged into Swiss E-Mobility Group (Holding) AG by way of absorption. As a result, EGO Movement Stuttgart GmbH became a direct subsidiary of Swiss E-Mobility Group (Holding) AG and is fully consolidated as of 2025. This transaction expanded the scope of consolidation to include The GO Corporation and EGO Movement Stuttgart GmbH.

In 2025, Swiss E-Mobility Group (Holding) AG and Colag E-Mobility GmbH were renamed TVS EBIKE Company AG and TVS EBIKE Company GmbH, respectively.

Report to the Statutory Auditor to the General Meeting of TVS EBIKE Company AG, Zürich

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the consolidated financial statements of TVS EBIKE Company AG (the Company) and its subsidiaries (the Group), which comprise the consolidated statement of financial position as at December 31, 2025, the consolidated statement of income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at 31 December 2025 and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with Swiss GAAP FER and comply with Swiss law.

Basis for Opinion

We conducted our audit in accordance with Swiss law and Swiss Standards on Auditing (SA-CH). Our responsibilities under those provisions and standards are further described in the "Auditor's Responsibilities for the Audit of the Consolidated Financial Statements" section of our report. We are independent of the Group in accordance with the provisions of Swiss law and the requirements of the Swiss audit profession, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other Information

The Board of Directors is responsible for the other information. The other information comprises the information included in the annual report, but does not include the consolidated financial statements, the stand-alone financial statements and our auditor's reports thereon.

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

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Board of Directors' Responsibilities for the Consolidated Financial Statements

The Board of Directors is responsible for the preparation of the consolidated financial statements, which give a true and fair view in accordance with Swiss GAAP FER and the provisions of Swiss

law, and for such internal control as the Board of Directors determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, the Board of Directors is responsible for assessing the Group'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 intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

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

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

A further description of our responsibilities for the audit of the consolidated financial statements is located on EXPERTSuisse's website at: <https://www.expertsuisse.ch/en/audit-report>. This description forms an integral part of our report.

Report on Other Legal and Regulatory Requirements

In accordance with art. 728a para. 1 item 3 CO and PS-CH 890, we confirm that an internal control system exists, which has been designed for the preparation of consolidated financial statements according to the instructions of the Board of Directors.

We recommend that the consolidated financial statements submitted to you be approved.

Ostschweizerische Treuhand Zürich AG

P. Bhend	S. Sousa Villar
Licensed Audit Expert	Licensed Audit Expert
Auditor in charge	

Zurich, April 23, 2026

Enclosures:

- Consolidated Financial Statements (Balance Sheet, Income Statement, Cashflow Statement, Statement of Changes in Equity, Notes)

**RE-STATED ACCOUNTS OF
TVS EBIKE COMPANY**

BALANCE SHEET AS AT 31ST MARCH 2026

	Notes	CHF in Mn.	Rupees in crores
ASSETS			
Non-current assets			
Property, plant and equipment	1	2.84	33.68
Capital work-in-progress		2.81	33.35
Other Intangible assets	1	3.22	38.16
Goodwill		2.43	28.77
		<u>11.30</u>	<u>133.96</u>
Current assets			
Inventories	2	28.86	342.17
Financial assets			
i. Trade receivables	3	3.07	36.44
ii. Cash and cash equivalents	4	5.16	61.22
Other current assets	5	4.00	47.45
		<u>41.09</u>	<u>487.28</u>
Total assets		<u>52.39</u>	<u>621.24</u>
EQUITY AND LIABILITIES			
Equity			
Equity share capital	6	0.34	3.26
Other equity	7	0.15	2.50
		<u>0.49</u>	<u>5.76</u>
Liabilities			
Current liabilities			
Financial liabilities			
i. Borrowings	8	13.90	164.81
ii. Trade payables	9		
a. Total outstanding dues of micro and small enterprises		-	-
b. Total outstanding dues of other than (ii) (a) above		38.00	450.67
		<u>51.90</u>	<u>615.48</u>
Total liabilities		<u>51.90</u>	<u>615.48</u>
Total equity and liabilities		<u>52.39</u>	<u>621.24</u>

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH 2026

	Notes	CHF in Mn.	Rupees in crores
I Revenue from operations	10	54.23	598.19
II Other income	11	2.84	31.31
III Total Income (I +II)		<u>57.07</u>	<u>629.50</u>
IV Expenses:			
Purchases of stock-in-trade		37.05	480.14
Changes in inventories of Stock-in -trade		6.56	0.82
Employee benefits expense	12	18.77	207.13
Finance costs	13	1.09	11.99
Depreciation and amortisation expense	14	8.80	97.06
Other expenses	15	20.00	220.65
Total expenses		<u>92.27</u>	<u>1,017.79</u>
V Profit before exceptional items (III - IV)		(35.20)	(388.29)
VI Exceptional items		-	-
VII Profit before tax (V+ VI)		<u>(35.20)</u>	<u>(388.29)</u>
VIII Tax expense			
i. Current tax		0.27	2.96
ii. Deferred tax		3.94	43.46
Total Tax expense		<u>4.21</u>	<u>46.42</u>
IX Profit for the year (VII - VIII)		<u>(39.41)</u>	<u>(434.71)</u>
X Other Comprehensive Income			
A. Items that will not be reclassified to profit or loss		-	-
B. Items that will be reclassified to profit or loss			
Foreign currency translation adjustments		0.55	32.55
Other comprehensive income for the year, net of tax		<u>0.55</u>	<u>32.55</u>
XI Total Comprehensive Income (IX + X)		<u>(38.86)</u>	<u>(402.16)</u>
XII Earnings per equity share (Face value of CHF .01/- each)			
Basic & Diluted earnings per share (in CHF/ in rupees)		<u>(114.99)</u>	<u>(12,683.38)</u>

TVS EBIKE COMPANY

Notes on Accounts

1 PROPERTY, PLANT & EQUIPMENT AND INTANGIBLE ASSETS AS AT 31.03.2026

GBP in Mn.

Description	Property, Plant & Equipment					Intangible Assets			
	Plant & equipments	Furniture and fixtures	Vehicles	Office equipment	Total	Software	Trade marks, patents, licences	Design Development	Total
Cost of assets									
Gross carrying value as at 01-04-2025	5.46	3.19	0.10	-	8.74	4.68	0.24	2.92	7.84
Additions during the year	0.71	-	-	-	0.71	0.84	0.05	0.83	1.72
Sub-total	6.16	3.19	0.10	-	9.45	5.52	0.29	3.75	9.56
Sales / deletion	1.30	0.56	0.04		1.90	-	-	-	-
Total	4.86	2.63	0.06	-	7.55	5.52	0.29	3.75	9.56
Depreciation / Amortisation									
Upto 31-03-2025	2.42	1.07	0.09	-	3.58	3.48	0.14	0.15	3.77
For the year	0.99	0.73	0.01	-	1.73	1.32	0.08	1.17	2.57
Sub-total	3.41	1.80	0.10	-	5.31	4.80	0.22	1.32	6.34
Withdrawn on assets sold / deleted	-	0.56	0.04	-	0.60	-	-	-	-
Total	3.41	1.24	0.06	-	4.71	4.80	0.22	1.32	6.34
Carrying value									
As at 31-03-2026	1.45	1.39	-	-	2.84	0.72	0.07	2.43	3.22

1 PROPERTY, PLANT & EQUIPMENT AND INTANGIBLE ASSETS AS AT 31.03.2026 - (continued)

Rupees in crores

Description	Property, Plant & Equipment					Intangible Assets			
	Plant & equipments	Furniture and fixtures	Vehicles	Office equipment	Total	Software	Trade marks, patents, licences	Design Development	Total
Cost of assets									
Gross carrying value as at 01-04-2025	52.85	30.85	0.97	-	84.67	45.32	2.32	28.28	75.92
Additions	8.39	-	-	-	8.39	9.96	0.58	9.87	20.41
Foreign Currency translation reserve difference	11.86	6.92	0.22	-	18.99	10.17	0.52	6.34	17.03
Sales / deletion	15.41	6.64	0.47	-	22.53	-	-	-	-
Sub-total	73.09	37.77	1.19	-	112.05	65.45	3.43	44.49	113.37
Total	57.67	31.14	0.71	-	89.52	65.45	3.43	44.49	113.37
Depreciation / Amortisation									
Upto 31-03-2025	23.44	10.36	0.87	-	34.67	33.73	1.36	1.45	36.54
For the year	10.92	8.05	0.11	-	19.08	14.56	0.88	12.90	28.35
Foreign Currency translation reserve difference	6.08	2.47	0.17	-	8.71	8.66	0.37	1.29	10.32
Withdrawn on assets sold / deleted	-	6.18	0.44	-	6.62	-	-	-	-
Sub-total	40.43	27.06	1.59	-	62.46	56.95	2.61	15.65	75.21
Total	40.43	14.70	0.71	-	55.84	56.95	2.61	15.65	75.21
Carrying value									
As at 31-03-2026	17.24	16.43	-	-	33.68	8.50	0.82	28.84	38.16

TVS EBIKE COMPANY

Notes on accounts - (continued)

		As at 31-03-2026		For the Year Ended 31-03-2026	
		CHF in Mn.	Rupees in crores	CHF in Mn.	Rupees in crores
2	Inventories				
	Stock in trade	28.86	342.17		
		<u>28.86</u>	<u>342.17</u>		
3	Trade Receivables			<u>54.23</u>	<u>598.19</u>
	Unsecured, considered good	3.07	36.44		
		<u>3.07</u>	<u>36.44</u>		
4	Cash and Cash Equivalents			<u>2.84</u>	<u>31.31</u>
	Cash equivalents	5.16	61.22		
		<u>5.16</u>	<u>61.22</u>		
5	Other Current Assets				
	Vendor advance	1.93	22.91		
	Prepaid expenses	0.04	0.44		
	Other Current Receivables	2.03	24.10		
		<u>4.00</u>	<u>47.45</u>	<u>18.77</u>	<u>207.13</u>
6	Equity Share Capital			<u>1.09</u>	<u>11.99</u>
	Issued, subscribed and fully paid up:				
	3,42,740 Ordinary shares of CHF 0.01 each	0.34	3.26		
		<u>0.34</u>	<u>3.26</u>		
7	Other Equity				
	Retained earnings	(76.14)	(775.79)		
	Capital reserve	75.74	745.74		
	Foreign currency translation reserve	0.55	32.55		
		<u>0.15</u>	<u>2.50</u>		
8	Financial Liabilities - Borrowings (Current)			<u>20.00</u>	<u>220.65</u>
	Short term loans from others (Unsecured)	<u>13.90</u>	<u>164.81</u>		
9	Trade Payables				
	Dues to Micro and Small Enterprises**	-	-		
	Dues to enterprises other than Micro and Small Enterprises	38.00	450.67		
		<u>38.00</u>	<u>450.67</u>		
10	Revenue from Operations				
	Sale of Product			51.34	566.27
	Sale of service			2.89	31.92
				<u>54.23</u>	<u>598.19</u>
11	Other Income				
	Other non operating income			2.84	31.31
				<u>2.84</u>	<u>31.31</u>
12	Employee Benefits Expense				
	Salaries, wages and bonus			15.05	166.04
	Contribution to provident and other funds			2.77	30.57
	Staff welfare expenses			0.95	10.52
				<u>18.77</u>	<u>207.13</u>
13	Finance Cost				
	Finance cost			1.09	11.99
				<u>1.09</u>	<u>11.99</u>
14	Depreciation and amortisation expense				
	Depreciation on property plant and equipment			8.80	97.06
				<u>8.80</u>	<u>97.06</u>
15	Other Expenses				
	(a) Rent			4.97	54.86
	(b) Other marketing expenses			3.09	34.10
	(c) Miscellaneous expenses			11.94	131.69
				<u>20.00</u>	<u>220.65</u>

** Dues to Micro and Small Enterprises have been determined to the extent such parties have been identified on the basis of information received by the management.

TVS EBIKE COMPANY LIMITED (FORMERLY KNOWN AS EBCO LIMITED)

REPORT OF THE DIRECTOR FOR THE YEAR ENDED 31 MARCH 2026

The directors present their report with the financial statements of the company for the year ended 31 March 2026.

CHANGE OF NAME

The company passed a special resolution on 12 August 2025 changing its name from EBCO Limited to TVS EBIKE Company Limited.

PRINCIPAL ACTIVITY

The principal activity of the company in the year under review was that of buying and selling of electric bikes.

REVIEW OF BUSINESS

TVS EBIKE Company provides mobility solutions through E-Bikes, across the Adventure, Urban and City bike segments. The Company offers quality products at affordable pricing through its network of retail partners.

The sales for FY 2026 are impacted by the overall market conditions and excess inventory in the industry.

With its actions on reducing inventory, the introduction of new products and adding retail partners, TVS EBIKE Company is well placed to capture additional market share in FY 2027.

DIRECTORS

The directors shown below have held office during the whole of the period from 1 April 2025 to the date of this report.

SM Mishra

R Ramanathan

DB Kataria

DIRECTORS' RESPONSIBILITIES STATEMENT

The directors are responsible for preparing the Report of the Directors and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United

Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Accordingly, the directors are satisfied that the company remains a going concern and have continued to adopt the going concern assumption in preparing these financial statements.

STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS

So far as the directors are aware, there is no relevant audit information (as defined by Section 418 of the Companies Act 2006) of which the company's auditors are unaware, and each director has taken all the steps that he ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that the company's auditors are aware of that information.

This report has been prepared in accordance with the provisions of Part 15 of the Companies Act 2006 relating to small companies.

ON BEHALF OF THE BOARD:

R RAMANATHAN

Director

24th April 2026

TVS EBIKE COMPANY LIMITED (FORMERLY KNOWN AS EBCO LIMITED)

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF EBCO LIMITED

Opinion

We have audited the financial statements of TVS EBike Company Limited (the 'company') for the year ended 31 March 2026 which comprise the Income Statement, Balance Sheet and Notes to the Financial Statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 March 2026 and of its loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law.

Our responsibilities under those standards are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

Other information

The directors are responsible for the other information. The other information comprises the information in the Report of the Directors, but does not include the financial statements and our Report of the Auditors thereon.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

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

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Report of the Directors for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Report of the Directors has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the Report of the Directors.

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the directors were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemption from the requirement to prepare a Strategic Report or in preparing the Report of the Directors.

Responsibilities of directors

As explained more fully in the Directors' Responsibilities Statement set out on page two, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are 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 directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditors' responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue a Report of the Auditors that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) 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 financial statements.

The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

- Auditing the risk of management override of controls, including through testing journal entries and other adjustments for appropriateness; and
- Enquiry of management to identify any instances of non-compliance with laws and regulations.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at www.frc.org.uk/auditorsresponsibilities. This description forms part of our Report of the Auditors.

Use of our report

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in a Report of the Auditors and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Mark Ashfield BA FCA
(Senior Statutory Auditor) for and on behalf of H B & O Limited
Chartered Accountants and Statutory Auditor
Highdown House
11 Highdown Road
Leamington Spa
Warwickshire
CV31 1XT
28 April 2026

TVS EBIKE COMPANY LIMITED (FORMERLY KNOWN AS EBCO LIMITED)

INCOME STATEMENT FOR THE YEAR ENDED 31 MARCH 2026

		2026	2025
	Notes	£	£
TURNOVER		1,072,366	1,128,268
Cost of sales		<u>1,607,661</u>	<u>1,509,943</u>
GROSS LOSS		(535,295)	(381,675)
Administrative expenses		<u>770,775</u>	<u>976,473</u>
		(1,306,070)	(1,358,148)
Other operating income		<u>128,676</u>	<u>16,636</u>
OPERATING LOSS	4	(1,177,394)	(1,341,512)
Interest payable and similar expenses		<u>75,363</u>	<u>252,448</u>
LOSS BEFORE TAXATION		(1,252,757)	(1,593,960)
Tax on loss		<u>-</u>	<u>-</u>
LOSS FOR THE FINANCIAL YEAR		(1,252,757)	(1,593,960)

BALANCE SHEET AS AT 31 MARCH 2026

	Notes	2026		2025	
		£	£	£	£
FIXED ASSETS					
Intangible assets	5		28,732		44,270
Tangible assets	6		<u>-</u>		<u>5,715</u>
			28,732		49,985
CURRENT ASSETS					
Stocks	7	227,692		1,284,230	
Debtors	8	470,414		408,175	
Cash at bank and in hand		<u>275,292</u>		250	
			973,398		1,692,655
CREDITORS					
Amounts falling due within one year	9	175,930		1,913,683	
NET CURRENT ASSETS/ (LIABILITIES)			797,468		(221,028)
TOTAL ASSETS LESS CURRENT LIABILITIES			826,200		(171,043)
CAPITAL AND RESERVES					
Called up share capital	11		3,145		2,020
Share premium	12		6,306,925		4,058,050
Retained earnings	12		<u>(5,483,870)</u>		<u>(4,231,113)</u>
			826,200		(171,043)

The financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime.

The financial statements were approved by the Board of Directors and authorised for issue on 24 April 2026 and were

signed on its behalf by:

R. Ramanathan
Director
Company Registration No. 07176978

TVS EBIKE COMPANY LIMITED (FORMERLY KNOWN AS EBCO LIMITED)

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2025

1. STATUTORY INFORMATION

TVS EBIKE Company Limited is a private company, limited by shares, registered in England and Wales. The company's registered number and registered office address can be found on the Company Information page.

The presentation currency of the financial statements is the Pound Sterling (£).

2. ACCOUNTING POLICIES

Basis of preparing the financial statements

These financial statements have been prepared in accordance with Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' including the provisions of Section 1A 'Small Entities' and the Companies Act 2006. The financial statements have been prepared under the historical cost convention.

The accounts have been prepared in accordance with applicable accounting standards. The principal accounting policies adopted in the preparation of the financial statements are set out below and have remained unchanged from the previous year.

Going concern

The company has once again made significant losses in the current financial year as it has been selling old stock to accommodate future sales of a new bike range that is being launched. At the balance sheet date the company had net current assets of £797,468 (2025 - net current liabilities of £221,028) and total net assets of £826,200 (2025 - total net liabilities of £171,043).

Management have prepared cashflow forecasts and undertaken a review of the future financing requirements on the basis of both the expected further investment required into the next financial year as well as for ongoing operations of the company. Management are satisfied that sufficient cash facilities have been secured from its bankers and from the parent company to meet its working capital requirements for at least 12 months following the date of approval of these financial statements.

The parent company has expressed its willingness to continue to support the company with working capital as and when required. The directors and shareholders are therefore both confident that the company has adequate resources and working capital to continue in operational existence for the foreseeable future to meet its ongoing liabilities.

The financial statements have therefore been prepared on the going concern basis.

Related party exemption

The company has taken advantage of exemption, under the terms of Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', not to disclose related party transactions with wholly owned subsidiaries within the group.

Turnover

Turnover is recognised at the fair value of the consideration received or receivable for goods and services provided in the normal course of business, and is shown net of VAT and other sales related taxes.

Revenue from the sale of goods is recognised when the significant risks and rewards of ownership of the goods have passed to the buyer (usually on dispatch of the goods), the amount of revenue can be measured reliably, it is probable that the economic benefits associated with the transaction will flow to the entity and the costs incurred or to be incurred in respect of the transaction can be measured reliably.

Goodwill

Goodwill is the difference between amounts paid on the acquisition of the trade and assets of a business and the fair value of the identifiable assets and liabilities acquired. For each acquisition, its goodwill is amortised to the profit and loss account over its estimated economic life of five years.

Intangible assets

Intangible assets are recognised at the acquisition date where it is probable that the expected future economic benefits that are attributable to the asset will flow to the entity and the initial cost can be measured reliably.

Intangible assets are initially measured at cost. After initial recognition, intangible assets are measured at cost less any accumulated amortisation and any accumulated impairment losses.

Website, trademarks, and branding are being amortised evenly over their estimated useful life of five years.

Tangible fixed assets

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life.

Plant & machinery - 15% on reducing balance

Fixtures & fittings - 33% on cost

Office equipment - 33% on cost

Stocks

Stocks are valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving items.

Goods in transit

Amounts are recognised as part of goods in transit when the risks and rewards of the stock have transferred and the goods have been shipped but not yet delivered.

At each reporting date, an assessment is made for stock impairment and obsolescence as well as estimated warranty provisions:

Impairment

Any excess of the carrying amount of stocks over its estimated selling price less costs to complete and sell is recognised as an impairment loss in profit and loss. Reversals of impairment losses are also recognised in profit or loss.

Warranty provisions

A provision of estimated future parts to be supplied under the standard two year bike warranties will be made at the reporting date each year, based upon a percentage of sales. Any such warranty provision will be recognised in profit and loss. Reversals of warranty provisions are also recognised in profit or loss.

Stock obsolescence provisions

At each balance sheet date the directors assess stock for obsolescence, with any such provision being calculated based upon an estimate of the remaining life of the stock held at the balance sheet date. Any provision of stock obsolescence will be recognised in profit or loss.

Financial instruments

Loans and borrowings are initially recognised at the transaction price including transaction costs. Subsequently, they are measured at amortised cost using the effective interest rate method, less impairment.

Debtors and creditors with no stated interest rate and receivable or payable within one year are recorded at transaction price. Any losses arising from impairment are recognised in the income statement.

Taxation

Taxation for the year comprises current and deferred tax. Tax is recognised in the Income Statement, except to the extent that it relates to items recognised in other comprehensive income or directly in equity.

Current or deferred taxation assets and liabilities are not discounted.

Current tax is recognised at the amount of tax payable using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

Deferred tax

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date.

Timing differences arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in financial statements. Deferred tax is measured using tax rates and laws that have been enacted or substantively enacted by the year end and that are expected to apply to the reversal of the timing difference.

Unrelieved tax losses and other deferred tax assets are recognised only to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

Foreign currencies

Assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are translated into sterling at the rate of exchange ruling at the date of transaction. Exchange differences are taken into account in arriving at the operating result.

Pension costs and other post-retirement benefits

The company operates a defined contribution pension scheme. Contributions payable to the company's pension scheme are charged to profit or loss in the period to which they relate.

TVS EBIKE COMPANY LIMITED (FORMERLY KNOWN AS EBCO LIMITED)

NOTES TO THE FINANCIAL STATEMENTS - 31 MARCH 2026 (Continued)

3. EMPLOYEES AND DIRECTORS

The average number of employees during the year was 7 (2025 - 8).

4. OPERATING LOSS

The operating loss is stated after charging:

	2026	2025
	£	£
Depreciation - owned assets	5,715	5,311
Website, trademarks and branding amortisation	15,538	15,684
Auditors' remuneration	12,000	11,000

5. INTANGIBLE FIXED ASSETS

	Goodwill £	Website, trademarks and branding £	Totals £
COST			
At 1 April 2025 and 31 March 2026	25,000	114,412	139,412
AMORTISATION			
At 1 April 2025	25,000	70,142	95,142
Amortisation for year	-	15,538	15,538
At 31 March 2026	25,000	85,680	110,680
NET BOOK VALUE			
At 31 March 2026	-	28,732	28,732
At 31 March 2025	-	44,270	44,270

6. TANGIBLE FIXED ASSETS

	Plant & machinery £	Fixtures & fittings £	Office equipment £	Totals £
COST				
At 1 April 2025 and 31 March 2026	15,000	3,064	19,135	37,199
DEPRECIATION				
At 1 April 2025	9,818	3,064	18,602	31,484
Charge for year	5,182	-	533	5,715
At 31 March 2026	15,000	3,064	19,135	37,199
NET BOOK VALUE				
At 31 March 2026	-	-	-	-
At 31 March 2025	5,182	-	533	5,715

TVS EBIKE COMPANY LIMITED (FORMERLY KNOWN AS EBCO LIMITED)

NOTES TO THE FINANCIAL STATEMENTS - 31 MARCH 2026 (Continued)

	2026	2025
	£	£
7. STOCKS		
Raw materials	15,686	18,044
Finished goods	212,006	1,266,186
	<u>227,692</u>	<u>1,284,230</u>

8. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

Trade debtors	227,492	335,364
Amounts owed by related parties	153,846	-
Other debtors	89,076	72,811
	<u>470,414</u>	<u>408,175</u>

9. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

Bank loans and overdrafts	-	1,369,756
Trade creditors	13,313	335,185
Amounts owed to related parties	69,815	1,930
Taxation and social security	65,298	56,968
Other creditors	27,504	149,844
	<u>175,930</u>	<u>1,913,683</u>

10. SECURED DEBTS

The following secured debts are included within creditors:

Bank overdrafts	-	1,369,756
Invoice factoring	-	254,430
	<u>-</u>	<u>1,624,186</u>

The invoice factoring liability within creditors above, is secured by a fixed and floating charge over the undertaking and all property and assets present and future, including goodwill, book debts, uncalled capital, buildings, fixtures, fixed plant and machinery.

11. CALLED UP SHARE CAPITAL

On 04 August 2025, there was an allotment of 125 Ordinary £1 shares, paid at a premium of £1,999 per share. The shares were issued to the TVS Motor (Singapore) Pte Ltd, and thus maintain 100% ownership.

On 12 February 2026, there was an allotment of a further 1000 Ordinary £1 shares, paid at a premium of £1,999 per share. The shares were issued to the TVS Motor (Singapore) Pte Ltd, and thus maintain 100% ownership.

12. RESERVES

	Retained earnings	Share premium	Totals
	£	£	£
At 1 April 2025	(4,231,113)	4,058,050	(173,063)
Deficit for the year	(1,252,757)	-	(1,252,757)
Cash share issue	-	2,248,875	2,248,875
	<u>(5,483,870)</u>	<u>6,306,925</u>	<u>823,055</u>

Retained earnings

Retained earnings represent cumulative retained profits and losses from incorporation.

This balance represents the excess paid over the nominal value of the share capital of the company upon issuing the ordinary shares.

13. PENSION COMMITMENTS

The company operates defined contribution pension schemes in respect of certain employees. The schemes and their assets are held by independent managers. Contributions payable by the company to the pension scheme for the year amounted to £8,742 (2025 - £11,552).

The outstanding pension contributions due from the company and amounted to £1,608 (2025 - £2,000).

14. ULTIMATE CONTROLLING PARTY

The Company is 100% owned by TVS Motor (Singapore) Pte Ltd, a company incorporated in Singapore.

The ultimate parent company is TVS Motor Company Limited, a listed company incorporated in India. This company is the parent of the smallest group for which consolidated accounts are drawn up of which the company is a member. The registered office is Chaitanya No. 12, Khader Nawaz Khan Road, Nungambakkam, Chennai 600006, Tamil Nadu, India.

TVS EBIKE COMPANY LIMITED (FORMERLY KNOWN AS EBCO LIMITED)

NOTES TO THE FINANCIAL STATEMENTS - 31 MARCH 2026 (Continued)

TRADING AND PROFIT AND LOSS ACCOUNT for the year ended 31 March 2026

	2026		2025	
	£	£	£	£
Sales		1,072,366		1,128,268
Cost of sales				
Opening stock	1,284,230		2,769,583	
Purchases	567,250		13,573	
Forex (gains)/losses	(16,125)		11,017	
	<u>1,835,355</u>		<u>2,794,173</u>	
Closing stock	(227,694)		(1,284,230)	
		<u>1,607,661</u>		<u>1,509,943</u>
GROSS LOSS		(535,295)		381,675
Other income				
Sundry receipts		<u>128,676</u>		<u>16,636</u>
		(406,619)		(365,039)
Expenditure				
Wages	374,886		500,776	
Social security	53,031		63,608	
Pensions	8,742		11,552	
Rent	32,791		93,393	
Rates and water	1,052		7,058	
Insurance	64,429		60,095	
Light and heat	64		65	
Telephone	1,898		3,065	
Post and stationery	1,863		2,536	
Travelling	49,429		60,540	
Motor expenses	12,279		20,563	
Repairs and renewals	1,176		426	
Factoring charges	7,465		28,308	
Computer costs	5,207		6,229	
Sundry expenses	1,831		3,911	
Accountancy	7,504		11,390	
Subscriptions	1,384		1,590	
Late payment penalties	-		125	
Legal and professional fees	7,410		6,308	
Auditors' remuneration	12,000		11,000	
Amortisation of intangible fixed assets Website, trademarks and branding	15,538		15,684	
Advertising	48,616		55,637	
Entertainment	653		357	
Bad debts	<u>50,000</u>		<u>-</u>	
		<u>759,248</u>		<u>964,216</u>
Carried forward		(1,165,867)		(1,329,255)

This page does not form part of the statutory financial statements

TVS EBIKE COMPANY LIMITED (FORMERLY KNOWN AS EBCO LIMITED)

NOTES TO THE FINANCIAL STATEMENTS - 31 MARCH 2026 (Continued)

	2026		2025	
	£	£	£	£
Brought forward		(1,165,867)		(1,329,255)
Finance costs				
Bank charges	3,846		6,260	
Credit card	1,966		686	
Bank interest	75,363		144,731	
Other interest	-		107,717	
		81,175		259,394
		(1,247,042)		(1,588,649)
Depreciation				
Plant and machinery	5,182		1,002	
Computer equipment	533		4,309	
		5,715		5,311
NET LOSS		(1,252,757)		(1,593,960)

This page does not form part of the statutory financial statements

**RE-STATED ACCOUNTS OF
EBCO LIMITED**

TVS EBIKE COMPANY LIMITED (FORMERLY KNOWN AS EBCO LIMITED)

BALANCE SHEET AS AT 31ST MARCH 2026

	Notes	GBP in Mn.	Rupees in crores
ASSETS			
Non-current assets			
Intangible assets	1	0.03	0.36
		0.03	0.36
Current assets			
Inventories	2	0.18	2.23
Financial assets			
i. Trade receivables	3	0.43	5.41
ii. Cash and cash equivalents	4	0.28	3.46
Other current assets	5	0.02	0.31
		0.91	11.41
		0.94	11.77
Total Assets		0.94	11.77
EQUITY AND LIABILITIES			
Equity			
Equity share capital	6	-	0.03
Other equity	7	0.83	10.34
		0.83	10.37
Liabilities			
Current liabilities			
Financial liabilities			
Trade payables	8	-	-
a. Total outstanding dues of micro and small enterprises		-	-
b. Total outstanding dues of other than (a) above		0.09	1.14
Other current liabilities	9	0.02	0.26
		0.11	1.40
Total liabilities		0.11	1.40
Total equity and liabilities		0.94	11.77

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH 2026

	Notes	GBP in Mn.	Rupees in crores
I Revenue from operations	10	1.09	12.95
II Other income	11	0.11	1.29
III Total Income (I + II)		1.20	14.24
IV Expenses:			
Purchases of stock-in-trade		0.35	5.18
Changes in inventories of Stock-in-trade		1.10	11.99
Employee benefits expense	12	0.44	5.17
Finance costs	13	0.08	0.89
Depreciation and amortisation expense	14	0.03	0.25
Other expenses	15	0.45	5.59
Total expenses		2.45	29.07
V Profit before exceptional items (III - IV)		(1.25)	(14.83)
VI Exceptional items		-	-
VII Profit before tax (V+ VI)		(1.25)	(14.83)
VIII Tax expense			
i. Current tax		-	-
ii. Deferred tax		-	-
Total Tax expense		-	-
IX Profit for the year (VII - VIII)		(1.25)	(14.83)
IX Profit for the year (VII - VIII)		(1.59)	(17.18)
X Other Comprehensive Income			
A. Items that will not be reclassified to profit or loss		-	-
B. Items that will be reclassified to profit or loss			
Foreign currency translation adjustments		-	(0.81)
Other comprehensive income for the year, net of tax		-	(0.81)
XI Total Comprehensive Income (IX + X)		(1.25)	(15.64)
XII Earnings per equity share (Face value of GBP 1/- each)			
Basic & Diluted earnings per share (in GBP/ in rupees)		(397.46)	(47,154.21)

TVS EBIKE COMPANY LIMITED (FORMERLY KNOWN AS EBCO LIMITED)

Notes on Accounts

1 PROPERTY, PLANT & EQUIPMENT AND INTANGIBLE ASSETS AS AT 31.03.2026

GBP in Mn.

Description	Property, Plant & Equipment				Intangible Assets		
	Plant & equipments	Furniture and fixtures	Office Equipment	Total	Website	Trade marks	Total
Cost of assets							
Gross carrying value as at 01-04-2025	0.02	0.00	0.02	0.04	0.09	0.01	0.11
Additions	-	-	-	-	-	-	-
Sub-total	0.02	0.00	0.02	0.04	0.09	0.01	0.11
Sales / deletion	-	-	-	-	-	-	-
Total	0.02	0.00	0.02	0.04	0.09	0.01	0.11
Depreciation / Amortisation							
Upto 31-03-2025	0.01	0.00	0.02	0.03	0.05	0.01	0.06
For the year	0.01	-	0.00	0.01	0.01	0.00	0.02
Sub-total	0.01	0.00	0.02	0.04	0.07	0.01	0.08
Withdrawn on assets sold / deleted	-	-	-	-	-	-	-
Total	0.01	0.00	0.02	0.04	0.07	0.01	0.08
Carrying value							
As at 31-03-2026	0.00	0.00	0.00	0.00	0.03	0.00	0.03

1 PROPERTY, PLANT & EQUIPMENT AND INTANGIBLE ASSETS AS AT 31.03.2026 - (continued)

Rupees in crores

Description	Property, Plant & Equipment				Intangible Assets		
	Plant & equipments	Furniture and fixtures	Office Equipment	Total	Website	Trade marks	Total
Cost of assets							
Gross carrying value as at 01-04-2025	0.16	0.03	0.21	0.40	0.99	0.15	1.14
Additions	-	-	-	-	-	-	-
Foreign Currency translation reserve difference	0.03	0.01	0.03	0.07	0.16	0.02	0.19
Sales / deletion	-	-	-	-	-	-	-
Sub-total	0.19	0.04	0.24	0.47	1.16	0.17	1.33
Total	0.19	0.04	0.25	0.47	1.16	0.17	1.33
Depreciation / Amortisation							
Upto 31-03-2025	0.11	0.03	0.20	0.34	0.54	0.11	0.65
For the year	0.06	-	0.00	0.06	0.16	0.02	0.18
Foreign Currency translation reserve difference	0.02	0.01	0.04	0.07	0.11	0.02	0.14
Withdrawn on assets sold / deleted	-	-	-	-	-	-	-
Sub-total	0.19	0.04	0.25	0.47	0.82	0.15	0.97
Total	0.19	0.04	0.25	0.47	0.82	0.15	0.97
Carrying value							
As at 31-03-2026	0.00	0.00	0.00	0.00	0.34	0.02	0.36

TVS EBIKE COMPANY LIMITED (FORMERLY KNOWN AS EBCO LIMITED)

Notes on accounts - (continued)

		As at 31-03-2026				For the Year Ended 31-03-2026	
		GBP in Mn.	Rupees in crores			GBP in Mn.	Rupees in crores
2	Inventories			10	REVENUE FROM OPERATIONS		
	Stock in trade	0.18	2.23		Sale of Product	1.09	12.95
		<u>0.18</u>	<u>2.23</u>			<u>1.09</u>	<u>12.95</u>
3	Trade Receivables			11	OTHER INCOME		
	Unsecured, considered good	0.43	5.41		Other non operating income	0.11	1.29
		<u>0.43</u>	<u>5.41</u>			<u>0.11</u>	<u>1.29</u>
4	Cash and Cash Equivalents			12	EMPLOYEE BENEFITS EXPENSE		
	Balances with banks in current accounts	0.28	3.46		Salaries, wages and bonus	0.43	5.07
		<u>0.28</u>	<u>3.46</u>		Pension Cost	0.01	0.10
					Social Security Cost	-	-
5	Other Current Assets					<u>0.44</u>	<u>5.17</u>
	Prepaid expenses	0.02	0.31	13	FINANCE COST		
		<u>0.02</u>	<u>0.31</u>		Finance cost	0.08	0.89
6	Equity Share Capital					<u>0.08</u>	<u>0.89</u>
	Issued, subscribed and fully paid up: 3145 Ordinary shares of GBP 1 each	-	0.03	14	DEPRECIATION AND AMORTISATION EXPENSE		
		<u>-</u>	<u>0.03</u>		Depreciation on property plant and equipment	0.01	0.07
					Amortisation on intangible assets	0.02	0.18
7	Other Equity					<u>0.03</u>	<u>0.25</u>
	Retained earnings	(5.48)	(58.70)	15	OTHER EXPENSES		
	Capital reserve	6.31	73.19		(a) Bank Charges	-	0.05
	Foreign currency translation reserve	-	(4.15)		(b) Rent	0.01	0.06
		<u>0.83</u>	<u>10.34</u>		(c) Insurance	0.06	0.76
8	Trade Payables				(d) Advertisement and Publicity	0.05	0.60
	Dues to Micro and Small Enterprises**	-	-		(e) Miscellaneous expenses	0.33	4.12
	Dues to enterprises other than Micro and Small Enterprises	0.09	1.14			<u>0.45</u>	<u>5.59</u>
		<u>0.09</u>	<u>1.14</u>				
** Dues to Micro and Small Enterprises have been determined to the extent such parties have been identified on the basis of information received by the management.							
9	Other Current Liabilities						
	Taxation & Social Security	0.20	0.26				
			<u>0.19</u>				
		<u>0.02</u>	<u>0.26</u>				

BALANCE SHEET

	<i>in EUROs</i>	
Particulars	As at 31.03.2026	As at 31.03.2025
ASSETS		
Non-current assets		
Property, plant and equipment	2,93,472.98	7,72,798.49
Exhibition models	28,894.23	4,79,755.30
Other intangible assets	21,69,089.31	24,77,201.51
Less : Accumulated Depreciation	-	-10,04,230.01
Total		
Financial assets		
i. Investments	-	-
ii. Other financial assets	-	-
Other non-current assets	-	-
Total non-current assets	24,91,456.52	27,25,525.29
Current assets		
Financial assets		
i. Trade receivables	8,53,863.07	7,48,874.55
ii. Cash and cash equivalents	4,82,140.26	4,78,687.70
iii. Bank balances other than (ii) above	-	-
iv. Investments	-	-
v. Other financial assets	-	-
Current tax assets (Net)	-	-
Other current assets	1,09,092.65	12,12,992.12
Total current assets	14,45,095.98	24,40,554.37
Total Assets	39,36,552.50	51,66,079.66
EQUITY AND LIABILITIES		
Equity		
Equity share capital	59,25,000.00	59,25,000.00
Share capital Pending Allotment	-	-
Other equity	-21,86,726.45	-20,56,721.88
Total equity	37,38,273.55	38,68,278.12
Liabilities		
Non-current liabilities		
Financial liabilities		
i. Borrowings	-	-
ii. Lease liability	-	-
iii. Other financial liabilities	-	-
Provisions Non current	-	-
Deferred tax liabilities (Net)	-	-
Total non-current liabilities	-	-
Current liabilities		
Financial liabilities		
i. Borrowings	-	-
ii. Lease liability	-	-
iii. Trade payables	1,45,428.36	1,51,389.72
iv. Other financial liabilities	-2,770.60	8,26,189.08
Other current liabilities	31,858.53	96,503.38
Current tax liability	-	49.6
Provisions	23,762.66	2,23,669.75
Total current liabilities	1,98,278.95	12,97,801.53
Total liabilities	1,98,278.95	12,97,801.53
Total equity and liabilities	39,36,552.50	51,66,079.66

STATEMENT OF PROFIT AND LOSS

	<i>in EURO</i>	
Particulars	Year ended 31.03.2026	Year ended 31.03.2025
I Income		
Revenue from operations	42,51,900.74	31,69,253.56
Other income	62,426.37	17,186.53
Total income	43,14,327.11	31,86,440.09
II Expenses		
Cost of materials & Services consumed and Stock-in-Trade	38,510.74	1,09,867.89
Employee benefit expenses	16,53,332.99	9,52,173.78
Finance costs	-	-
Depreciation and amortisation expense	4,70,427.37	4,83,886.17
Other expenses	19,47,237.77	16,15,850.97
Total expenses	41,09,508.87	31,61,778.81
III Profit before exceptional items and tax (I- II)	2,04,818.24	24,661.28
IV Exceptional items - income / (expense)	-	-
V Profit before tax (III +IV)	2,04,818.24	24,661.28
VI Income tax expense	42,111	410
Current tax	-	-
Deferred tax charge/(credit)	-	-
VII Profit for the year (V-VI)	1,62,707.05	24,251.31
VIII Other comprehensive income		
Items that will not be reclassified to profit and loss	-	-
Re measurement of post employment benefit obligations	-	-
Change in fair value of equity instruments	-	-
Income tax relating to these items	-	-
Items that will be reclassified to profit and loss	-	-
Transactions relating to Derivative instruments	-	-
Income tax relating to these items	-	-
Other comprehensive income for the year, net of tax	-	-
IX Total comprehensive income for the year (VII+VIII)	1,62,707.05	24,251.31

**RE-STATED ACCOUNTS OF
CELERITY MOTOR GMBH**

BALANCE SHEET AS AT 31ST MARCH 2026

	Notes	Euro in Mn.	Rupees in crores
ASSETS			
Non-current assets			
Property, plant and equipment	1	0.32	3.51
Other intangible assets	1	2.17	23.64
		<u>2.49</u>	<u>27.15</u>
Current assets			
Financial assets			-
i. Trade receivables	2	0.85	9.32
ii. Cash and cash equivalents	3	0.48	5.26
Other current assets	4	0.11	1.19
		<u>1.44</u>	<u>15.77</u>
Total assets		<u>3.93</u>	<u>42.92</u>
EQUITY AND LIABILITIES			
Equity			
Equity share capital	5	5.93	53.25
Other equity	6	(2.20)	(12.49)
		<u>3.73</u>	<u>40.76</u>
Liabilities			
Current liabilities			
Financial liabilities			
Other financial liabilities		0.17	1.81
Other Current Liabilities		0.03	0.35
		<u>0.20</u>	<u>2.16</u>
Total liabilities		<u>0.20</u>	<u>2.16</u>
Total equity and liabilities		<u>3.93</u>	<u>35.41</u>

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH 2026

	Notes	Euro in Mn.	Rupees in crores
I Revenue from operations	7	4.27	43.80
II Other income		-	-
III Total Income (I + II)		<u>4.27</u>	<u>43.80</u>
IV Expenses:			
Cost of material consumed		0.04	0.39
Employee benefits expense	8	1.65	16.95
Depreciation and amortisation expense	9	0.47	4.82
Other expenses	10	1.91	19.55
Total expenses		<u>4.07</u>	<u>41.71</u>
V Profit before exceptional items (III - IV)		0.02	2.09
VI Exceptional items		-	-
VII Profit before tax (V+ VI)		<u>0.20</u>	<u>2.09</u>
VIII Tax expense			
i) Current tax		0.04	0.43
ii) Deferred tax		-	-
Total Tax expense		<u>0.04</u>	<u>0.43</u>
IX Profit for the year (VII - VIII)		<u>0.16</u>	<u>1.66</u>
X Other Comprehensive Income			
A. Items that will not be reclassified to profit or loss		-	-
B. Items that will be reclassified to profit or loss		-	-
Other comprehensive income for the year, net of tax		<u>-</u>	<u>6.12</u>
		<u>-</u>	<u>6.12</u>
XI Total Comprehensive Income (IX + X)		<u>0.16</u>	<u>7.78</u>
XII Earnings per equity share (Face value of Euro 1/- each)			
Basic & Diluted earnings per share (in Euro / in rupees)		6.47	664.00

TVS MOTOR GMBH, GERMANY

Notes on Accounts

1.PROPERTY, PLANT & EQUIPMENT AND INTANGIBLE ASSETS AS AT 31.03.2026

Euro in Mn.

Description	PROPERTY, PLAN & EQUIPMENT							OTHER INTANGIBLE		
	Leasehold Improvements	Plant & Equipment (Tools)	Furniture & Fixtures	Office Equipment	Vehicles	Exhibition Models	Total	Computer software	Goodwill	Total
Cost of assets										
Gross carrying value as at 01-04-2025	0.01	0.20	0.02	0.16	0.14	0.09	0.62	0.01	3.23	3.24
Additions	-	-	-	0.01	0.11	-	0.13	0.01	-	0.01
Sub-total	0.01	0.20	0.02	0.18	0.25	0.09	0.74	0.02	3.23	3.25
Sales / deletion	-	-	-	-	-	-	-	-	-	-
Total	0.01	0.20	0.02	0.18	0.25	0.09	0.74	0.02	3.23	3.25
Depreciation / Amortisation										
Upto 31-03-2025	0.00	0.15	0.00	0.09	0.01	0.04	0.29	0.00	0.73	0.74
For the year	0.00	0.05	0.00	0.04	0.01	0.02	0.13	0.00	0.34	0.34
Sub-total	0.00	0.20	0.00	0.13	0.03	0.06	0.42	0.00	1.07	1.08
Withdrawn on assets sold / deleted	-	-	-	-	-	-	-	-	-	-
TOTAL	0.00	0.20	0.00	0.13	0.03	0.06	0.42	0.00	1.07	1.08
Carrying value As at 31-03-2026	0.01	0.00	0.01	0.04	0.23	0.03	0.32	0.02	2.15	2.17

Description	PROPERTY, PLAN & EQUIPMENT							OTHER INTANGIBLE		
	Leasehold Improvements	Plant & Equipment (Tools)	Furniture & Fixtures	Office Equipment	Vehicles	Exhibition Models	Total	Computer software	Goodwill	Total
Cost of assets										
Gross carrying value as at 01-04-2025	0.10	2.21	0.17	1.82	1.54	1.00	6.85	0.10	35.74	35.84
Additions	-	-	-	0.13	1.25	-	1.38	0.10	-	0.10
Sub-total	(0.00)	(0.03)	(0.00)	(0.03)	(0.02)	(0.02)	(0.11)	(0.00)	(0.55)	(0.55)
Sales / deletion	-	-	-	-	-	-	-	-	-	-
Total	0.10	2.18	0.16	1.92	2.77	0.98	8.12	0.20	35.19	35.39
Depreciation / Amortisation										
Upto 31-03-2025	0.00	1.61	0.02	1.01	0.14	0.43	3.21	4.68	4.68	9.36
For the year	0.00	0.54	0.01	0.41	0.14	0.22	1.31	0.03	3.11	3.14
Sub-total	0.00	0.03	0.00	0.03	0.01	0.01	0.08	(4.67)	3.92	(0.75)
Withdrawn on assets sold / deleted	-	-	-	-	-	-	-	-	-	-
TOTAL	0.01	2.18	0.03	1.45	0.28	0.67	4.61	0.04	11.71	11.75
Carrying value As at 31-03-2026	0.09	-	0.14	0.48	2.49	0.31	3.51	0.16	23.48	23.64

TVS MOTOR GMBH, GERMANY

Notes on accounts - (continued)

		As at 31-03-2026	
		SGD in Mn.	Rupees in crores
2	TRADE RECEIVABLES		
	Unsecured, considered good	0.85	9.32
		<u>0.85</u>	<u>9.32</u>
3	CASH AND CASH EQUIVALENTS		
	Balances with banks in current accounts	0.48	5.26
		<u>0.48</u>	<u>5.26</u>
4	OTHER CURRENT ASSETS		
	Others	0.11	1.19
		<u>0.11</u>	<u>1.19</u>
5	EQUITY SHARE CAPITAL		
	Issued, subscribed and fully paid up: 25000 Ordinary shares of 1 Euro each	5.93	53.25
		<u>5.93</u>	<u>53.25</u>
6	OTHER EQUITY		
	Retained earnings	(2.20)	(19.31)
	Foreign currency translation reserve	-	6.82
		<u>(2.20)</u>	<u>(12.49)</u>
7	REVENUE FROM OPERATIONS		
	Revenue	4.25	43.59
	Other operating revenue	0.02	0.21
		<u>4.27</u>	<u>43.80</u>

8	EMPLOYEE BENEFITS EXPENSE	For tl SGD	-2026 crores
	Salaries, wages and bonus	1.41	14.47
	Contribution to provident and other funds	0.24	2.48
		<u>1.65</u>	<u>16.95</u>
9	DEPRECIATION AND AMORTISATION EXPENSE		
	Depreciation on property plant and equipment	0.13	1.31
	Amortisation on Intangible assets	0.34	3.51
		<u>0.47</u>	<u>4.82</u>
10	OTHER EXPENSES		
	(a) Rent	0.05	0.55
	(b) Advertisement	0.45	4.63
	(c) Gas, electricity, water	0.02	0.19
	(d) Other operating expenses	0.12	1.24
	(e) Loss on sale of assets	0.01	0.11
	(f) Travelling expenses	0.13	1.36
	(g) Vehicle usage & other insurance	0.10	1.01
	(h) Others	1.03	10.46
		<u>1.91</u>	<u>19.55</u>

Balance Sheet as at 31st March 2026

S No	Particulars	Notes	As at 31-03-2026	In AED As at 31-03-2025
I	ASSETS			
	Non-current assets:			
	Property, plant and equipment	4	18,14,31,430	18,14,31,430
	Capital work-in-progress	4	84,65,824	17,62,800
	Loans and advances	6	2,60,81,875	-
	Other receivables	7	11,63,221	-
	Total non-current assets		21,71,42,350	18,31,94,230
	<i>Current assets:</i>			
	Cash and Cash equivalents	5	10,24,208	72,03,759
	Other receivables	-	40,000	
	Total current assets		10,24,208	72,43,759
	Total assets		21,81,66,558	19,04,37,989
II	EQUITY & LIABILITIES			
	<i>Shareholder's equity:</i>			
	Share capital	2	21,82,90,039	9,20,00,000
	Retained earnings	8	(5,01,676)	(22,61,961)
	Shareholder's equity		21,77,88,363	8,97,38,039
	<i>Current liabilities:</i>			
	Loans and borrowings	9	-	9,91,57,500
	Other payables	10	3,78,195	15,42,450
	Total liabilities		3,78,195	10,06,99,950
	Total Shareholder's equity and liabilities		21,81,66,558	19,04,37,989
	Financial liabilities			

Statement of profit and loss for the period ended 31st March 2026

		In AED	
	Notes	Year Ended 31-03-2026	27.06.2024 (Date of Incorporation) to 31-03-2025
	</		

The accompanying notes form an integral part of these financial statements.
The Report of the Auditors is set out on pages 1 to 3.

Statement of Changes in Shareholder's Equity 31st March 2026

	Share capital	Retained earnings	Shareholder's equity	In AED Total
<i>Changes in Shareholder's Equity:</i>				
Paid up Share Capital	9,20,00,000	-	9,20,00,000	9,20,00,000
Total comprehensive loss for the period	-	(22,61,961)	(22,61,961)	(22,61,961)
As at March 31, 2025	9,20,00,000	(22,61,961)	8,97,38,039	8,97,38,039
Share Capital issued during the year	12,85,52,000	-	12,85,52,000	12,85,52,000
Total comprehensive loss for the period	-	(5,01,676)	(5,01,676)	(5,01,676)
As at March 31, 2026	22,05,52,000	(27,63,637)	21,77,88,363	21,77,88,363
 Total No. of Shares	 2,20,552			
Value Per Share	1,000		-	-
Share Capital in AED	22,05,52,000			

Notes to the Financial Statements

	Land
	In AED
4. Property, plant and equipment	
Opening	18,14,31,430
Cost	
Additions during the period	-
Transfer from Capital work in progress	-
As at March 31, 2026	18,14,31,430
Accumulated depreciation	
Depreciation for the period	-
As at March 31, 2026	-
Net book value	
As at March 31, 2026	18,14,31,430
Capital work-in-progress	AED
Building	
Opening	17,62,800
Additions during the period	67,03,024
As at March 31, 2026	84,65,824

Notes to the Financial Statements (continued)

5. Cash and Cash equivalents

	As at 31-03-2026	As at 31-03-2025
	AED	AED
Balances with banks	10,24,208	72,03,759
	10,24,208	72,03,759

6.. Other receivables

	As at 31-03-2026	As at 31-03-2025
	AED	AED
Deposit	-	40,000
	-	40,000

7.. Loans and Advances

	As at 31-03-2026	As at 31-03-2025
	AED	AED
Loan to related party	2,60,81,875	-
	2,60,81,875	-

8. Other receivables - Non Current

	As at 31-03-2026	As at 31-03-2025
	AED	AED
Deposit	10,000	-
Loan to related party	11,53,221	-
	11,63,221	-

9. Retained earnings

	As at 31-03-2026	As at 31-03-2025
	AED	AED
Retained earnings	(5,01,676)	(22,61,961)
Closing balance	(5,01,676)	(22,61,961)

10. Loans and borrowings

	As at 31-03-2026	As at 31-03-2025
	AED	AED
	-	9,91,57,500
Closing balance	-	9,91,57,500

The above loan carries 7% interest per annum which is unsecured and repayable on demand..

11. Other payables

	As at 31-03-2026	As at 31-03-2025
	AED	AED
Interest payable on borrowing from related party (refer note 17)	-	15,42,450
Other payables	3,78,195	-
	3,78,195	15,42,450

Notes to the Financial Statements (*continued*)

12. Other income

As at 31-03-2026

As at 31-03-2025

	AED	AED
Interest from fixed deposit	88,813	70,778
Interest receivable	11,53,221	-
	<u>12,42,034</u>	<u>70,778</u>

13. General and administrative expense

As at 31-03-2026

As at 31-03-2025

	AED	AED
Legal and professional fees	3,56,604	6,89,011
Bank charges	10,430	3,194
Foreign Currency exchange loss	95,104	76,259
Miscellaneous	2,45,525	21,825
	<u>7,07,662</u>	<u>7,90,289</u>

14. Finance costs

As at 31-03-2026

As at 31-03-2025

	AED	AED
Interest on loan	10,36,047	15,42,450
	<u>10,36,047</u>	<u>15,42,450</u>

RE-STATED ACCOUNTS OF
TVS MOTOR COMPANY DMCC

BALANCE SHEET AS AT 31ST MARCH 2026

	Notes	AED in Mn.	Rupees in crores
ASSETS			
Non-current assets			
Property, plant and equipment	1	181.43	468.50
Capital work-in-progress		8.47	21.86
Financial Assets			
Other Financial Assets		0.01	0.03
		<u>189.91</u>	<u>490.39</u>
Current assets			
Financial assets			
i. Cash and cash equivalents	2	1.02	2.64
ii. Other financial assets	3	27.24	70.33
		<u>28.26</u>	<u>72.97</u>
Total assets		<u>218.17</u>	<u>563.36</u>
EQUITY AND LIABILITIES			
Equity			
Equity share capital	4	220.55	510.68
Other equity	5	(2.76)	51.70
		<u>217.79</u>	<u>562.38</u>
Liabilities			
Current liabilities			
Financial liabilities			
Trade payables			
a. Total outstanding dues of micro and small enterprises		-	-
b. Total outstanding dues of other than (a) above	6	0.38	0.98
		<u>0.38</u>	<u>0.98</u>
Total liabilities		<u>0.38</u>	<u>0.98</u>
Total equity and liabilities		<u>218.17</u>	<u>563.36</u>

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH 2026

	Notes	AED in Mn.	Rupees in crores
I	Revenue from operations	-	-
II	Other income	7	1.24
III	Total Income (I + II)	<u>1.24</u>	<u>2.99</u>
IV	Expenses:		
	Finance costs	8	1.04
	Other expenses	9	0.70
	Total expenses	<u>1.74</u>	<u>4.20</u>
V	Profit before exceptional items (III - IV)	(0.50)	(1.21)
VI	Exceptional items	-	-
VII	Profit before tax (V+ VI)	<u>(0.50)</u>	<u>(1.21)</u>
VIII	Tax expense		
	i. Current tax	-	-
	ii. Deferred tax	-	-
	Total Tax expense	<u>-</u>	<u>-</u>
IX	Profit for the year (VII - VIII)	<u>(0.50)</u>	<u>(1.21)</u>
X	Other Comprehensive Income		
	A. Items that will not be reclassified to profit or loss	-	-
	B. Items that will be reclassified to profit or loss		
	Foreign currency translation adjustments	-	54.88
	Other comprehensive income for the year, net of tax	<u>-</u>	<u>54.88</u>
XI	Total Comprehensive Income (IX + X)	<u>(0.50)</u>	<u>53.67</u>
XII	Earnings per equity share (Face value of AED 1000 each)		
	Basic & Diluted earnings per share (in AED 1000 each)	(2.27)	(54.86)

TVS MOTOR COMPANY DMCC

Notes on accounts - (continued)

1 PROPERTY, PLANT & EQUIPMENT AND INTANGIBLE ASSETS
AS AT 31.03.2026

AED in Mn.

Description	Property, Plant & Equipment	
	Land	Total
	11	12
Cost of assets		
Gross carrying value as at 01-04-2025	-	-
Additions	181.43	-
Sub-total	181.43	-
Sales / deletion	-	-
Total	181.43	-
Depreciation / Amortisation		
Upto 31-03-2025	-	-
For the year	-	-
Sub-total	-	-
Withdrawn on assets sold / deleted	-	-
Total	-	-
Carrying value As at 31-03-2026	181.43	-

1 PROPERTY, PLANT & EQUIPMENT AND INTANGIBLE ASSETS
AS AT 31.03.2026 - (continued)

Rupees in crores

Description	Property, Plant & Equipment	
	Land	Total
	11	12
Cost of assets		
Gross carrying value as at 01-04-2025	-	-
Additions	468.50	-
Foreign Currency translation reserve difference	-	-
Sales / deletion	-	-
Sub-total	468.50	-
Total	468.50	-
Depreciation / Amortisation		
Upto 31-03-2025	-	-
For the year	-	-
Foreign Currency translation reserve difference	-	-
Withdrawn on assets sold / deleted	-	-
Sub-total	-	-
Total	-	-
Carrying value As at 31-03-2026	468.50	-

TVS MOTOR COMPANY DMCC

Notes on accounts - (continued)

	AED in Mn. As at 31-03-2026	Rupees in crores As at 31-03-2026		AED in Mn. As at 31-03-2026	Rupees in crores As at 31-03-2026
2 Cash and Cash Equivalents			7 Other Income		
Balances with banks	1.02	2.64	Interest on Deposits	1.24	2.99
	<u>1.02</u>	<u>2.64</u>		<u>1.24</u>	<u>2.99</u>
3 Other Financial Assets			8 Finance Cost		
Loans and advances - Related Parties	27.24	70.33	Interest expenses	1.04	2.49
	<u>27.24</u>	<u>70.33</u>		<u>1.04</u>	<u>2.49</u>
4 Equity Share Capital			9 Other Expenses		
Issued, subscribed and fully paid up:			(a) Bank Charges	0.01	0.03
2,20,552 Ordinary shares of AED 1000 each	220.55	510.68	(b) Consultancy Charges	0.07	0.17
	<u>220.55</u>	<u>510.68</u>	(c) Repairs - plant and equipment	0.13	0.31
5 Other Equity			(d) Audit fees	0.04	0.10
Retained earnings	(2.76)	(6.43)	(e) Power and Fuel	0.12	0.28
Foreign currency translation reserve	-	58.13	(f) Foreign exchange loss (Net)	0.10	0.24
	<u>(2.76)</u>	<u>51.70</u>	(g) Miscellaneous expenses	0.23	0.58
				<u>0.70</u>	<u>1.71</u>
6 Trade Payables					
Current					
Dues to Micro and Small Enterprises**	-	-			
Dues to enterprises other than Micro and Small Enterprises	0.38	0.98			
	<u>0.38</u>	<u>0.98</u>			

** Dues to Micro and Small Enterprises have been determined to the extent such parties have been identified on the basis of information received by the management.

TVS MOTOR COMPANY (EUROPE) B.V.

General

TVS Motor Company (Europe) B.V. (the Company) is a private company with limited liability (a wholly-owned subsidiary of TVS Motor Company Limited), incorporated under the laws of the Netherlands on 21 July 2005, having its corporate seat in Amsterdam, with offices at Hoogoorddreef 15, 1101 BA Amsterdam, the Netherlands.

Results

As presented in the profit and loss account, the net result for the year 2025/2026 amounts to a loss of USD 167,479 (2024/2025: a loss of USD 182,471).

Summary of activities

The main activities of the Company consist of holding and financing activities.

BALANCE SHEET AS AT 31 MARCH 2026

(After appropriation of result)

	31 March 2026		31 March 2025	
	USD	USD	USD	USD
ASSETS				
Fixed assets				
Financial fixed assets	3,754,748		3,754,748	
		<u>3,754,748</u>		<u>3,754,748</u>
			10,466	
Current assets				
Receivables and prepayments	-		10,466	
Cash and cash equivalents	818		664	
		<u>818</u>		<u>11,130</u>
		<u>3,755,566</u>		<u>3,765,878</u>
		<u>383,911</u>		<u>214,736</u>
		<u>3,765,878</u>		<u>3,779,175</u>
EQUITY & LIABILITIES				
Equity				
Paid up share capital	25,905,109		24,366,303	
Other reserves	(22,690,621)		(20,984,336)	
		<u>3,214,488</u>		<u>3,381,967</u>
Current liabilities	541,078		383,911	
		<u>541,078</u>		<u>383,911</u>
		<u>3,755,566</u>		<u>3,765,878</u>

PROFIT AND LOSS ACCOUNT FOR THE PERIOD 1 APRIL 2024 UP TO AND INCLUDING 31 MARCH 2026

	31 March 2026		31 March 2025	
	USD	USD	USD	USD
General expenses	153,650		168,349	
Total general expenses		<u>153,650</u>		<u>168,349</u>
Operational result (loss)		<u>(153,650)</u>		<u>(153,650)</u>
Interest expense and similar	10,170		9,221	
Result on foreign currency translations	3,659		4,901	
Financial result (loss)		<u>(13,829)</u>		<u>(14,122)</u>
Result before taxation (loss)		<u>(167,479)</u>		<u>(182,471)</u>
Corporation tax				
Result after taxation (loss)		<u>(167,479)</u>		<u>(182,471)</u>

TVS MOTOR COMPANY (EUROPE) B.V.

General notes

General

TVS Motor Company (Europe) B.V. (the Company) is a private company with limited liability (a wholly-owned subsidiary of TVS Motor Company Limited), incorporated under the laws of the Netherlands on 21 July 2005, having its corporate seat in Amsterdam, with offices at Hoogoorddreef 15, 1101 BA Amsterdam, the Netherlands.

The Company is registered at the Chamber of Commerce under number 34229984.

Activities

The main activities of the Company consist of holding and financing activities.

Global Minimum Taxation (GMT)

The Company is part of a Group, which is in scope of Pillar 2 tax (P2T). The Company is not the P2T reporting entity. The Group does not charge out P2T cost.

Directors' report

The Company has taken advantage of Article 395a section 6, Title 9, Book 2 of the Dutch Civil Code and has not presented a directors' report.

Accruals

The Company applies accrual accounting on income and expenses, which can involve estimates.

Estimates

The preparation of the financial statements requires the management to form opinions and to make estimates and assumptions that influence the application of principles and the reported values of assets and liabilities and of income and expenditure. The actual results may differ from these estimates. The estimates and the underlying assumptions are constantly assessed. Revisions of estimates are recognized in the period in which the estimate is revised and in future periods for which the revision has consequences.

Comparison with previous year

The principles of valuation and determination of the result remained unchanged in comparison to previous year.

Related parties

All legal entities that can be controlled, jointly controlled or significantly influenced are considered to be a related party. Also entities which can control the Company are considered to be a related party. In addition, statutory directors, other key management of the Company or the ultimate parent company and close relatives are regarded as related parties.

Transactions with related parties are disclosed in the notes insofar as they are not transacted under normal market conditions. The nature, extent and other information is disclosed if this is necessary in order to provide the required insight.

2. General accounting principles

Accounting policies

The financial statements have been prepared in accordance with the provisions of Title 9, Book 2 of the Dutch Civil Code and the Dutch Accounting Standards applicable for micro legal entities, as published by the Dutch Accounting Standards Board (Raad voor de Jaarverslaggeving).

Based on Title 9, Book 2 of the Dutch Civil Code, the Company can be qualified as a so-called micro-sized company, but voluntarily discloses more information than required by law.

Valuation of assets and liabilities and determination of the result take place under the historical cost convention, unless presented otherwise.

Profit is only included when realized on balance sheet date. Liabilities and any losses originating before the end of the financial year are taken into account, if they have become known before preparation of the financial statements.

Financial instruments

Financial instruments include both primary financial instruments, such as receivables, liabilities and financial derivatives. Reference is made to the recognition per balance sheet item for the principles of primary financial instruments.

Foreign currency

The functional currency of the Company is the prevailing currency in the economic environment, in which the Company carries out most of its activities.

The financial statements are denominated in USD, this is both the functional currency and presentation currency of the Company.

Group companies

Foreign group companies and associated companies outside the Netherlands qualify as carrying on business operations in a foreign country, with a functional currency different from that of the Company. For the translation of the financial statements of these business operations in a foreign country the balance sheet items are translated at the exchange rate as at balance sheet date and the profit and loss account items at the average rate. The translation differences that arise are directly deducted from or added to shareholders' equity.**3. Principles of valuation of assets and liabilities**

FIXED ASSETS

Financial fixed assets

Participations

Participations over which no significant influence can be exercised are valued at historical cost. The dividend income in the profit and loss account represents the dividend declared in the reporting year, whereby dividend not distributed in cash is valued at fair value.

Participations over which significant influence can be exercised, are valued according to the net asset value method. In the event that 20% or more of the voting rights can be exercised, it may be assumed that there is significant influence.

The net asset value is calculated in accordance with the accounting principles that apply for these financial statements; with regard to participations in which insufficient data is available for adopting these principles, the valuation principles of the respective participation are applied.

The amount by which the carrying amount of the participation has changed since the previous financial statements as a result of the net result achieved by the participation, is recognized in the profit and loss account as share in the results of participations.

If the valuation of a participation based on the net asset value is negative, it will be stated at USD 1. If, and insofar the Company can be held fully or partially liable for the debts of the participation, or has the firm intention of enabling the participation to settle its debts, a provision is recognized for this.

In the event of an impairment loss, valuation takes place at the realizable value; an impairment is recognized and charged to the profit and loss account.

Impairment of fixed assets

On each balance sheet date, the Company assesses whether there are any indications that a fixed asset may be subject to impairment. If there are such indications, the realizable value of the asset is determined. If it is not possible to determine the realizable value of the individual asset, the realizable value of the cash-generating unit to which the asset belongs is determined. An impairment occurs when the carrying amount of an asset is higher than the realizable value; the realizable value is the higher of the fair value less cost to sell and the value in use. An impairment loss is directly recognized in the profit and loss account while the carrying amount of the asset concerned is concurrently reduced.

The realizable value can be based on a binding sale agreement, an active market value, or an estimate of the future net discounted cash flows in the event of continued use of the asset / cash-generating unit.

When it is established that an impairment, that was recognized in the past, no longer exists or has reduced, the increased carrying amount of the asset concerned is set no higher than the carrying amount that would have been determined if no impairment value adjustment for the asset concerned had been reported. Reversed impairment is recognized via profit and loss account.

CURRENT ASSETS

Receivables

Upon initial recognition the receivables are valued at fair value and then valued at amortized cost. The fair value and amortized cost equal the face value. Provisions deemed necessary for possible bad debt losses are deducted. These provisions are determined by individual assessment of the receivables. Cash and cash equivalents

Cash and cash equivalents represent cash in hand, cash at bank accounts and deposits with terms of less than twelve months. Overdrafts at banks are recognized as part of debts to lending institutions under current liabilities. Cash at banks and in hand is carried at nominal value.

LIABILITIES

Current liabilities

On initial recognition, current liabilities are recognized at fair value. After initial recognition, current liabilities are recognized at the amortized cost price, being the amount received, taking into account premiums or discounts, less transaction costs. This usually is the nominal value.

TVS MOTOR COMPANY (EUROPE) B.V.

4. Principles for the determination of the result

General

The results on transactions are recognised in the year in which they are realised.

Costs

Costs are determined on a historical basis and allocated to the financial year to which they relate.

Dividends

Dividends to be received from participations and securities not carried at net asset value are recognized as soon as the Company has acquired the right to them.

Financial income and expenses

Interest income and expenses are recognized on a pro rata basis, taking account of the effective interest rate of the assets and liabilities to which they relate. When accounting for interest expenses, the recognized transaction expenses for loans received are taken into consideration.

Taxation on result

Taxation on result is calculated based on the result before tax in the profit and loss account, taking account of the losses available for set-off from previous financial years (to the extent that they have not already been included in the deferred tax assets) and exempt profit components and after the addition of non-deductible costs. Also changes are taken into account, which occur in the deferred tax assets and deferred tax liabilities in respect of changes in the applicable tax rate.

Notes to the balance sheet as at 31 March 2025

ASSETS

Financial fixed assets

31 Mar 2026

USD

A summary of the financial fixed assets is included below:

Participation

PT. TVS Motor Company Indonesia	3,754,748
	<u>3,754,748</u>

	Place, Country	Valuation method	Share in issued capital %
PT. TVS Motor Company Indonesia	Kuningan, Indonesia	cost price	16.13

EQUITY AND LIABILITIES

Equity

Paid up share capital

The issued and fully paid share capital of the company amounts to EUR 22,530,100, divided into 225,301 ordinary shares of EUR 100.

At year-end, share capital is converted to USD at spot rate 1.14980 (2024/2025: 1.0815). The conversion result for the year 2025/2026 of (USD 1,538,806) is carried directly to other reserves.

Other reserves

31 Mar 2025

USD

Balance as at 31 March 2025	(20,984,336)
Share capital revaluation	(1,538,806)
Loss for the year	(167,479)
Movement	(1,706,285)
Balance as at 31 March 2025	<u>(22,690,621)</u>

Proposed appropriation of result for the financial year 2025/2026

The board of directors proposes that the result for the financial year 2025/2026 amounting to a loss of USD 167,479 should be transferred to the other reserves. This proposal has been incorporated in the financial statements.

Notes to the balance sheet as at 31 March 2025

Current liabilities

31 Mar 2026

31 Mar 2025

USD

USD

Trade payables	23,017	6,477
Other payables	2,365	1,819
Other payables group	203,852	77,598
Bank overdraft	-	1,838
Loan payable to group company	286,235	281,113
Interest payable to group company	25,609	15,066
	<u>541,078</u>	<u>383,911</u>

Trade Payables ageing schedule

Particulars	Outstanding for following periods from due date of payment		
	Not due	<1 Yr.	Total
(i) MSME			
(ii) Others		23,017	23,017
(iii) Disputed dues – MSME			
(iv) Disputed dues – Others			
		23,017	23,017
Accrued Expense			2,365
Total Trade payable		23,017	25,382

LOANS AND ADVANCES TO SPECIFIED PERSONS

Type of Borrower	Amount of loan or advance in the nature of loan outstanding	Percentage to the total Loans and Advances in the nature of loans
Related Parties	286,235	100%

Loan payable to group company

The amounts payable to group company TVS Motor (Singapore) Pte Limited as at 31 March 2026 is made up of three loan facility agreements.

(a) The first loan facility agreement is an unsecured loan, payable on demand with maturity granted for a period of one year and may be automatically be renewed for subsequent periods of one year, unless the lender or the borrower has given a one month notice to the other to terminate the loan and to repay the sum extended under the loan. The interest rate is fixed at 3.25%. As at 31 March 2026, the outstanding loan balance is USD 86,235 (EUR 75,000) and the interest due is USD 9,599 (EUR 8,348).

(b) The second loan facility agreement is an unsecured loan, payable on demand with maturity granted for a period of one year and may be automatically be renewed for subsequent periods of one year, unless the lender or the borrower has given a one month notice to the other to terminate the loan and to repay the sum extended under the loan. The interest rate is fixed at 3.65%. As at 31 March 2026, the outstanding loan balance is USD 100,000 and the interest due is USD 9,450.

(c) The third loan facility agreement is an unsecured loan, payable on demand with maturity granted for a period of one year and may be automatically be renewed for subsequent periods of one year, unless the lender or the borrower has given a one month notice to the other to terminate the loan and to repay the sum extended under the loan. The interest rate is fixed at 3.65%. As at 31 March 2026, the outstanding loan balance is USD 100,000 and the interest due is USD 6,560.

Contingent assets and liabilities

The Company has no contingent assets and liabilities that are not already included in the financial statements.

TVS MOTOR COMPANY (EUROPE) B.V.

Notes to the profit and loss account for the period 1 April 2024 up to and including 31 March 2025

	31 Mar 2026	31 Mar 2025
	USD	USD
The Finance expenses consists of:		
Interest expenses and similar expenses		
Interest expense on loan	10,170	9,221
	<u>10,170</u>	<u>9,221</u>
General expenses		
Management fee	11,179	13,668
Domiciliation fee	5,256	2,633
Legal fees	25,852	4,693
Administrative fees	101,162	132,866
Bank charges	4,076	6,640
Tax advisory fees	2,599	(2,074)
Other advisory fees	3,526	-
Other expenses	-	-
	<u>153,650</u>	<u>168,349</u>
Result on foreign currency translations		
Currency exchange loss	3,659	4,901
	<u>3,659</u>	<u>4,901</u>

EBIT

The Earnings Before Interest and Taxation (EBIT) for the current financial year amounts to a loss of USD 153,650 (2024: loss of USD 168,349).

Average number of employees

The Company had no employees during the year under review (2024/2025: none).

Board of directors

K.N. Radhakrishnan
Director

IQ EQ Management (Netherlands) B.V.
Director

Amsterdam, 23 April 2026

RE-STATED ACCOUNTS OF
TVS MOTOR COMPANY (EUROPE) B.V.

TVS MOTOR COMPANY (EUROPE) B.V.

BALANCE SHEET AS AT 31 MARCH 2026

	Notes	USD in Mn.	Rupees in crores
ASSETS			
Non-current assets			
Non-current investments	1	3.75	25.78
		<u>3.75</u>	<u>25.78</u>
Current assets			
Financial assets			
Cash and cash equivalents	2	-	0.01
		<u>-</u>	<u>0.01</u>
Total Assets		<u>3.77</u>	<u>19.61</u>
EQUITY AND LIABILITIES			
Equity			
Equity share capital	3	25.91	105.51
Other equity	4	(22.70)	(84.84)
		<u>3.21</u>	<u>20.67</u>
Liabilities			
Non-Current liabilities			
Financial liabilities			
Borrowings	5	0.29	2.71
		<u>0.29</u>	<u>2.71</u>
Current liabilities			
Financial liabilities			
a. Total outstanding dues of micro and small enterprises		0.25	2.41
b. Total outstanding dues of other than (a) above			
		<u>0.25</u>	<u>2.41</u>
Total liabilities		<u>0.54</u>	<u>5.12</u>
Total equity and liabilities		<u>3.75</u>	<u>25.79</u>

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH 2026

	Notes	USD in Mn.	Rupees in crores
I Revenue from operations		-	-
II Other income		-	-
III Total Income (I + II)		<u>-</u>	<u>-</u>
IV Expenses:			
Finance costs	7	0.01	0.09
Other expenses	8	0.16	1.39
Total expenses		<u>0.17</u>	<u>1.48</u>
V Profit before exceptional items (III - IV)		(0.17)	(1.48)
VI Exceptional items		-	-
VII Profit before tax (V+ VI)		(0.17)	(1.48)
VIII Tax expense			
i. Current tax		-	-
ii. Deferred tax		-	-
Total Tax expense		-	-
IX Profit for the year (VII - VIII)		<u>(0.17)</u>	<u>(1.48)</u>
X Other Comprehensive Income			
A. Items that will not be reclassified to profit or loss		-	-
B. Items that will be reclassified to profit or loss			
Foreign currency translation adjustments		-	(0.44)
Other comprehensive income for the year, net of tax		-	(0.44)
XI Total Comprehensive Income (IX + X)		<u>(0.17)</u>	<u>(1.92)</u>
XII Earnings per equity share (Face value of EUR 100/- each)			
Basic & Diluted earnings per share (in USD / in rupees)		(0.75)	(65.69)

TVS MOTOR COMPANY (EUROPE) B.V.

Notes on Accounts

As at 31-03-2026		
	USD in Mn.	Rupees in crores
1 Non-Current Investments		
Investment in Equity instruments		
28,70,000 fully paidup equity shares of PT.TVS Motor		
Company Indonesia (face value of IDR 97,400 each)	3.75	25.78
	<u>3.75</u>	<u>25.78</u>
2 Cash And Cash Equivalents		
Balances with banks in current accounts	-	0.01
	<u>-</u>	<u>0.01</u>
3 Equity Share Capital		
Authorised, issued, subscribed and fully paid up:		
Authorised:		
500,000 Ordinary shares of Euro 100/- each	<u>66.78</u>	<u>311.64</u>
Issued, subscribed and fully paid up:		
225,301 Ordinary shares of Euro 100/- each	25.91	105.51
	<u>25.91</u>	<u>105.51</u>
4 Other Equity		
Retained earnings	(22.70)	(96.15)
Foreign currency translation reserve	-	11.31
	<u>(22.70)</u>	<u>(84.84)</u>
5 Financial Liabilities - Borrowings (Non Current)		
Loan from Holding	0.29	2.71
	<u>0.29</u>	<u>2.71</u>
6 Trade Payables		
Dues to Micro and Small Enterprises**	-	-
Dues to enterprises other than Micro and Small Enterprises	0.25	2.41
	<u>0.25</u>	<u>2.41</u>

** Dues to Micro and Small Enterprises have been determined to the extent such parties have been identified on the basis of information received by the management.

PT. TVS MOTOR COMPANY INDONESIA

Independent Auditors' Report

No. 00397/2.1460/AU.1/04/0849-1/11/2026

The Stockholders, Board of Commissioners and Director
PT. TVS Motor Company Indonesia

Opinion

We have audited the financial statements of PT TVS Motor Company Indonesia (the "Company"), which comprise the statement of financial position as at March 31, 2026, and the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including material accounting policy information.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as at March 31, 2026, and its financial performance and its cash flows for the year then ended, in accordance with Indonesian Financial Accounting Standards.

Basis for Opinion

We conducted our audit in accordance with Standards on Auditing established by the Indonesian Institute of Certified Public Accountants. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements paragraph of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in Indonesia, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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

Management is responsible for the preparation and fair presentation of the financial statements in accordance with Indonesian Financial Accounting Standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management 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 management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an

audit conducted in accordance with Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, 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 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 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 financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

LIANA RAMON XENIA & REKAN

Elisabeth Imelda, S.E., M.Ak., CPA
Public Accountant License No. AP.0849

May 11, 2026

PT. TVS MOTOR COMPANY INDONESIA

STATEMENT OF FINANCIAL POSITION MARCH 31, 2026

	Notes	March 31, 2026	March 31, 2025
		Rp	Rp
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	5	72,133,633,645	69,204,667,401
Trade accounts receivable	6		
Related parties	26	229,388,542,855	88,461,944,485
Third parties - net		420,726,239,001	821,414,110,487
Other accounts receivable	7		
Related parties	26	10,764,709,619	27,717,610,040
Third parties - net		246,526,528,955	82,068,662,805
Inventories	8	506,386,468,106	369,923,774,493
Prepaid taxes	9	466,920,592,276	270,188,472,470
Advances to suppliers	10	29,190,547,327	26,385,376,577
Other current assets		8,320,054,353	6,966,146,199
Total Current Assets		1,990,357,316,137	1,688,468,964,957
NON-CURRENT ASSETS			
Deferred tax assets - net	25	32,327,522,525	7,142,701,539
Property, plant, and equipment - net	11	480,981,558,124	473,080,596,483
Right-of-use assets - net		13,983,256,586	15,450,525,273
Security deposits		9,594,954,052	2,030,009,832
Other intangible asset	12	114,718,518,887	-
Total Non-current Assets		651,605,810,174	497,703,833,127
TOTAL ASSETS		2,641,963,126,311	2,186,172,798,084

See accompanying notes to financial statements which are an integral part of the financial statements.

PT. TVS MOTOR COMPANY INDONESIA

STATEMENT OF FINANCIAL POSITION MARCH 31, 2026 (Continued)

	Notes	March 31, 2026 Rp	March 31, 2025 Rp
LIABILITIES AND EQUITY			
CURRENT LIABILITIES			
Bank loans	13	8,49,40,28,37,903	6,42,13,02,07,250
Trade accounts payable	14		93,28,38,06,440
Related party	26	4,62,51,13,17,172	5,93,31,66,64,180
Third parties		1,10,87,46,13,431	93,28,38,06,440
Other accounts payable			
Related parties	26	1,56,40,32,18,246	25,05,50,56,963
Third parties		15,42,16,63,125	16,46,23,68,927
Taxes payable	16	3,22,97,63,106	4,66,29,79,740
Accrued expenses	17	1,01,03,75,54,591	1,23,00,74,40,428
Deposit from customers		20,28,11,12,689	1,21,23,42,344
Contract liabilities	22	17,12,19,16,883	17,47,87,22,524
Current maturity of long-term lease liabilities		7,94,12,93,242	5,77,72,08,700
Total Current Liabilities		17,44,22,52,90,388	15,22,38,67,97,496
NON-CURRENT LIABILITIES			
Long-term lease liabilities - net of current maturity		1,86,59,63,259	5,57,10,96,958
Post-employment benefits obligation	18	31,08,53,79,000	26,92,17,59,000
Total Non-current Liabilities		32,95,13,42,259	32,49,28,55,958
TOTAL LIABILITIES		17,77,17,66,32,647	15,54,87,96,53,454
EQUITY			
Capital stock - Rp 97,400 (USD 10) par value per share			
Authorized - 25,000,000 shares at March 31, 2026 (March 31, 2025: 17,500,000 shares)			
Subscribed and paid-up - 17,791,187 shares at March 31, 2026 (March 31, 2025: 16,791,187 shares)	19	1,732,861,613,800	1,635,461,613,800
Foreign exchange rate difference on paid-in capital	20	285,102,517,840	216,192,517,840
Revaluation surplus	21	276,495,214,244	276,495,214,244
Other comprehensive income		11,335,314,560	12,303,776,600
Accumulated deficit		(1,441,008,166,780)	(1,509,159,977,854)
TOTAL EQUITY		864,786,493,664	631,293,144,630
TOTAL LIABILITIES AND EQUITY		2,641,963,126,311	2,186,172,798,084

See accompanying notes to financial statements which are an integral part of the financial statements.

PT. TVS MOTOR COMPANY INDONESIA

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME For the year ended March 31, 2026

	Notes	2026 Rp	2025 Rp
SALES	22,26	26,05,46,55,14,168	17,30,96,09,07,099
COST OF GOODS SOLD	23,26	(21,70,51,95,80,309)	(14,73,75,59,14,839)
GROSS PROFIT		4,34,94,59,33,859	2,57,20,49,92,260
Marketing expenses	24	(69,39,88,71,874)	(27,75,37,78,097)
General and administrative expenses	24,27	(2,32,90,79,32,058)	(1,26,76,30,91,472)
Finance cost		(42,78,24,89,797)	(2,42,99,61,917)
Interest income		19,98,76,400	20,57,21,942
Gain (loss) on sale of property, plant and equipment	11	35,82,92,986	-2,82,50,255
Loss on foreign exchange - net		(7,01,70,05,875)	(16,15,60,16,201)
Other gains (losses) - net		22,62,75,462	(1,58,57,61,015)
PROFIT BEFORE TAX		83,62,40,79,103	42,69,38,55,245
INCOME TAX EXPENSE	25	(15,47,22,68,029)	(3,47,70,10,425)
PROFIT FOR THE YEAR		68,15,18,11,074	39,21,68,44,820
OTHER COMPREHENSIVE (LOSS) INCOME			
Items that will not be reclassified subsequently to profit or loss:			
Remeasurement of defined benefits obligation	18	(1,24,16,18,000)	79,46,43,000
Related tax expense	25	27,31,55,960	(17,48,21,460)
Total other comprehensive (loss) income, net of tax		(96,84,62,040)	61,98,21,540
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		67,18,33,49,034	39,83,66,66,360

See accompanying notes to financial statements which are an integral part of the financial statements.

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED MARCH 31, 2026

	Note	Capital stock Rp	Foreign exchange rate difference on paid-in capital Rp	Revaluation surplus Rp	Other comprehensive income Remeasurement of defined benefits obligation Rp	Accumulated deficit Rp	Total equity Rp
Balance as of April 1, 2024		1,635,461,613,800	216,192,517,840	276,495,214,244	11,683,955,060	(1,548,376,822,674)	591,456,478,270
Profit for the year		-	-	-	-	39,216,844,820	39,216,844,820
Other comprehensive income, net of tax		-	-	-	619,821,540	-	619,821,540
Balance as of March 31, 2025		1,635,461,613,800	216,192,517,840	276,495,214,244	12,303,776,600	(1,509,159,977,854)	631,293,144,630
Profit for the year		-	-	-	-	68,151,811,074	68,151,811,074
Issuance of additional share capital	18,19	97,400,000,000	68,910,000,000	-	-	-	166,310,000,000
Other comprehensive loss, net of tax		-	-	-	(968,462,040)	-	(968,462,040)
Balance as of March 31, 2026		1,732,861,613,800	285,102,517,840	276,495,214,244	11,335,314,560	(1,441,008,166,780)	864,786,493,664

See accompanying notes to financial statements which are an integral part of the financial statements.

PT. TVS MOTOR COMPANY INDONESIA

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED MARCH 31, 2026

	Note	2026 Rp	2025 Rp
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before tax per statement of profit or loss and other comprehensive income		83,624,079,103	42,693,855,245
Adjustments for:			
Depreciation of property, plant and equipment and right-of-use assets		29,115,017,307	19,758,677,423
(Gain) loss on sale and disposal of property, plant and equipment	11	(358,292,986)	28,250,255
Provision for post-employment benefits	18	6,935,159,000	5,273,951,000
Allowance for inventory obsolescence	6	10,072,260,515	10,377,361,782
Interest and finance charges		35,652,767,849	37,434,573,623
Interest income		(199,876,400)	(205,721,942)
Net unrealized loss on foreign exchange		11,925,977,200	7,350,480,799
Operating cash flows before changes in working capital		176,767,091,588	122,711,428,185
Changes in working capital:			
Trade accounts receivable		258,320,959,466	50,554,328,400
Other accounts receivable		(220,895,764,532)	(13,005,464,770)
Inventories		(146,534,954,128)	46,881,622,690
Prepaid taxes		(188,266,449,379)	(131,983,716,880)
Advances to suppliers		(2,805,170,750)	(9,925,242,094)
Other current assets		(1,352,593,086)	(521,042,191)
Other intangible asset		(114,718,518,887)	-
Trade accounts payable		(108,907,270,883)	(107,668,811,866)
Other accounts payable		131,308,278,726	10,004,824,142
Taxes payable		(1,433,216,634)	275,673,231
Accrued expenses		(22,363,647,954)	73,760,945,901
Deposit from customers		19,068,770,345	(994,136,097)
Contract liabilities		(356,805,641)	(223,387,515)
Net cash from operations		(222,169,291,749)	39,867,021,136
Refund of corporate income tax		1,725,771,230	-
Employee benefits paid	9	(4,013,157,000)	(762,640,000)
Income tax paid	18	(50,575,374,712)	(931,504,543)
Net Cash (Used in) Provided by Operating Activities		(275,032,052,231)	38,172,876,593
CASH FLOWS FROM INVESTING ACTIVITIES			
Acquisitions of property, plant and equipment	11,31	(31,957,678,317)	(69,999,433,378)
Proceeds from sale of property, plant and equipment	11	1,993,282,096	-
Decrease in security deposits		(7,564,944,220)	(182,939,704)
Interest received		199,876,400	205,721,942
Net Cash Used in Investing Activities		(37,329,464,041)	(69,976,651,140)

See accompanying notes to financial statements which are an integral part of the financial statements.

PT. TVS MOTOR COMPANY INDONESIA

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED MARCH 31, 2026 (Continued)

	Note	2026 Rp	2025 Rp
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from issuance of additional share capital	18, 19	166,310,000,000	-
Proceeds from bank loans		3,458,327,292,773	3,335,888,038,136
Payments of bank loans		(3,266,566,732,997)	(3,281,623,370,301)
Payments of lease liabilities		(8,076,089,600)	(7,218,904,000)
Proceeds from loan from shareholder		(34,703,987,660)	(37,136,569,328)
Net Cash Provided by (Used in) Financing Activities		315,290,482,516	(21,796,805,493)
NET (DECREASE) INCREASE IN CASH AND CASH EQUIVALENTS		2,928,966,244	(53,600,580,040)
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR		69,204,667,401	122,805,247,441
CASH AND CASH EQUIVALENTS AT END OF YEAR		72,133,633,645	69,204,667,401

See accompanying notes to financial statements which are an integral part of the financial statements.

PT. TVS MOTOR COMPANY INDONESIA

NOTES TO FINANCIAL STATEMENTS

March 31, 2026 and for the year then ended

1. GENERAL

PT TVS Motor Company Indonesia (the "Company") was established within the framework of the Foreign Capital Investment Law No. 1 Year 1967 as amended by Law No. 11 Year 1970 based on Notarial Deed No. 21 of Siti Rayhana, S.H., dated August 8, 2005, substitute of Bandoro Raden Ayu Mahyastoeti Notonagoro, S.H., notary in Jakarta. The Deed of Establishment was approved by the Minister of Law and Human Rights of the Republic of Indonesia in his Decision Letter No. C-24361 HT.01.01.TH.2005 dated September 5, 2005. The Company's Articles of Association have been amended several times, with the most recent with Notarial Deed No. 13 dated July 8, 2025 of Suhamad S.H., notary in Jakarta, related to the increase of authorized and subscribed and paid-up capital. The change was approved by the Ministry of Law and Human Rights of the Republic of Indonesia in his Decision Letter No. AHU-0044985.AH.01.02. Tahun 2025.

In accordance with Article 3 of the Company's Articles of Association, the scope of its activities includes production of motorcycles, motorcycle component parts and accessories, three wheelers and its components and batteries for electric motor vehicles. The Company started its commercial operations on April 29, 2007.

The Company's domicile is in Jakarta and its head office is located at Sampoerna Strategic Square, Menara Selatan 17th Floor. As of March 31, 2026, the Company has 633 employees (2025: 557 employees) (unaudited).

The Company's management consists of the following:

President	:	Kunnath Narayanan Radhakrishnan
Commissioner	:	
Commissioners	:	Ramaswami Anandakrishnan
	:	Parthasarathi Gopalan
Director	:	Rajesh Ramani

2. ADOPTION OF NEW AND REVISED STATEMENTS OF FINANCIAL ACCOUNTING STANDARDS ("PSAK") AND INTERPRETATIONS OF PSAK ("ISAK")

a. Amendments/Improvements to Standards Effective in the Current Year

During the current period, there were no new accounting standards or amendments to PSAK that are relevant to the Company's operations and effective for periods beginning on or after January 1, 2025.

b. Standard and Amendments/ Improvements to Standards Issued not yet Adopted

At the date of authorization of these financial statements, the following standards, interpretations, and amendments to PSAKs relevant to the Company were issued but not yet effective, with early application permitted.

Effective for periods beginning on or after January 1, 2026

- Amendment to PSAK 109 Financial Instruments and Amendment to PSAK 107 Financial Instruments: Disclosure on Classification and Measurement of Financial Instruments.

Effective for periods beginning on or after January 1, 2027

- PSAK 118 Presentation and Disclosures in Financial Statements.

Management does not expect that the adoption of the amendments and new standards listed above will have a material impact on the financial statements of the Company in future periods, except as indicated below.

PSAK 118 Presentation and Disclosures in Financial Statements

PSAK 118 replaces PSAK 201, carrying forward many of the requirements in PSAK 201 unchanged and complementing them with new requirements. In addition, some paragraphs from PSAK 201 have been moved to PSAK 208 and PSAK 107. Furthermore, there are minor amendments to PSAK 207.

PSAK 118 introduces new requirements to:

3. MATERIAL ACCOUNTING POLICY INFORMATION

a. Statement of Compliance

The financial statements of the Company have been prepared in accordance with Indonesian Financial Accounting Standards.

b. Basis of Presentation

The financial statements have been prepared in accordance with the historical cost basis, except for land, which is measured at revalued amounts or fair values at the end of each reporting period, as disclosed in the accounting policies below.

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or liability, the Company takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in these financial statements is determined on such a basis.

The statement of cash flows is prepared using the indirect method with classifications of cash flows into operating, investing, and financing activities.

The Director has, at the time of approving the financial statements, a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. Thus, management continues to adopt the going concern basis of accounting in preparing the financial statements.

c. Foreign Currency Transactions and Balances

The financial statements of the Company are measured and presented in Indonesian Rupiah, which is also the currency of the primary economic environment in which the Company operates (its functional currency).

Transactions in currencies other than the entity's functional currency (foreign currencies) are recognized at the rates of exchange prevailing at the dates of the transactions. At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Exchange differences are recognized in profit or loss in the period in which they arise.

d. Transactions with Related Parties

A related party is a person or entity that is related to the Company (the reporting entity):

- A person or a close member of that person's family is related to the reporting entity if that person:
 - has control or joint control over the reporting entity;
 - has significant influence over the reporting entity; or
 - is a member of the key management personnel of the reporting entity or of a parent of the reporting entity.
- An entity is related to the reporting entity if any of the following conditions applies:
 - The entity, and the reporting entity are members of the same group (which means that each parent, subsidiary, and fellow subsidiary is related to the others).
 - One entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a group of which the other entity is a member).
 - Both entities are joint ventures of the same third party.
 - One entity is a joint venture of a third entity, and the other entity is an associate of the third entity.
 - The entity is a post-employment benefit plan for the benefit of employees of either the reporting entity, or an entity related to the reporting entity. If the reporting entity is itself such a plan, the sponsoring employers are also related to the reporting entity.
 - The entity is controlled or jointly controlled by a person identified in (a).
 - A person identified in (a) (i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity).
 - The entity, or any member of a group of which it is a part, provides key management personnel services to the reporting entity or to the parent of the reporting entity. Significant transactions with related parties are disclosed in the financial statements.

Significant transactions with related parties are disclosed in the financial statements.

NOTES TO FINANCIAL STATEMENTS

March 31, 2026 and for the year then ended (Continued)

e. Financial Instruments

Financial assets and financial liabilities are recognized on the statement of financial position when the Company becomes a party to the contractual provisions of the instrument.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities are added to or deducted from the fair value of the financial assets and financial liabilities, as appropriate, on initial recognition.

Classification of financial assets

Debt instruments that meet the following conditions are subsequently measured at amortized cost:

- the financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows; and
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest ("SPPI") on the principal amount outstanding.

As of March 31, 2026 and 2025, all of the Company's financial assets were classified as financial assets measured at amortized cost.

Amortized cost and effective interest method

The effective interest method is a method of calculating the amortized cost of a debt instrument and of allocating interest income over the relevant period.

The effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) excluding expected credit losses, through the expected life of the debt instrument, or, where appropriate, a shorter period, to the gross carrying amount of the debt instrument on initial recognition.

The amortized cost of a financial asset is the amount at which the financial asset is measured at initial recognition minus the principal repayments, plus the cumulative amortization using the effective interest method of any difference between that initial amount and the maturity amount, adjusted for any loss allowance. On the other hand, the gross carrying amount of a financial asset is the amortized cost of a financial asset before adjusting for any loss allowance.

Interest income is recognized using the effective interest method for debt instruments measured subsequently at amortized cost, except for short-term balances when the effect of discounting is immaterial.

Foreign exchange gains and losses

The carrying amount of financial assets that are denominated in a foreign currency is determined in that foreign currency and translated at the spot rate at the end of each reporting period. Specifically for financial assets measured at amortized cost, exchange differences are recognized in profit or loss in the "Gain (loss) on foreign exchange - net" line item.

Impairment of financial assets

The Company recognizes a loss allowance for expected credit losses ("ECL") on financial assets measured at amortized cost. The amount of expected credit losses is updated at each reporting date to reflect changes in credit risk since initial recognition of the respective financial instrument.

The Company always recognizes lifetime ECL for trade accounts receivable. The expected credit losses on these financial assets are estimated using a provision matrix based on the Company's historical credit loss experience, adjusted for factors that are specific to the debtors, general economic conditions and an assessment of both the current as well as the forecast direction of conditions at the reporting date, including time value of money where appropriate.

For all other financial instruments, the Company recognizes lifetime ECL when there has been a significant increase in credit risk since initial recognition. If, on the other hand, the credit risk on the financial instrument has not increased significantly since initial recognition, the Company measures the loss allowance for that financial instrument at an amount equal to 12-month ECL. The assessment of whether lifetime ECL should be recognized is based on significant increases in the likelihood or risk of a default occurring since initial recognition instead of on evidence of a financial asset being credit impaired at the reporting date or an actual default occurring.

Significant increase in credit risk

In assessing whether the credit risk on a financial instrument has increased significantly since initial recognition, the Company compares the risk of a default occurring on the financial instrument as at the reporting date with the risk of a default occurring on the financial instrument as at the date of initial recognition. In making this assessment, the Company considers historical loss rates for each category of customers and adjusts to reflect current and forward-looking macroeconomic factors affecting the ability of the customers to settle the receivables.

The Company presumes that the credit risk on a financial asset has increased significantly

since initial recognition when contractual payments are more than 120 days past due unless the Company has reasonable and supportable information that demonstrates otherwise.

The Company assumes that the credit risk on a financial instrument has not increased significantly since initial recognition if the financial instrument is determined to have low credit risk at the reporting date. A financial instrument is determined to have low credit risk if i) the financial instrument has a low risk of default, ii) the borrower has a strong capacity to meet its contractual cash flow obligations in the near term and iii) adverse changes in economic and business conditions in the longer term may, but will not necessarily, reduce the ability of the borrower to fulfil its contractual cash flow obligations.

The Company regularly monitors the effectiveness of the criteria used to identify whether there has been a significant increase in credit risk and revises them as appropriate to ensure that the criteria are capable of identifying significant increase in credit risk before the amount becomes past due.

Definition of default

The Company considers that default has occurred when a financial asset is more than 365 days past due unless the Company has reasonable and supportable information to demonstrate that a more lagging default criterion is more appropriate.

Credit-impaired financial assets

A financial asset is credit-impaired when one or more events that have a detrimental impact on the estimated future cash flows of that financial asset have occurred.

Write-off policy

The Company writes off a financial asset when there is information indicating that the counterparty is in severe financial difficulty and there is no realistic prospect of recovery, e.g., when the counterparty has been placed under liquidation or has entered into bankruptcy proceedings, or in the case of trade accounts receivable, when the amounts are over 90 days past due, whichever occurs sooner. Financial assets written off may still be subject to enforcement activities under the Company's recovery procedures, taking into account legal advice where appropriate. Any recoveries made are recognized in profit or loss.

Measurement and recognition of ECL

For financial assets, the ECL is estimated as the difference between all contractual cash flows that are due to the Company in accordance with the contract and all the cash flows that the Company expects to receive, discounted at the original effective interest rate.

If the Company has measured the loss allowance for a financial instrument at an amount equal to lifetime ECL in the previous reporting period, but determines at the current reporting date that the conditions for lifetime ECL are no longer met, the Company measures the loss allowance at an amount equal to 12-month ECL at the current reporting date.

The Company recognizes an impairment gain or loss in profit or loss with a corresponding adjustment to their carrying amount through a loss allowance account.

Derecognition of financial assets

The Company derecognizes a financial asset only when the contractual rights to the cash flows from the asset expire, or it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. If the Company neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Company recognizes its retained interest in the asset and an associated liability for amounts it may have to pay. If the Company retains substantially all the risks and rewards of ownership of a transferred financial asset, the Company continues to recognize the financial asset and also recognizes a collateralized borrowing for the proceeds received.

On derecognition of a financial asset measured at amortized cost, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognized in profit or loss.

Financial Liabilities and Equity Instruments

Financial liabilities at amortized cost

Financial liabilities, including trade and other payables, accrued expenses, and deposit from customers, are initially measured at fair value and subsequently measured at amortized cost, using the effective interest method, except for short-term balances when the effect of discounting is immaterial.

Bank loans

Interest-bearing bank loans are initially measured at fair value and subsequently measured at amortized cost, using the effective interest method. Interest expense calculated using the effective interest method is recognized over the term of the borrowing in accordance with the Company's accounting policy for borrowing costs.

NOTES TO FINANCIAL STATEMENTS

March 31, 2025 and for the year then ended (Continued)

Effective interest method

The effective interest method is a method of calculating the amortized cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liabilities, or (where appropriate) a shorter period to the net carrying amount on initial recognition.

Derecognition of financial liabilities

The Company derecognizes financial liabilities when, and only when, the Company's obligations are discharged, cancelled or have expired. The difference between the carrying amount of the financial liability derecognized and the consideration paid and payable is recognized in profit or loss.

f. Cash and Cash Equivalents

For cash flow presentation purposes, cash and cash equivalents consist of cash on hand and in banks and time deposits with maturities of three months or less from the date of placement.

g. Inventories

Inventories are stated at cost or net realizable value, whichever is lower. Cost is determined using the weighted average method. Net realizable value represents the estimated selling price for inventories less all estimated costs of completion and costs necessary to make the sale.

h. Property, Plant and Equipment

Property, plant, and equipment, other than land, are carried at cost, less accumulated depreciation, and any accumulated impairment losses.

Depreciation is recognized so as to write off the cost of assets less residual values using the straight-line method based on the estimated useful lives of the assets as follows:

	Years
Buildings	20
Machinery and tools	4 - 10
Office equipment and furniture	4
Vehicles	5

Moulds and dies are depreciated based on units of production of 125,000 - 150,000 units in 2026 and 2025.

The estimated useful lives, residual values and depreciation method are reviewed at each year end, with the effect of any changes in estimate accounted for on a prospective basis.

Land stated in the statement of financial position at its revalued amount, being the fair value at the date of the revaluation. Revaluations are made with sufficient regularity to ensure that the carrying amounts do not differ materially from those that would be determined using fair values at the end of the reporting date.

Any revaluation increase arising on the revaluation of land is credited in other comprehensive income and accumulated in equity and presented as revaluation surplus, under other comprehensive income, except to the extent that it reverses a revaluation decrease for the same asset previously recognized in profit or loss, in which case the increase is credited to profit or loss to the extent of the decrease previously expensed. A decrease in the carrying amount arising on the revaluation land is charged in profit or loss to the extent that it exceeds the balance, if any, held in the revaluation reserve relating to a previous revaluation of that asset.

The cost of maintenance and repairs is charged to profit or loss as incurred. Other costs incurred subsequently to add to, replace part of, or service an item of property, plant, and equipment, are recognized as asset if, and only if, it is probable that future economic benefits associated with the item will flow to the entity and the cost of the item can be measured reliably.

An item of property, plant and equipment is derecognized upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amounts of the asset and is recognized in profit or loss.

Fully depreciated assets still in use are retained in the financial statements.

i. Impairment of Non-Financial Assets

At the end of each reporting period, the Company reviews the carrying amount of non-financial 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). When it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash generating unit to which the asset belongs.

Estimated recoverable amount is the higher of fair value less cost to sell 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.

If the recoverable amount of the non-financial asset (cash generating unit) is less than its carrying amount, the carrying amount of the asset (cash generating unit) is reduced to its recoverable amount and an impairment loss is recognized immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

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 that would have been determined had no impairment loss been recognized for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognized immediately in profit or loss.

j. Leases

The Company as lessee

The Group assesses whether a contract is or contains a lease at the inception of the contract. The Group recognizes a right-of-use asset and a corresponding lease liability with respect to all lease arrangements in which it is the lessee, except for short-term leases (defined as leases with a lease term of 12 months or less) and leases of low value assets. For these leases, the Group recognizes the lease payments as an operating expense on a straight-line basis over the term of the lease unless another systematic basis is more representative of the time pattern in which economic benefits from the leased assets are consumed.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted by using the rate implicit in the lease. If this rate cannot be readily determined, the Company uses its incremental borrowing rate.

The Company remeasures the lease liability (and makes a corresponding adjustment to the related right-of-use assets) whenever:

- the lease term has changed or there is a change in the assessment of the exercise of a purchase option, in which case the lease liability is remeasured by discounting the revised lease payments using a revised discount rate.
- the lease payments change due to changes in an index or rate or a change in expected payment under a guaranteed residual value, in which cases the lease liability is remeasured by discounting the revised lease payments using the initial discount rate (unless the lease payments change is due to a change in a floating interest rate, in which case a revised discount rate is used).
- a lease contract is modified, and the lease modification is not accounted for as a separate lease, in which case the lease liability is remeasured by discounting the revised lease payments using a revised discount rate.

The Company did not make any such adjustments during the periods presented.

The right-of-use assets comprise the initial measurements of the corresponding lease liability, lease payments made at or before the commencement day and any initial direct costs. They are subsequently measured at cost less accumulated depreciation and impairment losses.

Right-of-use assets are depreciated over the shorter period of lease term and useful life of the underlying assets. If a lease transfers ownership of the underlying assets or the cost of the right-of-use assets reflects that the Company expects to exercise a purchase option, the related right-of-use asset is depreciated over the useful life of the underlying assets. The depreciation starts at the commencement date of the lease.

The right-of-use assets are presented as a separate line in the statement of financial position.

Variable rents that do not depend on an index or rate are not included in the measurements of the lease liability and the right-of-use asset. The related payments are recognized as an expense in the period in which the event or condition that triggers those payments occur and are included in the line 'Other gains and losses - net' in the statement of profit or loss and other comprehensive income.

As a practical expedient, PSAK 116 permits a lessee not to separate non-lease components and instead account for any lease and associated non-lease components as a single arrangement. The Company has not used this practical expedient.

NOTES TO FINANCIAL STATEMENTS

March 31, 2026 and for the year then ended(Continued)

k. Other Intangible Assets

Expenditure on research activities is recognized as an expense in the period in which it is incurred. An internally-generated intangible asset arising from development (or from the development phase of an internal project) is recognized if, and only if, all of the following have been demonstrated:

- the technical feasibility of completing the intangible asset so that it will be available for use or sale;
- the intention to complete the intangible asset and use or sell it;
- the ability to use or sell the intangible asset;
- how the intangible asset will generate probable future economic benefits;
- the availability of adequate technical, financial and other resources to complete the development and to use or sell the intangible asset; and
- the ability to measure reliably the expenditure attributable to the intangible asset during its development.

The amount initially recognized for internally generated intangible assets is the sum of the expenditure incurred from the date when the intangible asset first meets the recognition criteria listed above. Where no internally generated intangible asset can be recognized, development expenditure is charged to profit or loss in the period in which it is incurred.

Subsequent to initial recognition, internally generated intangible assets are reported at cost less accumulated amortization and accumulated impairment losses, on the same basis as intangible assets acquired separately.

l. Revenue Recognition

The Company recognizes revenue from sale of goods. Revenue is measured based on the consideration specified in a contract with a customer and excludes amounts collected on behalf of third parties. The Company recognizes revenue when it transfers control of a product to a customer. The Company has generally concluded that it is the principal in its revenue arrangements and records revenue on a gross basis because it typically controls the goods or services before transferring them to the customer.

Revenue is recognized at the point in time when service is delivered and control of the assets is transferred to the customer, generally on delivery of the goods. The normal credit term is 30 to 90 days upon delivery.

The Company considers whether there are other promises in the contract that are separate performance obligations to which a portion of the transaction price needs to be allocated (e.g., warranties, customer loyalty points, shipping, and handling).

m. Employee Benefits

The Company established defined benefit pension plans covering all the local permanent and contract employees in accordance with Law No. 6/2023 and Government Regulation No. 35/2021.

Defined benefit plan

The cost of providing benefits is determined using the projected unit credit method, with actuarial valuations being carried out at the end of each annual reporting period. Remeasurement, comprising actuarial gains and losses, is reflected immediately in the statement of financial position with a charge or credit recognized in other comprehensive income in the period in which they occur. Remeasurement recognized in other comprehensive income is reflected as a separate item under other comprehensive income in equity and will not be reclassified to profit or loss. Past service cost is recognized in profit or loss in the period of a plan amendment. Interest is calculated by applying the discount rate at the beginning of the period to the net defined benefit liability. Defined benefit costs are categorized as follows:

- Service cost (including current service cost, past service cost, as well as gains and losses on curtailments and settlements)
- Interest expense
- Remeasurement

The Company presents the first two components of defined benefit costs in profit or loss.

Termination

A liability for a termination benefit is recognized at the earlier of when the entity can no longer withdraw the offer of the termination benefit and when the entity recognized any related restructuring costs.

n. Income Tax

Income tax expense represents the sum of the tax currently payable and deferred tax.

Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in profit or loss because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The Company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

A provision is recognized for those matters for which the tax determination is uncertain, but it is considered probable that there will be a future outflow of funds to a tax authority. The provisions are measured at the best estimate of the amount expected to become payable. The assessment is based on the judgement of tax professionals within the Company supported by previous experience in respect of such activities and in certain cases based on specialist independent tax advice.

Deferred tax

Deferred tax is recognized on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognized for all taxable temporary differences. Deferred tax assets are generally recognized for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilized. Such deferred tax assets and liabilities are not recognized if the temporary differences arise from the initial recognition (other than in a business combination) of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realized, based on the tax rates (and tax laws) that have been enacted, or substantively enacted, by the end of the reporting period.

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

The carrying amount of deferred tax asset is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Current and deferred tax are recognized as an expense or income in profit or loss, except when they relate to items that are recognized outside of profit or loss (whether in other comprehensive income or directly in equity), in which case the tax is also recognized outside of profit or loss.

Deferred tax assets and liabilities are offset when there is 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 on the same taxable entity when there is an intention to settle its current tax assets and current tax liabilities on a net basis, or to realize the assets and settle the liabilities simultaneously, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered.

4. CRITICAL ACCOUNTING JUDGMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

In the application of the Company's accounting policies, which are described in Note 3, the Director are required to make judgments, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Critical Judgments in Applying Accounting Policies

In the process of applying the accounting policies described in Note 3, management has not made any critical judgement that has significant impact on the amounts recognized in the financial statements, apart from those involving estimates, which are dealt with below.

Key Sources of Estimation Uncertainty

The key assumptions concerning future and other key sources of estimation uncertainty at the end of the reporting period, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below:

Calculation of Loss Allowance

When measuring ECL the Company uses reasonable and supportable forward-looking information, which is based on assumptions for the future movement of different economic

PT. TVS MOTOR COMPANY INDONESIA

NOTES TO FINANCIAL STATEMENTS

March 31, 2026 and for the year then ended(Continued)

drivers and how these drivers will affect each other.

Loss given default is an estimate of the loss arising on default. It is based on the difference between the contractual cash flows due and those that the lender would expect to receive, taking into account cash flows from collateral and integral credit enhancements.

Probability of default constitutes a key input in measuring ECL. Probability of default is an estimate of the likelihood of default over a given time horizon, the calculation of which includes historical data, assumptions, and expectations of future conditions.

The carrying amounts of receivable are disclosed in Note 6.

Employee Benefits

The determination of provision for employment benefits is dependent on selection of certain assumptions used by actuaries in calculating such amounts. Those assumptions include among others, discount rate and salary increase rate. While it is believed that the Company's assumptions are appropriate and reasonable, significant differences in actual results or significant changes in assumptions may materially affect the Company's provision for employment benefits.

The carrying amounts of post-employment benefit obligations and the actuarial assumption are disclosed in Note 18.

5. CASH AND CASH EQUIVALENTS

	March 31, 2026	March 31, 2025
	Rp	Rp
Cash on hand		
Rupiah	49,930,90	49,930,90
US Dollar	59,152,803	139,438,894
Cash in banks		
Rupiah	15,793,714,904	16,031,822,936
US Dollar	50,240,916,013	50,293,856,881
Euro	1,831,499,048	1,689,617,790
Chinese Yuan	3,162,239,977	-
Time deposits		
Rupiah	1,000,000,000	1,000,000,000
Total	72,133,633,645	69,204,667,401
Annual interest rates on time deposits	2.50%	-

All cash in banks and time deposits are placed with third parties and not used as collateral.

6. TRADE ACCOUNTS RECEIVABLE

	March 31, 2026	March 31, 2025
	Rp	Rp
a. By debtor		
Related parties (Note 26)		
TVS Motor (Singapore) Pte. Ltd, Philippines Branch	225,486,952,604	86,968,561,680
TVS Motor Company Limited, India	3,901,590,251	1,493,382,805
Subtotal	229,388,542,855	88,461,944,485
Third parties	426,980,926,551	857,251,707,310
Allowance for credit losses	(6,254,687,550)	(35,837,596,823)
Net	420,726,239,001	821,414,110,487
Total	650,114,781,856	909,876,054,972
b. By currency		
US Dollar	638,110,981,493	930,533,529,297
Rupiah	18,258,487,913	15,180,122,498
Subtotal	656,369,469,406	945,713,651,795
Allowance for credit losses	(6,254,687,550)	(35,837,596,823)
Total	650,114,781,856	909,876,054,972

As at April 1, 2024, trade receivables with customers amounted to Rp 952,459,281,522 (net of allowance for credit losses of Rp 35,837,596,823). The average credit period on sale of goods are 30 to 150 days in 2026 and 2025. No interest is charged on the outstanding balance.

Allowance for credit losses for trade accounts receivable has been measured at an amount equal to lifetime ECL. The ECL on trade accounts receivable is estimated using a provision matrix by reference to past default experience of the debtor and an analysis of the debtor's current financial position, adjusted for factors that are specific to the debtors, general economic conditions of the industry in which the debtors operate.

There has been no change in the estimation techniques or significant assumptions made during the current reporting period.

The following table details the risk profile of trade accounts receivable from contracts with customers based on the Company's provision matrix.

PT. TVS MOTOR COMPANY INDONESIA

NOTES TO FINANCIAL STATEMENTS

March 31, 2026 and for the year then ended (Continued)

ECL on trade accounts receivable using provision matrix - assessed collectively

	March 31, 2026							Total
	Not past due	Past due						
		< 30 days	31 - 60 days	61 - 90 days	91 - 120 days	121 - 180 days	> 180 days	
		Rp	Rp	Rp	Rp	Rp	Rp	
Expected credit loss rate on collective assessment	9.88%	12.97%	26.30%	55.50%	74.12%	79.23%	83.98%	
Estimated total gross carrying amount at default	10,100,959,084	2,119,488,165	494,013,750	1,264,664,912	1,123,774	24,401,968	4,917,496,586	18,922,148,239
Lifetime ECL	(998,136,204)	(274,861,156)	(129,935,150)	(701,915,106)	(832,905)	(19,334,000)	(4,129,673,029)	(6,254,687,550)
Total								12,667,460,689
	March 31, 2025							Total
	Not past due	Past due						
		< 30 days	31 - 60 days	61 - 90 days	91 - 120 days	121 - 180 days	> 180 days	
		Rp	Rp	Rp	Rp	Rp	Rp	
Expected credit loss rate on collective assessment	1.20%	1.97%	4.42%	5.07%	6.68%	7.74%	8.80%	
Estimated total gross carrying amount at default	236,771,522,601	132,631,470,524	10,072,262,688	2,034,964,179	903,298,815	119,525,760	5,467,366,772	388,000,411,339
Lifetime ECL	(2,156,524,072)	(1,992,036,092)	(338,938,338)	(78,570,233)	(45,958,388)	(7,051,283)	(366,863,573)	(4,985,941,979)
Total								383,014,469,360

The movements in allowance for credit losses are as follows:

	March 31, 2026		
	Lifetime ECL - Not credit impaired		
	Assessed collectively	Assessed individually	Total
	Rp	Rp	Rp
Balance at beginning of year	4,985,941,979	-	4,985,941,979
Change in loss allowance	1,268,745,571	-	1,268,745,571
Balance at end of year	6,254,687,550	-	6,254,687,550
	March 31, 2025		
	Assessed collectively	Assessed individually	Total
	Rp	Rp	Rp
Balance at beginning of year	6,542,054,054	29,295,542,769	35,837,596,823
Change in loss allowance	-	1,556,112,075	1,556,112,075
Amounts recovered	(1,556,112,075)	-	(1,556,112,075)
Balance at end of year	4,985,941,979	30,851,654,844	35,837,596,823

For the year ended 31 March 2026, the trade account receivable balances from Global Automobile Traders FZCO, Philippines, amounting to Rp 95,160,800,000 (equivalent to USD 5,600,000) and Rp 117,251,700,000 (equivalent to USD 6,900,000) are supported by TVS Motor Company Limited, India, and TVS Motor (Singapore) Pte. Ltd., Philippines Branch, respectively. These entities have confirmed that they will ensure settlement of the receivable before 31 December 2026, thereby providing full assurance on the recoverability of the receivables. As such, management reclassified the amount to other receivables.

PT. TVS MOTOR COMPANY INDONESIA

NOTES TO FINANCIAL STATEMENTS

March 31, 2026 and for the year then ended(Continued)

7. OTHER ACCOUNTS RECEIVABLE

	March 31, 2026	March 31, 2025
	Rp	Rp
Related parties (Note 26)		
TVS Motor Company Limited, India	10,764,709,619	25,835,398,372
TVS Digital Pte., Ltd	-	1,882,211,668
Subtotal	10,764,709,619	27,717,610,040
Third parties	362,611,738,228	8,206,862,805
Allowance for credit losses	(116,085,209,273)	-
Net	246,526,528,955	8,206,862,805
Total	257,291,238,574	35,924,472,845

Other accounts receivable from related parties represents service fees and claim for reimbursements in 2026 and 2025 (Note 26).

Balance at end of year	25,100,999,538	17,057,456,743

8. INVENTORIES

	March 31, 2026	March 31, 2025
	Rp	Rp
Finished goods	81,817,866,687	48,350,270,297
Materials, components and spare parts	434,720,184,670	344,743,985,879
Others	5,913,479,910	1,930,517,855
Total	522,451,531,267	395,204,774,031
Allowance for inventory obsolescence	(16,065,063,161)	(25,100,999,538)
Net	506,386,468,106	369,923,774,493

9. PREPAID TAXES

	March 31, 2026	March 31, 2025
	Rp	Rp
Prepaid value added tax	456,191,573,545	262,564,660,501
Claim for tax refund		
Income taxes - Article 28A (Note 25)		
Fiscal Year 2025 (March 2026) (Note 25)	8,293,627,569	-
Fiscal Year 2023 (March 2024)	869,243,347	869,243,347
Fiscal Year 2022 (March 2023)	632,847,893	1,628,688,893
Fiscal Year 2021 (March 2022)	-	5,125,879,729
Withholding taxes		
Fiscal Year 2021 (March 2022)	693,534,000	-
Value added tax		
Fiscal Year 2021 (March 2022)	239,765,922	-
Total	466,920,592,276	270,188,472,470

Corporate income tax - Fiscal Year 2022 (March 2023)

On April 22, 2025, the Directorate General of Taxes ("DGT") issued a Decision Letter on Preliminary Refund of Tax Overpayment ("SPPKPP") of corporate income tax for fiscal year 2022. The Company received a partial refund amounting to Rp 995,841,000 out of its total claim of Rp 1,628,688,893. The refund was received on May 5, 2025. As of the issuance date of these financial statements, the remaining claim is still under examination by the DGT as part of an ongoing tax audit.

Corporate income tax - Fiscal Year 2021 (March 2022)

On March 21, 2025, the DGT issued an Overpayment Tax Assessment Letter ("SKPLB") of corporate income tax for fiscal year 2021, stating that the Company has an overpayment of Rp 5,117,400,727, instead of overpayment of Rp 5,125,879,729. The Company accepted the SKPLB and the difference of Rp 8,479,002 was recorded as adjustment recognized relating to prior years' income tax in current year profit and loss. The Company received a refund of the overpayment amounting to Rp 729,930,230 on April 22, 2025, while the remaining balance of Rp 4,387,470,497 was offset against payments of various withholding taxes and value added tax.

Withholding tax - Fiscal Year 2021 (March 2022)

On March 21, 2025, the DGT issued an Underpayment Tax Assessment Letter ("SKPKB") of withholding taxes article 21, 23, 26, 4(2) for fiscal year 2021, stating that the Company has an underpayment totaling of Rp 1,850,119,690 with the total of Rp 693,534,000 submitted as an objection to the DGT and the remaining of Rp 1,156,585,690 has recorded by the Company as expense in prior year profit and loss. The Company paid the underpayment on May 19, 2025 and filed an objection on June 17, 2025.

On March 11, 2026, the DGT rejected the Company's objection. As of the date of issuance of the financial statements, the appeal is in the process of being submitted.

Value added tax - Fiscal Year 2021 (March 2022)

On March 21, 2025, the DGT issued an Underpayment Tax Assessment Letter ("SKPKB") of value added tax for period February 2022, stating that the Company has an underpayment amounting to Rp 239,765,922. The Company paid the underpayment on May 19, 2025 and filed an objection on June 17, 2025.

On March 11, 2026, the DGT rejected the Company's objection. As of the date of issuance of the financial statements, the appeal is in the process of being submitted.

10. ADVANCES TO SUPPLIERS

This account represents advances made by the Company to its suppliers for the purchase of raw materials, tools, and other components.

PT. TVS MOTOR COMPANY INDONESIA

NOTES TO FINANCIAL STATEMENTS

March 31, 2026 and for the year then ended (Continued)

11. PROPERTY, PLANT AND EQUIPMENT

	April 1, 2025	Additions	Deductions	Reclassification	March 31 2026
	Rp	Rp	Rp	Rp	Rp
Revalued amount:					
Land	304,162,000,000	-	-	-	304,162,000,000
Cost:					
Buildings	107,460,212,606	1,229,161,175	-	5,727,452,673	114,416,826,454
Machinery and tools	172,175,495,072	11,559,708,695	(1,859,732,536)	3,803,666,712	185,679,137,943
Moulds and dies	122,274,679,423	11,250,500,863	-	-	133,525,180,286
Equipment and furnitures	17,629,002,836	3,266,819,384	(58,665,846)	-	20,837,156,374
Vehicles	1,521,050,532	4,291,249,000	-	-	5,812,299,532
Construction in progress	9,531,119,385	-	-	(9,531,119,385)	-
Total	734,753,559,854	31,597,439,117	(1,918,398,382)	-	764,432,600,589
Accumulated depreciation:					
Buildings	75,001,510,311	5,584,021,396	-	-	80,585,531,707
Machinery and tools	110,223,386,949	8,636,595,971	(224,743,426)	-	118,635,239,494
Moulds and dies	61,911,559,015	5,629,397,069	-	-	67,540,956,084
Equipment and furnitures	13,198,513,038	1,789,622,294	(58,665,846)	-	14,929,469,486
Vehicles	1,337,994,058	421,851,636	-	-	1,759,845,694
Total	261,672,963,371	22,061,488,366	(283,409,272)	-	283,451,042,465
Net carrying value	473,080,596,483				480,981,558,124

	April 1, 2024	Additions	Deductions		March 31, 2025
	Rp	Rp	Rp		Rp
Revalued amount:					
Land	304,162,000,000	-	-	-	-
Cost:					
Buildings	102,705,148,353	4,755,064,253	-	-	107,460,212,606
Machinery and tools 120,890,759,492	124,294,197,691	49,187,376,685	(1,306,079,304)	-	172,175,495,072
Moulds and dies	118,626,335,959	3,648,343,464	-	-	122,274,679,423
Equipment and furnitures	15,032,215,922	3,174,705,962	(577,919,048)	-	17,629,002,836
Vehicles	1,490,099,941	63,062,829	(32,112,238)	-	1,521,050,532
	-	9,531,119,385	-	-	9,531,119,385
Total	666,309,997,866	70,359,672,578	(1,916,110,590)	-	734,753,559,854
Accumulated depreciation:					
Buildings	69,794,879,542	5,206,630,769	-	-	75,001,510,311
Machinery and tools	106,591,249,229	4,938,217,024	(1,306,079,304)	-	110,223,386,949
Moulds and dies	56,806,334,727	5,105,224,288	-	-	61,911,559,015
Equipment and furnitures	12,366,005,268	1,399,212,765	(566,704,995)	-	13,198,513,038
Vehicles	1,305,342,004	47,728,090	(15,076,036)	-	1,337,994,058
Total	246,863,810,770	16,697,012,936	(1,887,860,335)	-	261,672,963,371
Net carrying value	419,446,187,096				473,080,596,483

PT. TVS MOTOR COMPANY INDONESIA

NOTES TO FINANCIAL STATEMENTS

March 31, 2026 and for the year then ended (Continued)

Depreciation expense was allocated to the following:

	2026	2025
	Rp	Rp
Manufacturing cost	19,850,014,436	15,250,072,081
General and administrative expenses (Note 24)	2,211,473,930	1,446,940,855
Total	22,061,488,366	16,697,012,936

The Company owns land located in Karawang, Ciampel - Kutaneegara, Jawa Barat, with a total area of 126,541 square meters as of March 31, 2026 and 2025, with Building Use Rights (HGB) expiring on November 11, 2028. Management believes that there will be no difficulty in the extension of the land rights since the land was acquired legally and supported by sufficient evidence of ownership.

Effective April 1, 2013, the Company's land is measured at fair value. The fair value of land was obtained from independent sources and was determined based on market approach that considers current market value from identical or comparable assets transaction and is classified as level two. Level two fair value measurements are those derived from inputs that are observable for the asset either directly or indirectly.

Sale and disposal of property, plant and equipment are as follows:

	2026	2025
	Rp	Rp
Proceeds from sale of property, plant and equipment	1,993,282,096	(28,250,255)
Net carrying value	(1,634,989,110)	(28,250,255)
Gain (loss) on sale and disposal of property, plant and equipment	358,292,986	(28,250,255)

12. OTHER INTANGIBLE ASSET

As of March 31, 2026, other intangible asset comprise capitalized product development expenditures related to electric vehicle projects currently under development. Such expenditures are capitalized when the criteria for recognition of development costs are met.

As the projects have not yet been completed and the assets are not available for use, no amortization has been recognized. Amortization will begin when the assets are available for use in accordance with their intended purpose.

13. BANK LOANS

	2026	2025
	Rp	Rp
Short-term bank loans		
Rupiah		
PT Bank DBS Indonesia	56,704,204,318	9,160,422,417
PT Bank Mizuho Indonesia	7,515,000,000	-
US Dollar		
MUFG Bank, Ltd., Jakarta Branch (USD 15,550,000 in 2026 and USD 15,550,000 in 2025)	264,241,150,000	257,943,400,000
Citibank, N.A. (USD 13,000,000 in 2026 and USD 11,587,220 in 2025)	220,909,000,000	192,208,805,360
Standard Chartered Bank Indonesia (USD 8,577,180 in 2026 and USD 5,599,355 in 2025)	145,752,019,740	92,882,100,740
PT Bank Mizuho Indonesia (USD 9,000,000 in 2026 and USD 4,000,000 in 2025)	152,937,000,000	66,352,000,000
PT Bank DBS Indonesia (USD 1,249,463 in 2025)	-	20,726,087,931
China Yuan		
PT Bank DBS Indonesia (CNH 547,291 in 2026 and CNH 1,252,802 in 2025)	1,344,463,845	2,857,390,802
Total	849,402,837,903	642,130,207,250

The amortized cost of the bank loans are as follows:

	2026	2025
	Rp	Rp
Bank loans	849,402,837,903	642,130,207,250
Accrued interest (Note 17)	3,962,223,943	3,987,124,910
Amortized cost	853,365,061,846	646,117,332,160

PT Bank DBS Indonesia

The Company obtained a Banking Facility Agreement from PT Bank DBS Indonesia, with the latest amendment dated November 26, 2025. Based on the agreement, the Company has obtained several banking facilities comprising uncommitted omnibus facilities with a maximum facility amount of up to USD 7,000,000 (or its equivalent in other currencies). The facilities include sub-facilities such as import letter of credit (L/C), purchase invoice financing, SKBDN export bill under letter of credit, and revolving loan credit.

The agreement is valid to August 31, 2026.

As of March 31, 2026, the outstanding loans comprise of:

- Indonesian Rupiah denominated purchase invoice financing with interest rate ranging from 6.33% - 7.86%
- Chinese Yuan denominated import letter of credit facilities

As of March 31, 2025, United States Dollar and Chinese Yuan denominated loan is comprise of import letter of credit.

As of March 31, 2026, the Company had complied with the terms and conditions required.

PT Bank Mizuho Indonesia

The Company obtained a Credit Facility Agreement from PT Bank Mizuho Indonesia, with the latest amendment dated December 19, 2025. Based on the agreement, the Company has obtained several banking facilities with a maximum facility amount of up to USD 10,000,000 (or its equivalent in other currencies). The facilities include sub-facilities such as letter of credit (L/C), account payable financing and bank guarantee.

The agreement is valid from December 20, 2025 to December 20, 2026.

As of March 31, 2026, the outstanding loans comprise of:

- Indonesian Rupiah denominated bank guarantee
- US Dollar denominated account payable financing with interest rate ranging from 5.00% to 5.92%

MUFG Bank, Ltd., Jakarta Branch

The Company obtained a Credit Facility Agreement from MUFG Bank, Ltd., Jakarta Branch, with the latest amendment dated December 30, 2025. Based on the agreement, the Company has obtained several banking facilities with a maximum facility amount of up to USD 18,000,000 (or its equivalent in other currencies). The facilities include sub-facilities such as short-term loan, SKBDN, LC import/local facilities, import settlement, invoice financing and payable financing.

The agreement is valid from December 31, 2025 to December 31, 2026.

As of March 31, 2026 and 2025, the outstanding loan for US Dollar denominated loans represents shortterm loan, with interest rate ranging at 4.65% - 5.59% (2025: ranging at 5.28% - 5.59%).

As of March 31, 2026, the Company had complied with the terms and conditions required.

Citibank, N.A.

The Company obtained a Credit Facility Agreement from Citibank, N.A, dated September 11, 2023. Based on the agreement, the Company has obtained several banking facilities with comprise of working capital loan for USD 15,000,000 and trade payables financing for USD 5,000,000.

Based on the agreement, the facilities shall be available for an initial period of one year commencing from the date of the agreement and availability period shall be automatically extended for successive one-year periods unless the Company notifies to end the agreement.

As of March 31, 2026 and 2025, the outstanding loan for US Dollar denominated loans represents working capital loan and trade payables financing with interest rate is ranging at 5.52% - 6.32% (2025: 5.60% - 6.32%).

Standard Chartered Bank Indonesia

The Company obtained a Credit Facility Agreement from Standard Chartered Bank Indonesia, with the latest amendment dated November 4, 2025. Based on the agreement, the Company has obtained several banking facilities with a maximum facility amount of up to USD 10,000,000. The facilities include sub-facilities such as export invoice financing, import invoice financing, import letter of credit (L/C), credit bills negotiated, import loan and short-term loan.

The agreement is valid from November 4, 2025 to November 4, 2026.

As of March 31, 2026 and 2025, the outstanding loans comprise of:

- Short-term loan with interest rate ranging from ranging at 5.41% - 6.96% (2025: 6.93% - 6.95%)
- Letter of credit facilities

PT. TVS MOTOR COMPANY INDONESIA

NOTES TO FINANCIAL STATEMENTS

March 31, 2026 and for the year then ended(Continued)

14. TRADE ACCOUNTS PAYABLE

	March 31, 2026	March 31, 2025
	Rp	Rp
a. By creditors		
Related party (Note 26)		
TVS Motor Company Limited India	462,511,317,172	593,316,664,180
Third parties	110,874,613,431	93,283,806,440
Total	573,385,930,603	686,600,470,620
b. By currency		
US Dollar	465,052,006,365	627,759,015,157
Rupiah	98,325,964,393	48,683,819,604
Chinese Yuan	10,007,959,845	10,134,802,859
India Rupee	-	22,833,000
Total	573,385,930,603	686,600,470,620

The average credit period on purchases of goods is 30 - 60 days in 2026 and 2025. No interest is charged on the outstanding balance.

15. OTHER ACCOUNTS PAYABLE

	March 31, 2026	March 31, 2025
	Rp	Rp
Related parties (Notes 26 and 27)		
TVS Motor (Singapore) Pte Ltd	129,577,299,133	-
TVS Motor Company Limited, India	22,482,816,587	25,055,056,963
TVS Holdings Limited	4,343,102,526	-
Subtotal	156,403,218,246	25,055,056,963
Third parties	15,421,663,125	16,462,368,927
Total	171,824,881,371	41,517,425,890

Other accounts payable to related parties represents management fees, information technology service product development related costs and trademark license fees.

16. TAXES PAYABLE

	March 31, 2026	March 31, 2025
	Rp	Rp
Income taxes		
Article 4(2) final	193,969,963	109,262,585
Article 21	1,033,219,246	1,442,884,322
Article 22	22,012,981	40,234,931
Article 23	945,291,436	128,833,477
Article 25	1,009,940,618	-
Article 26	25,328,862	25,328,862
Article 29 (Note 25)	-	2,916,435,563
Total	3,229,763,106	4,662,979,740

17. ACCRUED EXPENSES

	March 31, 2026	March 31, 2025
	Rp	Rp
Provision for sales and marketing	51,210,086,357	24,112,540,866
Research and development	12,780,207,922	10,263,205,428
Freight, storage and clearance	8,093,482,865	12,718,211,289
Repair and maintenance	6,536,463,484	1,824,698,120
Warranty expense	4,601,061,144	4,131,945,688
Supply and logistics	4,005,063,954	4,405,580,056
Interest (Note 13)	3,962,223,943	3,987,124,910
General and administration	3,803,023,334	4,432,373,755
Professional fees	922,000,000	2,476,000,000

Employee's social security	912,246,280	710,237,544
Management fee (Note 27)	49,764,000,000	-
Others	4,211,695,308	4,181,522,772
Total	101,037,554,591	123,007,440,428

18. POST-EMPLOYMENT BENEFITS OBLIGATION

The Company provides post-employment benefits to qualifying employees in accordance with Law No. 6/2023 and Government Regulation No. 35/2021. The number of employees entitled to the benefits was 642 employees in 2026 (2025: 550 employees).

The defined benefit plan typically exposes the Company to actuarial risks such as: interest rate risk and salary risk.

Interest risk

A decrease in the bond interest rate 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 plan participants. As such, an increase in the salary of the plan participants will increase the plan's liability.

Amounts recognized in comprehensive income with respect of the post-employment benefits are as follows:

	2026	2025
	Rp	Rp
Current service cost:	5,150,597,000	3,781,465,000
Interest cost	1,784,562,000	1,492,486,000
Adjustment related to change in fix allowance	6,935,159,000	5,273,951,000
Components of defined benefits cost recognised in profit or loss		
Remeasurement on the net defined benefit obligation:		
Actuarial (gains) losses arising from changes in financial assumptions	568,987,000	(600,260,000)
Actuarial gains arising from experience adjustments	672,631,000	(194,383,000)
Components of defined benefit costs recognised in other comprehensive income	1,241,618,000	(794,643,000)
Total	8,176,777,000	4,479,308,000

Movements in the present value of the defined benefit obligations are as follows:

	2026	2025
	Rp	Rp
Balance at beginning of year	26,921,759,000	23,205,091,000
Component of defined benefit cost recognized in profit or loss	6,935,159,000	5,273,951,000
Component of defined benefit cost recognized in other comprehensive income	1,241,618,000	(794,643,000)
Benefits payment	(4,013,157,000)	(762,640,000)
Balance at end of year	31,085,379,000	26,921,759,000

The cost of providing post-employment benefits is calculated by independent actuary, KKA Steven & Mourits. The actuarial valuation was carried out using the following key assumptions:

	2026	2025
Discount rate per annum	7.00%	7.20%
Salary increment rate per annum	7.00%	7.00%
Normal retirement age	56 years old and can be extended up to 60 years old	56 years old and can be extended up to 60 years old

PT. TVS MOTOR COMPANY INDONESIA

NOTES TO FINANCIAL STATEMENTS

March 31, 2026 and for the year then ended(Continued)

Mortality rate	TMI IV (2019)	TMI IV (2019)
Resignation rate	5% p.a. at age of 25 and decreasing linearly to 0% p.a. at age 45 and thereafter	5% p.a. at age of 25 and decreasing linearly to 0% p.a. at age 45 and thereafter
Disability	10% of TMI IV (2019)	10% of TMI IV (2019)

Significant actuarial assumptions for the determination of the defined obligation are discount rate and expected salary increase. The sensitivity analysis below has been determined based on reasonably possible changes of the respective assumptions occurring at the end of the reporting period, while holding all other assumptions constant.

- If the discount rate is 1% higher (lower), the defined benefits obligation would decrease to Rp 28,773,012,000 (increase to Rp 33,724,294,000) (2025: decrease to Rp 25,011,319,000 (increase to Rp 29,099,942,000)).
- If the expected salary growth is 1% higher (lower), the defined benefits obligation would increase to Rp 29,200,468,000 (decrease to Rp 24,891,141,000) (2024: increase to Rp 25,303,231,000 (decrease to Rp 21,337,466,000)).

The sensitivity analysis presented above may not be representative of the actual change in the defined benefit obligations it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated.

Furthermore, in presenting the above sensitivity analysis, 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 liability recognized in the statement of financial position.

There was no change in the methods and assumptions used in preparing the sensitivity analysis from prior years.

The average duration of the benefit obligation on March 31, 2026 is 15.26 years (March 31, 2025: 14.38 years).

19. CAPITAL STOCK

Name of Stockholders	March 31, 2026		
	Ordinary Shares	Percentage of Ownership	Total Capital Stock
		%	Rp
TVS Motor Company Limited, India	9,597,000	51%	934,747,800,000
TVS Motor (Singapore) Pte., Limited	5,324,187	30%	518,575,813,800
TVS Motor Company (Europe) B.V.	2,870,000	16%	279,538,000,000
Total	17,791,187	100%	1,732,861,613,800

Name of Stockholders	March 31, 2025		
	Ordinary Shares	Percentage of Ownership	Total Capital Stock
		%	Rp
TVS Motor Company Limited, India	8,597,000	51%	837,347,800,000
TVS Motor (Singapore) Pte., Limited	5,324,187	32%	518,575,813,800
TVS Motor Company (Europe) B.V.	2,870,000	17%	279,538,000,000
Total	16,791,187	100%	1,635,461,613,800

Based on the Notarial Deed No. 13 dated July 8, 2025, from Suhamad, S.H., notary in Jakarta, the shareholders:

- Approve to increase the authorized capital of the Company from originally USD 175,000,000 or equivalent to Rp 1,704,500,000,000, consist of 17,500,000 shares to become USD 250,000,000 or equivalent to Rp 2,435,000,000,000, consist of 25,000,000 shares.
- Approve to increase the subscribed and paid-up capital of the Company from originally USD 167,911,870 or equivalent to Rp 1,635,461,613,800, consist of 16,791,187 shares to become USD 177,911,870 or equivalent to Rp 1,732,861,613,800, consist of 17,791,187 shares.
- Agreed that a total of 1,000,000 shares have been fully subscribed by TVS Motor Company Limited, India.

20. FOREIGN EXCHANGE RATE DIFFERENCE ON PAID-IN CAPITAL

This account represents the difference between the exchange rate stated in the Articles of Association and the actual exchange rate at the date the payments for capital subscription were received.

21. REVALUATION SURPLUS

This amount represents the increase in value of land due to revaluation.

22. SALES

Customer

Related parties (Note 26)

TVS Motor (Singapore) Pte. Ltd, Philippines Branch	352,604,613,219	99,796,417,170
TVS Motor Company Limited, India	263,560,241	801,810,812
Third parties	2,252,597,340,708	1,630,362,679,117
Total	2,605,465,514,168	1,730,960,907,099

Type of goods

Sale of vehicles	2,541,554,925,009	1,639,982,476,000
Sale of spare parts	63,910,589,159	89,394,970,907
Sale of battery	-	1,583,460,192
Total	2,605,465,514,168	1,730,960,907,099

Geographical markets

	Current Year	Previous Year
Export	2,481,766,764,904	1,603,109,195,291
Domestic	123,698,749,264	127,851,711,808
Total	2,605,465,514,168	1,730,960,907,099

44% (2025: 45%) of the total purchases of raw materials and components were made from TVS Motor Company Limited, India, the ultimate holding company, in 2026 (Note 26).

Details of net sales to dealers representing more than 10% of the sales are as follows:

23. COST OF GOODS SOLD

	2026	2025
	Rp	Rp
Raw materials and components used	1,977,898,362,799	1,299,211,490,265
Direct labor	45,159,260,014	31,165,815,564
Overhead	180,929,553,886	154,656,758,124
Total manufacturing cost	2,203,987,176,699	1,485,034,063,953
Finished goods (Note 8)		
At beginning of year	48,350,270,297	37,072,121,183
At end of year	(81,817,866,687)	(48,350,270,297)
Cost of goods sold	2,170,519,580,309	1,473,755,914,839

44% (2025: 45%) of the total purchases of raw materials and components were made from TVS Motor Company Limited, India, the ultimate holding company, in 2026 (Note 26).

24. OPERATING EXPENSES

	2026	2025
	Rp	Rp
Marketing		
Advertising, media and market research	49,268,943,117	12,110,323,105
Sales promotion	16,707,959,972	13,283,249,521
Warranty	1,320,744,339	684,467,281
Free service charges	1,196,778,000	987,867,500
Others	904,446,446	687,870,690
Total	69,398,871,874	27,753,778,097

PT. TVS MOTOR COMPANY INDONESIA

NOTES TO FINANCIAL STATEMENTS

March 31, 2026 and for the year then ended(Continued)

	2026	2025
	Rp	Rp
General and administrative		
Allowance for credit losses (Note 6)	86,502,300,000	-
Management fee (Note 27)	50,979,000,000	49,764,000,000
Salaries, allowances and benefits	37,832,443,054	34,551,467,455
Short term and low value leases	8,969,906,458	8,374,054,441
Depreciation of right-of-use assets	7,053,528,941	3,061,664,487
Training and development	5,627,712,758	5,427,296,683
Taxes, permit and license	5,582,388,481	62,815,849
Travel and transportation	4,919,449,353	4,479,009,668
Consultancy fees	4,841,189,541	7,550,811,313
Product research	4,532,235,543	1,419,702,998
Data processing (Note 27)	3,935,333,611	2,444,280,164
Insurance	2,913,248,837	2,746,158,389
Office supplies and postage	2,429,215,743	1,639,173,981
Depreciation of property, plant and equipment (Note 11)	2,211,473,930	1,446,940,855
Professional fees	1,292,498,022	1,519,998,985
Others	3,286,007,786	2,275,716,204
Total	232,907,932,058	126,763,091,472

25. INCOME TAX

Income tax expense (benefit) of the Company consists of the following:

	2026	2025
	Rp	Rp
Current tax	42,266,075,575	3,847,940,106
Adjustment of prior year corporate income tax	(1,882,142,520)	-
Deferred tax	(24,911,665,026)	(370,929,681)
Total tax expense	15,472,268,029	3,477,010,425

Deferred Tax

The detail of the Company's deferred tax assets is as follows:

	April 1, 2024	(Charged) credited to profit or loss for the year	Credited to other comprehensive income	Adjustment to deferred tax	March 31, 2025	(Charged) credited to profit or loss for the year	Credited to other comprehensive income	March 31, 2026
	Rp	Rp	Rp	Rp	Rp	Rp	Rp	Rp
Deferred tax asset (liabilities)								
Allowance for credit losses	7,884,271,301	-	-	-	7,884,271,301	19,030,506,000	-	26,914,777,301
Accrued expenses	5,843,764,399	370,022,643	-	-	6,213,787,042	6,064,665,408	-	12,278,452,450
Property, plant and equipment	(11,886,562,402)	(18,103,100)	-	(141,664,130)	(12,046,329,632)	(528,065,907)	-	(12,574,395,539)
Right of Used Asset	-	186,296,212	-	29,234,836	215,531,048	1,277,745,152	-	1,493,276,200
Lease Liabilities	-	(1,047,200,000)	-	-	(1,047,200,000)	(1,576,171,267)	-	(2,623,371,267)
Post-employment benefits obligation	5,105,120,020	992,343,220	(174,821,460)	-	5,922,641,780	642,985,640	273,155,960	6,838,783,380
Deferred tax asset - net	6,946,593,318	483,358,975	(174,821,460)	(112,429,294)	7,142,701,539	24,911,665,026	273,155,960	32,327,522,525

A reconciliation between the tax expense (benefit) and the amounts computed by applying the effective tax rates to profit before tax is as follows:

	2026	2025		2026	2025
	Rp	Rp		Rp	Rp
Profit before tax per statements of profit or loss and other comprehensive income	83,624,079,103	42,693,855,245	Adjustment of prior year corporate income tax	(1,882,142,520)	-
Tax expense at effective tax rates	18,397,297,403	9,392,648,154	Utilized fiscal loss in current year	-	(9,702,124,590)
Tax effect of non-deductible expenses (non-taxable income)	(1,042,886,854)	3,674,057,567	Others	-	112,429,294
			Tax expense	15,472,268,029	3,477,010,425

PT. TVS MOTOR COMPANY INDONESIA

NOTES TO FINANCIAL STATEMENTS

March 31, 2026 and for the year then ended (Continued)

26. NATURE OF RELATIONSHIP AND TRANSACTIONS WITH RELATED PARTIES

Nature of Relationship

- TVS Holding Limited ("TVS Holding") is the ultimate parent entity.
- TVS Motor Company Limited, India ("TVS India") is the shareholder of the Company and intermediate parent entity.
- TVS Motor Company (Europe) B.V. ("TVS Europe") and TVS Motor (Singapore) Pte., Limited ("TVS Singapore"), are shareholders of the Company.
- Related party which conforms to the criteria on Note 3d is TVS Digital Pte., Ltd and TVS Motor (Singapore) Pte. Ltd, Philippines Branch.

Transactions with Related Parties

The Company entered into certain transactions with related parties, including the following:

- Compensation paid to the Board of Commissioners and Directors of the Company amounted to Rp 3,463,956,800 in 2026 (2025: Rp 5,807,288,526).
- Sales to related parties accounted for 13.54 % in 2026 (2025: 5.81%), of the total sales. At reporting date, the receivables for these sales were presented as trade accounts receivable which constituted 8.68% of the total assets as of March 31, 2026 (2025: 4.05%).
- Purchases from a related party constituted 44 % in 2026 (2025: 45%) of the total purchases of raw materials and components. At reporting date, the liabilities for these purchases were presented as trade accounts payable which constituted 26.03% of the total liabilities as of March 31, 2026 (2025: 38.16%).
- The Company entered into non-trade transactions with certain related parties as described in Notes 7 and 15.

27. SIGNIFICANT CONTRACTS AND AGREEMENTS

- On April 1, 2022, the Company entered into a License and Technical Assistance Agreement with TVS Motor Company Limited (TVS India). Under this agreement, the Company obtained the rights to use industrial property rights and technical information for the manufacture, assembly, sale, and servicing of TVS-branded two-wheelers, three-wheelers, and electric powertrain products. The Company is required to pay a royalty of 2% of the net ex-factory price of each product and part sold, with royalty payments commencing only when combined monthly production exceeds 20,000 units. The agreement is valid for five years from the effective date. Royalty payables outstanding at the reporting date were recognized as other accounts payable to related parties.

- On November 6, 2023, the Company entered into a Service Agreement with TVS Motor (Singapore) Pte. Ltd. (TVS Singapore). Under the agreement, TVS Singapore provides consulting services relating to finance, digitalization strategy and implementation, manpower planning, recruitment, quality control, export strategy, general management, and mergers and acquisitions. The Company pays a fixed service fee of USD 3,000,000 per year. The agreement remains effective unless terminated by mutual consent of both parties. Outstanding service fee payables at the reporting date were presented as other accounts payable to related parties.
- On June 16, 2025, the Company and TVS India entered into a Memorandum of Understanding covering the period from April 1, 2025 to March 31, 2026. Under the arrangement, the Company is entitled to receive a service fee for each three-wheeled vehicle sold by TVS India in the Cambodia region. Service fee income amounted to Rp 588,807,450 in 2026, compared with Rp 517,492,250 in 2025. As of the issuance date of the financial statements, the agreement was in the process of being renewed. Receivables arising from this arrangement were recognized as other accounts receivable from related parties.
- On April 1, 2025, the Company entered into a Trademark License Agreement with TVS Holding. The agreement grants the Company the right to use TVS trademarks in its business operations in exchange for a royalty payment of 0.35% of sales generated from products bearing the licensed trademarks. The agreement is effective for a period of ten years from the commencement date. Royalty payables outstanding at the reporting date were recognized as other accounts payable to related parties.
- On April 1, 2025, the Company, TVS India, and TVS Singapore entered into an Electric Two-Wheeler Product Development, Design and Technical Expertise Agreement. Under the agreement, TVS India and TVS Singapore provide technical, engineering, and research and development services to support the N828 Project, including product development, validation, and launch readiness activities for the M1-S electric two-wheeler. The Company reimburses all project-related costs, including employee costs, travel expenses, and other directly attributable expenditures, together with a 5% markup. The agreement remains effective until completion of project activities up to the start of production. Costs incurred under the arrangement are capitalized as product development costs, while related payables are presented as other accounts payable to related parties.
- On March 11, 2025, the Company entered into an Asset Transfer Agreement with PT Industri Ion Mobilitas, a third party. The transaction was formalized through Notarial Deed No. 51 dated March 27, 2025, executed by Ardy Putra, S.H., M.Kn., a notary in Jakarta. Under the agreement, the Company acquired property and equipment with a total value of Rp 12,446,249,998 from PT Industri Ion Mobilitas.

28. FINANCIAL INSTRUMENTS, FINANCIAL RISK AND CAPITAL RISK MANAGEMENT

a. Categories and Classes of Financial Instruments

	March 31, 2026		March 31, 2025	
	Financial assets at amortized cost	Financial liabilities at amortized cost	Financial assets at amortized cost	Financial liabilities at amortized cost
	Rp	Rp	Rp	Rp
Financial assets				
Cash in banks and cash equivalent	72,028,369,942	-	69,015,298,507	-
Trade accounts receivable				
Related parties	229,388,542,855	-	88,461,944,485	-
Third parties - net	420,726,239,001	-	821,414,110,487	-
Other accounts receivable				
Related parties	10,764,709,619	-	27,717,610,040	-
Third parties - net	246,526,528,955	-	8,206,862,805	-
Other current assets	4,308,630,005	-	4,071,452,170	-
Security deposits	9,594,954,052	-	2,030,009,832	-
Financial liabilities				
Bank loans	-	849,402,837,903	-	642,130,207,250
Trade accounts payable				
Related party	-	462,511,317,172	-	593,316,664,180
Third parties	-	110,874,613,431	-	93,283,806,440
Other accounts payable				
Related party	-	156,403,218,246	-	25,055,056,963
Third parties	-	15,421,663,125	-	16,462,368,927
Accrued expenses	-	120,135,125,788	-	123,007,440,428
Loan from shareholder	-	-	-	31,706,000,000
Deposit from customers	-	20,281,112,689	-	1,212,342,344
Total	993,337,974,429	1,735,029,888,354	1,020,917,288,326	1,494,467,886,532

PT. TVS MOTOR COMPANY INDONESIA

NOTES TO FINANCIAL STATEMENTS

March 31, 2026 and for the year then ended(Continued)

b. Financial risk management objectives and policies

The Company's overall financial risk management and policies seek to ensure that adequate financial resources are available for operation and development of its business, while managing its exposure to interest rate, foreign exchange, credit, and liquidity risks. The Company does not enter into or trade financial instruments, including derivative financial instruments, for speculative purposes.

i. Interest rate risk management

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of the changes in market interest rates. The Company's exposure to the market interest fluctuation arises primarily from borrowings with variable interest rates.

To manage the interest rate exposure on its borrowings, the Company reviews the interest rate movements to enable management to take appropriate measures such as maintaining an appropriate mix between fixed and variable rate borrowings to help manage the exposure.

Financial instruments of the Company that are exposed to cash flow interest rate risk are included in liquidity and interest rate risks table in section (iv) below.

The sensitivity analysis below has been determined based on the exposure to interest rates for non-derivative instruments at the end of the reporting period. For floating rate liabilities, the analysis is prepared assuming the amount of the liability outstanding at the end of the reporting period was outstanding for the whole year.

In 2026, if interest rate had been 50 basis points (2025: 50 basis points) higher (lower) and the other variables held constant, the Company's profit after tax would decrease (increase) by Rp 424,701,419 (2025: Rp 321,065,104).

The Company's sensitivity to interest rates has increased during the current year mainly due to the increase in variable rate debt instruments.

ii. Foreign currency risk management

The Company is mainly exposed to the U.S. Dollar. The Company's monetary assets and liabilities open position at March 31, 2026 and 2025 is detailed in Note 28.

The following table details the Company's sensitivity to a 4 % (2025: 4%) decrease in the Rupiah against U.S Dollar. 4 % in 2026 (2025: 4%) is the sensitivity rate used when reporting foreign currency risk internally to key management personnel and represents management's assessment of the reasonably possible change in foreign exchange rates.

The sensitivity analysis includes only outstanding foreign currency denominated monetary items and adjusts their translation at the period end for a 4 % change in foreign currency rates in 2026 (2025: 4%). A negative number below indicates an increase in profit where the U.S. Dollar

weakening 4% against the relevant currency. For a 4% strengthening of the U.S. Dollar against the relevant currency, there would be a comparable impact on the profit, and the balances below would be negative.

	USD Impact	
	2026 Rp	2025 Rp
Net profit for the year	3,003,700,614	1,613,660,208

Based on management's opinion, the sensitivity analysis is unrepresentative of the inherent foreign exchange risk because the exposure at the end of the reporting year does not reflect the exposure during the year.

iii. Credit risk management

The Company develops and maintains its credit risk gradings to categorize exposures according to their degree of risk of default. The Company uses its own trading records to rate its major customers and other debtors.

The Company's current credit risk grading framework comprises the following categories:

Category	Description	Basis for recognizing ECL
Performing	The counterparty has a low risk of default and does not have any past-due amounts.	12-month ECL
Doubtful	Amount is >120 days past due or there has been a significant increase in credit risk since initial recognition.	Lifetime ECL - not credit-impaired
In default	Amount is >365 days past due or there is evidence indicating the asset is creditimpaired.	Lifetime ECL - credit-impaired
Write-off	There is evidence indicating that the debtor is in severe financial difficulty and the Company has no realistic prospect of recovery.	Amount is written off

The table below details the credit quality of the Company's financial assets as well as maximum exposure to credit risk by credit risk rating grades:

	Internal Credit Rating	12-month or lifetime ECL	Gross carrying amount	Loss allowance	Net carrying amount
			Rp	Rp	Rp
March 31, 2026					
Cash in banks and cash equivalent (Note 5)	Performing	12-month ECL	72,028,369,942	-	72,028,369,942
Trade accounts receivable (Note 6)	(i)	Lifetime ECL (simplified approach)	656,369,469,406	(6,254,687,550)	650,114,781,856
Other accounts receivable	Performing	12-month ECL	373,376,447,847	(116,085,209,273)	257,291,238,574
Other current assets	Performing	12-month ECL	4,308,630,005	-	4,308,630,005
Security deposits	Performing	12-month ECL	9,594,954,052	-	9,594,954,052
				(122,339,896,823)	
March 31, 2025					
Cash in banks and cash equivalent (Note 5)	Performing	12-month ECL	69,015,297,607	-	69,015,297,607
Trade accounts receivable (Note 6)	(i)	Lifetime ECL (simplified approach)	945,713,651,795	(35,837,596,823)	909,876,054,972
Other accounts receivable	Performing	12-month ECL	35,924,472,845	-	35,924,472,845
Other current assets	Performing	12-month ECL	4,071,452,170	-	4,071,452,170
Security deposits	Performing	12-month ECL	2,030,009,832	-	2,030,009,832
				(35,837,596,823)	

PT. TVS MOTOR COMPANY INDONESIA

NOTES TO FINANCIAL STATEMENTS

March 31, 2026 and for the year then ended (Continued)

(i) The Company determines the ECL on these items by using a provision matrix, estimated based on historical credit loss experience based on the past due status of the debtors, adjusted as appropriate to reflect current conditions and estimates of future economic conditions.

The Company has adopted procedures in extending credit terms to customers and in monitoring its credit risk. The Company only grants credit to creditworthy counterparties. Cash is held with creditworthy institutions and is subject to immaterial credit loss.

The Company's credit exposure has no significant concentration of credit risk with any single customer or group of customers.

iv. Liquidity risk management

Ultimate responsibility for liquidity risk management rests with the Directors, which has built an appropriate liquidity risk management framework for the management of the Company's short, medium, and long-term funding and liquidity management requirements. The Company manages liquidity risk by maintaining adequate reserves, banking facilities and reserve borrowing facilities by continuously monitoring forecast and actual cash flows and matching the maturity profiles of financial assets and liabilities.

The following table details the Company's remaining contractual maturity for its financial liabilities with agreed repayment periods. The table has been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Company can be required to pay. The table includes both interest and principal cash flows. To the extent that interest flows are floating rate, the undiscounted amount is derived from interest rate curves at the end of the reporting period. The contractual maturity is based on the earliest date on which the Company may be required to pay.

March 31, 2026				
Weighted average effective interest rate	Less than 1 year	1-5 years	More than 5 years	Total
	Rp	Rp	Rp	Rp
Non-interest bearing				
Trade accounts payable				
Related party	-	462,511,317,172	-	462,511,317,172
Third parties	-	110,874,613,431	-	110,874,613,431
Other accounts payable				
Related parties	-	156,403,218,246	-	156,403,218,246
Third parties	-	15,421,663,125	-	15,421,663,125
Accrued expense	-	120,135,125,788	-	120,135,125,788
Variable interest rate instruments				
Bank loans	4.65% - 7.86%	853,365,061,846	-	853,365,061,846
Lease liabilities	4.87% - 12.86%	7,941,293,241	186,596,325	8,127,889,566
Total		1,726,652,292,849	186,596,325	1,726,838,889,174

March 31, 2025				
Weighted average effective interest rate	Less than 1 year	1-5 years	More than 5 years	Total
	Rp	Rp	Rp	Rp
Non-interest bearing				
Trade accounts payable				
Related party	-	593,316,664,180	-	593,316,664,180
Third parties	-	93,283,806,440	-	93,283,806,440
Other accounts payable				
Related party	-	25,055,056,963	-	25,055,056,963
Third parties	-	16,462,368,927	-	16,462,368,927
Accrued expense	-	123,007,440,428	-	123,007,440,428
Variable interest rate instruments				
Bank loans	5.28% - 6.95%	646,117,332,160	-	646,117,332,160
Lease liabilities	7.60% - 12.86%	6,632,968,000	5,990,000,000	12,622,968,000
Total		1,503,875,637,098	5,990,000,000	1,509,865,637,098

All financial assets are due within one year from the end of the reporting period.

c. Fair Value Measurements

Fair value of financial instruments carried at amortized cost

Management considers that the carrying amounts of financial assets and financial liabilities recorded in the financial statements approximate their fair values because they have either short-term maturities or carry market interest rate.

d. Capital Management

The Company manages capital risk to ensure that it will be able to continue as a going concern and to maximizing the profits of the shareholders through the optimization of the balance of debt and equity. The Company's capital structure consists of bank loans (Note 13) offset by cash and cash equivalents (Note 5) and shareholders' equity consisting of capital stock (Note 19), foreign exchange rate difference on paid-in capital (Note 20), revaluation surplus (Note 21), other comprehensive income.

PT. TVS MOTOR COMPANY INDONESIA

NOTES TO FINANCIAL STATEMENTS

March 31, 2026 and for the year then ended(Continued)

The Director of the Company periodically reviews the Company's capital structure. As part of this review, the Board of Directors considers the cost of capital and related risk. The Company strategy remains unchanged from 2025.

29. RECONCILIATION OF LIABILITIES ARISING FROM FINANCING ACTIVITIES

The table below details changes in the Company's liabilities arising from financing activities, including both cash and non-cash changes. Liabilities arising from financing activities are those for which cash flows were, or future cash flows will be, classified in the Company's statement of cash flows as cash flows from financing activities.

	April 1, 2025	Financing cash flows	Non-cash transaction changes	March 31, 2026
	Rp	Rp	Rp	Rp
Bank loans	642,130,207,250	191,760,559,776	15,512,070,877	849,402,837,903
Lease liabilities	11,348,305,658	(8,076,089,600)	6,535,040,443	9,807,256,501
	<u>653,478,512,908</u>	<u>183,684,470,176</u>	<u>22,047,111,320</u>	<u>859,210,094,404</u>

	April 1, 2024	Financing cash flows	Non-cash transaction changes	March 31, 2025
	Rp	Rp	Rp	Rp
Bank loans	562,271,485,109	54,264,667,835	25,594,054,306	642,130,207,250
Loan from shareholder	31,706,000,000	(31,706,000,000)	-	-
Lease liabilities	2,508,988,987	(7,218,904,000)	16,058,220,671	11,348,305,658
	<u>596,486,474,096</u>	<u>15,339,763,835</u>	<u>41,652,274,977</u>	<u>653,478,512,908</u>

30. SUPPLEMENTAL DISCLOSURES ON NON-CASH ACTIVITIES

	2026	2025
	Rp	Rp
Acquisition of property and equipment through incurrence payable	-	360,239,200

31. MANAGEMENT'S RESPONSIBILITY AND APPROVAL OF FINANCIAL STATEMENTS

The preparation and fair presentation of the financial statements on pages 1 to 41 were the responsibilities of the management and were approved by Director and authorized for issuance on May 11, 2026.

NOTES TO FINANCIAL STATEMENTS

March 31, 2025 and for the year then ended(*Continued*)

RE-STATED ACCOUNTS OF
PT. TVS MOTOR COMPANY INDONESIA

PT. TVS MOTOR COMPANY INDONESIA

BALANCE SHEET AS AT 31ST MARCH 2026

	Notes	IDR in Mn.	Rupees in crores
ASSETS			
Non-current assets			
Property, plant and equipment	1	4,80,981.56	268.15
Right of use asset	1	13,983.26	7.80
Other Intangible Assets		1,14,718.52	63.96
Other Non Current Assets	2	9,594.95	5.35
Deferred tax Assets		32,327.52	18.02
		<u>6,51,605.81</u>	<u>363.28</u>
Current assets			
Inventories	3	5,06,386.47	282.31
Financial assets			
i. Trade receivables	4	9,07,406.02	505.87
ii. Cash and cash equivalents	5	72,133.63	40.22
Current tax assets (Net)		10,489.25	5.85
Other current assets	6	4,93,941.93	275.37
		<u>19,90,357.30</u>	<u>1,109.62</u>
Total assets		<u>26,41,963.11</u>	<u>1,472.90</u>
EQUITY AND LIABILITIES			
Equity			
Equity share capital	7	17,32,861.61	994.29
Other equity	8	(8,68,075.12)	(512.17)
		<u>8,64,786.49</u>	<u>482.12</u>
Liabilities			
Non-current liabilities			
Financial liabilities			
Lease Liabilities		1,865.96	1.04
Provisions	9	31,085.38	17.33
		<u>32,492.86</u>	<u>18.37</u>
Current liabilities			
Financial liabilities			
i. Borrowings	10	8,49,402.83	473.54
ii. Lease Liabilities		7,941.29	4.43
iii. Trade payables	11	-	-
a. Total outstanding dues of micro and small enterprises		-	-
b. Total outstanding dues other than (iii) (a) above		7,45,210.81	415.45
iv. Other financial liabilities	12	20,281.11	11.31
Current tax liabilities		3,229.76	1.80
Other current liabilities	13	1,18,159.48	65.88
		<u>17,44,225.28</u>	<u>972.41</u>
Total liabilities		<u>17,77,176.62</u>	<u>990.78</u>
Total equity and liabilities		<u>26,41,963.11</u>	<u>1,472.90</u>

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH 2026

	Notes	IDR in Mn.	Rupees in crores
I Revenue from operations	14	26,05,465.51	1,386.86
II Other income	15	784.45	0.23
III Total Income (I +II)		<u>26,06,249.96</u>	<u>1,387.09</u>
IV Expenses:			
Cost of material consumed	16	21,45,067.98	1,142.73
Changes in inventories of finished goods, stock-in -trade and work-in-progress	16	25,451.60	12.61
Employee benefits expense	17	30,692.79	16.34
Finance costs	18	42,782.49	22.77
Depreciation and amortisation expense	19	9,265.00	4.93
Other expenses	20	2,69,366.02	143.45
Total expenses		<u>25,22,625.88</u>	<u>1,342.83</u>
V Profit before exceptional items,(III - IV)		<u>83,624.08</u>	<u>44.26</u>
VI Exceptional items		-	-
VII Profit before tax (V+ VI)		83,624.08	44.26
VIII Tax expense			
i. Current tax		15,472.27	8.24
ii. Deferred tax		-	-
Total Tax expense		<u>15,472.27</u>	<u>8.24</u>
IX Profit for the year (VII - VIII)		<u>68,151.81</u>	<u>36.02</u>
X Other Comprehensive Income			
A. Items that will not be reclassified to profit or loss			
i. Remeasurements of post employment benefit obligations		(1,241.62)	(0.66)
ii. Income tax relating to the above items		273.16	0.15
B. Items that will be reclassified to profit or loss			
Foreign currency translation adjustments		-	33.25
Other comprehensive income for the year, net of tax		<u>(968.46)</u>	<u>32.74</u>
XI Total Comprehensive Income (IX+X)		<u>67,183.35</u>	<u>68.76</u>
XII Earnings per equity share (Face value of IDR.97,400/- each)			
Basic & Diluted earnings per share (in IDR / in rupees)		3,830.65	20.25

PT. TVS MOTOR COMPANY INDONESIA

Notes to Accounts

1 Property, Plant & Equipment as at 31.03.2026

IDR in Millions

Description	Property, Plant & Equipment						
	Land	Buildings	Plant & equipment	Vehicles	Office Equipments	Right of use asset	Total
Cost of assets							
Gross carrying value as at 01-04-2025	3,04,162.00	1,07,460.21	2,94,450.17	1,521.05	17,629.00	22,549.43	7,47,771.87
Additions	-	6,956.61	26,613.88	4,291.25	3,266.82	5,586.26	46,714.82
Sub-total	3,04,162.00	1,14,416.83	3,21,064.05	5,812.30	20,895.82	28,135.70	7,94,486.70
Sales / deletion	-	-	1,859.73	-	58.67	-	1,918.40
Total	3,04,162.00	1,07,460.21	2,94,450.20	1,521.05	17,629.00	22,549.43	7,47,771.90
Depreciation / Amortisation							
Upto 31-03-2025	-	75,001.51	1,72,134.95	1,337.99	13,198.51	7,098.91	2,68,771.87
For the year	-	5,584.02	14,265.99	421.85	1,789.62	7,053.53	29,115.02
Sub-total	-	80,585.53	1,86,400.94	1,759.85	14,988.14	14,152.44	2,97,886.89
Withdrawn on assets sold / deleted	-	-	224.74	-	58.67	-	283.41
Total	-	80,585.53	1,86,176.20	1,759.85	14,929.47	14,152.44	2,97,603.48
Carrying value							
As at 31-03-2026	3,04,162.00	33,831.29	1,33,028.12	4,052.45	5,907.69	13,983.26	4,94,964.82

1 Property, Plant & Equipment as at 31.03.2026 - (Continued)

Rupees in crores

Description	Property, Plant & Equipment						
	Land	Buildings	Plant & equipment	Vehicles	Office Equipments	Right of use asset	Total
Cost of assets							
Gross carrying value as at 01-04-2025	156.64	55.34	151.64	0.78	9.08	11.61	385.10
Additions	-	3.88	14.84	2.39	1.82	3.11	26.04
Foreign Currency translation reserve difference	12.93	4.57	12.51	0.06	0.75	0.96	31.78
Sales / deletion	-	-	1.04	-	0.03	-	1.07
Total	169.57	63.79	177.96	3.24	11.62	15.69	441.86
Depreciation / Amortisation							
Upto 31-03-2025	-	38.63	88.65	0.69	6.80	3.66	138.42
For the year	-	2.97	7.59	0.22	0.95	3.75	15.50
Foreign Currency translation reserve difference	-	3.33	7.67	0.07	0.60	0.48	12.15
Withdrawn on assets sold / deleted	-	-	0.12	-	0.03	-	0.15
Total	-	44.93	103.79	0.98	8.32	7.89	165.91
Carrying value							
As at 31-03-2026	169.57	18.86	74.16	2.26	3.29	7.80	275.95

PT. TVS MOTOR COMPANY INDONESIA

Notes on accounts - (continued)

	IDR in Mn. As at 31-03-2026	Rupees in crores		IDR in Mn. As at 31-03-2025	Rupees in crores
2 Other Non-Current Assets			8 Other Equity		
<u>Advances other than capital advances:</u>			Revaluation reserve	2,76,495.21	142.40
Deposits made	9,594.95	5.35	OCI	11,335.32	5.84
	<u>9,594.95</u>	<u>5.35</u>	Retained earnings	(14,41,008.16)	(756.17)
			Foreign currency translation reserve	2,85,102.52	95.76
3 Inventories				<u>(8,68,075.12)</u>	<u>(512.17)</u>
Raw materials and components	4,94,765.95	275.83	9 Non - Current Liabilities - Provisions		
Finished goods	11,620.52	6.48	Provision for employee benefits - Pension	31,085.38	17.33
	<u>5,06,386.47</u>	<u>282.31</u>		<u>31,085.38</u>	<u>17.33</u>
4 Trade Receivables			10 Financial Liabilities - Borrowings (Current)		
Secured, considered good			Borrowings repayable on demand from banks		
Unsecured, considered good	9,07,406.02	505.87	Secured	5,85,161.68	326.23
	<u>9,07,406.02</u>	<u>505.87</u>	Unsecured	2,64,241.15	147.31
Less : Loss allowance	-	-		<u>8,49,402.83</u>	<u>473.54</u>
	<u>9,07,406.02</u>	<u>505.87</u>	11 Trade Payables		
5 Cash and Cash Equivalents			Dues to Micro and Small Enterprises **		
Balances with banks in current accounts	72,028.37	40.16	Dues to enterprises other than Micro and Small Enterprises	7,45,210.81	415.45
Cash on hand	105.26	0.06		<u>7,45,210.81</u>	<u>415.45</u>
	<u>72,133.63</u>	<u>40.22</u>			
6 Other Current Assets			** Dues to Micro and Small Enterprises have been determined to the extent such parties have been identified on the basis of information received by the management.		
Vendor advance	29,190.55	16.27	12 Other Financial Liabilities		
VAT receivable	4,56,431.34	254.46	Trade deposits	20,281.11	11.31
Others	8,320.04	4.64		<u>20,281.11</u>	<u>11.31</u>
	<u>4,93,941.93</u>	<u>275.37</u>	13 Other Current Liabilities		
7 Equity Share Capital			Accrued expenses	1,01,037.55	56.33
Authorised, issued, subscribed and fully paid up:			Advance received from customers	17,121.93	9.55
Authorised:				<u>1,18,159.48</u>	<u>65.88</u>
25,000,000 Ordinary shares of IDR.97,400 each	<u>24,35,000.00</u>	<u>1,397.17</u>			
Issued, subscribed and fully paid up:					
17,791,187 Ordinary shares of IDR.97,400 each	17,32,861.61	994.29			
	<u>17,32,861.61</u>	<u>994.29</u>			

PT. TVS MOTOR COMPANY INDONESIA

Notes on accounts - (continued)

	IDR in Mn. For the year ended 31-03-2025	Rupees in crores For the year ended 31-03-2025		IDR in Mn. For the year ended 31-03-2025	Rupees in crores For the year ended 31-03-2025
14 Revenue from Operations			18 Finance Cost		
Sale of products	26,05,465.51	1,386.86	Interest	42,782.49	22.77
	<u>26,05,465.51</u>	<u>1,386.86</u>		<u>42,782.49</u>	<u>22.77</u>
15 Other Income			19 Depreciation and Amortisation Expense		
Interest income	199.88	0.11	Depreciation on property plant and equipment	2,211.47	1.18
Other non-operating income	584.57	0.12	Depreciation on right of use asset	7,053.53	3.75
	<u>784.45</u>	<u>0.23</u>		<u>9,265.00</u>	<u>4.93</u>
16 Material Cost			20 Other Expenses		
Cost of Materials Consumed			(a) Advertisement and publicity	69,398.87	36.94
Opening stock of raw materials and components	3,31,390.80	170.67	(b) Repairs & Maintenance	804.17	0.30
Add: Purchases	23,08,443.13	1,247.89	(c) Insurance	2,913.25	1.55
	<u>26,39,833.93</u>	<u>1,418.56</u>	(d) Rates and taxes (excluding taxes on income)	5,582.39	2.97
Less: Closing stock of raw materials and components	4,94,765.95	275.83	(e) Audit fees	1,292.50	0.69
Consumption of raw materials and components	<u>21,45,067.98</u>	<u>1,142.73</u>	(f) Transportation Charges	4,919.45	2.62
Changes in inventories of finished goods, work-in-progress and stock-in-trade:			(g) Training & Development	5,627.71	3.00
Opening stock:			(h) Foreign exchange loss	7,017.01	3.74
Finished goods	37,072.12	19.09	(i) Miscellaneous expenses	1,71,810.67	91.64
(A)	<u>37,072.12</u>	<u>19.09</u>		<u>2,69,366.02</u>	<u>143.45</u>
Closing stock:					
Finished goods	11,620.52	6.48			
(B)	<u>11,620.52</u>	<u>6.48</u>			
(A)-(B)	<u>25,451.60</u>	<u>12.61</u>			
17 Employee Benefits Expense					
Salaries, wages and bonus	30,692.79	16.34			
	<u>30,692.79</u>	<u>16.34</u>			