

TVS MOTOR COMPANY LIMITED

**Annual Report of Subsidiary Companies
for the year 2024-2025**

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SUNDARAM AUTO COMPONENTS LIMITED

Directors' Report to the Shareholders

The Directors present the 33rd annual report together with the audited financial statements for the year ended 31st March 2025.

1. Financial Highlights

(Rs.in crores)		
Details	Year ended 31.03.2025	Year ended 31.03.2024
Sales and other income (A)	0.97	0.41
Expenses		
Cost of material consumed	-	-
Changes in inventories of finished goods, stock-in-trade and work-in-progress	-	-
Employee benefit expenses	0.81	0.91
Finance costs	0.18	0.21
Depreciation and amortisation expense	3.31	3.58
Other expenses	3.65	2.17
Total expenses (B)	7.95	6.86
Profit before tax from Discontinued operations	22.48	35.28
Profit before tax from continuing operations (A) - (B)	(6.98)	(6.45)
Exceptional items (Gain / Loss)	-	-
Less: Income tax expense:		
Current Tax	2.63	5.79
Deferred Tax	(10.74)	3.79
Profit for the period	23.61	19.25
Other Comprehensive income/ (loss)	(0.43)	0.14
Total comprehensive income	23.18	19.39

Company's Overview

During the year under review, the Board of Directors decided to exit the injection moulded plastic component solutions division and Seating Division of the Company. Hence the Company approved the sale of its injection moulded plastic component solutions division to Pricol Precision Products Private Limited ("PPPPL") and Seating Division to Uno Minda Limited as a going concern on a slump sale basis.

Post completion of these transactions, the Company retains only land and buildings at Hosur and hence the Board at its meeting held on 24th January 2025 approved the merger of the Company with TVS Motor Company Limited, the holding Company through a scheme of arrangement under Sections 230-232 of the Companies Act, 2013.

The Company is in the process of filing necessary applications with the Hon'ble National Company Law Tribunal, Chennai

Share Capital

The Company's paid-up Equity Share Capital as on 31st March 2024 is Rs. 11.94 Cr.

No changes took place in the share capital of the Company during the year.

Dividend

The Board of Directors on 28th February 2025 declared an interim dividend of Rs. 84/- per share (840%) on 1,19,37,422 equity shares of Rs.10/- each fully paid up, absorbing a sum of Rs. 100.27 Cr

for the financial year 2024-25 and the same was paid to the shareholders of the Company. The board does not recommend any final dividend for this Financial year.

RISKS AND CONCERNS

Environmental & Geopolitical Factors:

The Geopolitical strife remains volatile. Israel-Iran, Russia-Ukraine wars could disrupt supply chains.

Subsidiaries/ Joint Ventures/ Associates

As on 31st March 2025, the Company has no subsidiaries/ joint ventures/ associates.

Risk Management

The Board has established a sound Risk Management framework to identify, monitor and minimize risks as well as to identify business opportunities.

Risk evaluation and management is an ongoing process. As a process, risks associated with the business are identified and prioritized based on the Company's overall risk appetite, tolerance, strategy, severity and taking into account the current and prospective economic and financial environment.

The Board is satisfied that there are adequate systems and procedures in place to identify, assess, monitor and manage risks. The Company's Board is overseeing all the risks that the organization faces such as strategic, financial, market, IT, legal, regulatory, reputational and other risks and recommends suitable action. Risk minimization policy has already been approved by the Board.

Internal Financial Controls and their adequacy

The Directors had laid down internal financial controls to be followed by the Company and such policies and procedures adopted by the Company 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. The Board evaluates the internal financial controls systems periodically.

Directors' responsibility statement

To the best of their knowledge and belief and according to the information and explanations obtained by them, the Directors have made the following statement in terms of Section 134 of the Companies Act, 2013 (the Act):

- that in the preparation of the annual accounts for the year ended 31st March 2025, the applicable accounting standards had been followed along with proper explanation relating to material departures, if any;
- that the Directors had selected such accounting policies and applied them consistently and made judgements 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 profit of the Company for that period;
- that 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;
- that the Directors had prepared the accounts for the financial year ended 31st March 2025 on a going concern basis; and
- that 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

There were no changes in the board of directors of the Company during the financial year ended 31st March 2025.

As on date, the following are the directors of the Company:

- Mr Venu Srinivasan, Chairman
- Dr. Lakshmi Venu, Director
- Mr Rajesh Oommen, Director & CEO
- Mr S G Murali, Director

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Directors liable to retire by rotation

In terms of Section 152 of the Act 2013, two-third of the total number of Directors, are liable to retire by rotation and out of which, one-third is liable to retire by rotation at every annual general meeting.

At the Annual General Meeting of the Company held on 26th August 2024, Dr Lakshmi Venu, Director who held the office of director for the longest period, was liable to retire by rotation and was re-appointed by the shareholders.

Policy on Directors appointment and remuneration of Directors and Key Managerial Personnel

The Company has formulated a Nomination & Remuneration Policy (NRC Policy) to ensure that Directors and KMPs are sufficiently remunerated for their performance. The Policy seeks to provide criteria for determining qualifications, positive attributes and independence of a Director.

Board Evaluation

In terms of Section 134 of the Act, 2013, the Board reviewed and evaluated the all the Directors. The performance of Directors were assessed against a range of criteria such as contribution to the development of business strategy and performance of the Company, understanding the major risks affecting the Company, clear direction to the management and contribution to the Board cohesion.

The performance evaluation has been done by the entire Board of Directors except the Director concerned being evaluated. The Board noted that the directors have understood the opportunities and risks to the Company's strategy and is supportive of the direction articulated by the management team towards consistent improvement.

Key Managerial Personnel (KMP)

M/s Rajesh Oommen, Director and Chief Executive Officer and G Sathyan, Company Secretary are the Key Managerial Personnel of the Company as on the date of this Report.

Mr J Ashok Chakravarthi resigned from the post of Chief Financial Officer effective 31st January 2025.

The Board at its Meeting held on 22nd April 2025 has appointed Mr K Gopala Desikan as Chief Financial Officer of the Company in terms of Section 203 of the Companies Act, 2013. He is also holding similar position in the holding Company. Hence, the Company is fully complied with the provisions of Section 203 of the Companies Act, 2013.

Corporate Governance

Board Meetings:

During the year under review, the Board met five times on 2nd May 2024, 1st August 2024, 18th October 2024, 2nd December 2024 and 24th January 2025 and the gap between two meetings did not exceed one hundred and twenty days.

Extra- Ordinary General Meetings:

During the year under review, one Extra-Ordinary General Meeting of the shareholders was held on 2nd December 2024 for obtaining approvals under Section 180 (1) (a) of the Companies Act, 2013.

Committees of the board:

In terms of the provisions of Section 149 (4), 177 and 178 of the Companies Act, 2013 read with MCA notification dated 5th July 2017 and 13th July 2017, the company being a wholly owned subsidiary of TVS Motor Company Limited, is exempt from constitution of Audit Committee and Nomination and Remuneration Committee.

Further, companies with CSR spending of less than Rs. 50 Lakhs per year are exempt from the constitution of Corporate Social Responsibility Committee.

In view of the above, the board at its meeting held on 3rd May 2022 approved the dissolution of all the committees of the board viz. Audit Committee, Nomination and Remuneration Committee and Corporate Social Responsibility Committee for operational convenience.

Corporate Social Responsibility:

The Company recognizes social responsibility as an integral and a critical part of its value system.

Srinivasan Services Trust (SST), the CSR arm of Sundaram Auto Components Limited, has been successfully driving positive change in rural communities.

In the last 29 years, SST's model has matured into one centred on community participation in all its projects. Today, SST works in 2,500 villages in the country. It follows an integrated, holistic and participatory approach to village development, working very closely with the communities and the government.

SST's focus is to bring about sustainable development in villages through Total Community Involvement (TCI). Society building through the development of women and children, conserving water, providing holistic health and education by renovating the government infrastructure and preserving the environment are its focus areas. SST nudges communities to embrace practices towards a better quality of life by ensuring a participatory approach right from planning to execution of activities.

More than 60,000 women across the country have been organised into Self-Help Groups (SHGs), which empower the women socially and economically. Today, more than Rs. 100 Crores of income is being generated annually by the women in Self-Help Groups.

In 2024-25, nine SHGs facilitated by SST have been honoured with the district level prestigious Manimegalai Award introduced by Government of Tamil Nadu for empowering women and fostering economic growth.

SST has so far renovated more than 2000 government infrastructures, which includes anganwadis, schools, health centers and veterinary centers. Adopting this holistic integrated village development model, SST has partnered with organizations like Gramalaya, Agastya International Foundation, Villmart Education, Navsahyog Foundation, Shreeja Mahila Milk Producer Company, National Bank for Agriculture and Rural Development (NABARD) and Sankara Eye Foundation to create impact in the villages we serve.

SST has ensured that more than 25000 farmers have been benefitted by its water conservation projects like building and repairing water conservation structures, desilting tanks and channels and creating percolation ponds. Today, across the country, over 400 water conservation projects have been implemented by SST. This has created additional water storage capacity of 154 crore litres.

SST also ensures last mile connectivity for the government social security, agriculture and livestock schemes to reach the unreached and underserved. Apart from renovating the government health centers and conducting regular medical camps, SST runs 7 medical centers and 2 mobile medical vans in its working areas. Today, due to SST's interventions, more than 2 lakh patients annually have access to health care facilities.

SST has also afforested barren hillocks of over 14000 acres, in the last 3 decades. SST is working with Tata Institute of Social Sciences (TISS), 4th Wheel Social Impact, Institute of Rural Management Anand (IRMA) and Chrysalis services to carry out social impact studies for the various projects it is undertaking in its working areas.

SST has won the following awards in FY25:

- 1st place for its 'Learning & development' best practice at the 27th NHRD National conference & 13th HR Showcase at Bangalore on Feb 7-8, 2025.
- The CSR Universe Social Impact Awards 2024 under the 'Health' category for impactful health services to rural communities through SST Health Centres, Mobile Medical Vans, Health camps.
- The Gold award for 'Excellence in HR Digital transformation' at the Economic Times Human Capital Awards MENA 2024.
- The CSR & Sustainability Award 2023 under the category of Excellence in Providing Healthcare Services by ASSOCHAM (The Associated Chambers of Commerce and Industry of India).

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, containing the particulars of the projects / programmes approved by the Board for the financial year 2024-25 are given by way of Annexure III attached to this Report. It may also be noted that the Board has approved the projects or programmes to be undertaken by the SST and other eligible trusts for the year 2025-26, preferably in local areas including the manner of execution, modalities of utilisation of funds and implementation schedules and also monitoring and reporting mechanism for the projects or

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programmes, as required under the Companies Amendment Act, 2020.

Auditors

Statutory Auditors:

The Company at its thirtieth AGM held on 15th June 2022 re-appointed M/s V Sankar Aiyar & Co., Chartered Accountants, having Firm Registration No. 109208W allotted by The Institute of Chartered Accountants of India, as statutory auditors of the Company to hold office, for the second term of five consecutive years, from the conclusion of the said AGM till the conclusion of 35th AGM, at such remuneration in addition to applicable taxes, out of pocket expenses, traveling 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 4th 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 statutory auditors of the Company for the year 2025-26.

Secretarial Auditor:

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 and a report received from them is required to be enclosed along with the annual report of the Company.

Accordingly, M/s Sriram Krishnamurthy & Co., Practising Company Secretaries, secretarial auditor of the Company, submitted their report for the year 2024-25.

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.

Statutory Statements

Deposits

The Company has not accepted any deposit from the public within the meaning of Section 76 of the Act 2013, for the year ended 31st March 2025.

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

The information is given in Annexure I to this report, in terms of the requirements of Section 134(3) (m) of the Act 2013 read with the Companies (Accounts) Rules 2014.

Material changes and commitments, if any, affecting the financial position of the company, having occurred since the end of the Year and till the date of the Report:

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.

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 and its future operations.

Employee's remuneration:

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 II 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.

Details of material related party transactions:

Details of material related parties under Section 188 of the Act 2013 read with the Companies (Meetings of Board and its Powers) Rules, 2014 are given in Annexure IV to this report in the prescribed form.

Details of loans / guarantees / investments made:

As regards furnishing the details of loans and guarantees under Section 186 of the Act 2013 for the financial year 2024-25, the Company has not extended any guarantee or loans to other companies during the year under review.

Details of all investments made by the Company as at the end of the Financial year 2024-25 is available in note no. 5 to Notes on accounts.

Annual Return:

In terms of the requirements of Section 134(3)(a) of the Act, 2013 read with the Companies (Accounts) Rules, 2014, the Annual Return for the year 2024-25 in prescribed form is available in the Company's website in the following link <https://www.sundaramautocomponents.com/Investor.html>

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.

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

No disclosure or reporting is required in respect of the details of difference between amount of the valuation done at the time of one-time settlement and the valuation done while taking loan from the Banks or Financial Institutions.

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.

Reporting of fraud

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

Acknowledgement

The Directors gratefully acknowledge the continued support and co-operation received from TVS Motor Company Limited, the holding Company.

The Directors thank the suppliers, customers and bankers for their continued support and assistance. The Directors also wish to place on record the appreciation of the excellent work done by all the employees of the Company.

For and on behalf of the Board

Place : Chennai
Date: 22nd April 2025

Venu Srinivasan
Chairman
DIN: 00051523

SUNDARAM AUTO COMPONENTS LIMITED

Annexure - I

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO (Pursuant to Section 134(3)(m) of the Companies Act, 2013)

A. CONSERVATION OF ENERGY

1.1 Measures taken in the year 2024-25

- Initiatives for alternate sourcing of power.
 - o Nil
- Projects undertaken to reduce energy consumption:
 - o Nil

1.2 Proposed measures for the year 2025-26 : Nil

2. Steps taken for utilizing alternate sources of energy during the year 2024-25

Nil

3. Capital investment- Energy conservation Equipment:

Nil

B. TECHNOLOGY ABSORPTION

- o Reducing the lead time to develop & implement the new products through standardization of raw materials, engaging with strategic mould suppliers and inhouse development of SPM

C. FOREIGN EXCHANGE ACTUAL EARNINGS AND OUTGO

Total foreign exchange earnings and out go	(Rs. In Cr)
(a) Earnings	2.03
(b) Out go	43.65

For and on behalf of the Board

Place : Chennai
Date: 22nd April 2025

Venu Srinivasan
Chairman
DIN: 00051523

SUNDARAM AUTO COMPONENTS LIMITED

Annexure - III

Particulars of Corporate Social Responsibility activities carried out by the Company in terms of Section 135 of the Companies Act, 2013

1. Brief outline on 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: NA

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.sundaramautocomponents.com/
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).	Rs. 19.06 Cr
	(b) Two percent of average net profit of the company as per section 135(5) of the Companies Act, 2013.	Rs. 0.38 Cr
	(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).	Rs. 0.38 Cr
6.	(a) Amount spent on CSR Projects (both Ongoing Project and other than Ongoing Project)	Rs. 0.40 Cr
	(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)]	Rs. 0.40 Cr

(e) CSR amount spent or unspent for the Financial Year:

Total Amount Spent for the Financial Year (In Rs.)	Amount Unspent (in Rs.)				
	Total Amount transferred to Unspent CSR Account as per section 135(6) of the Act, 2013		Amount transferred to any fund specified under Schedule VII as per second proviso to section 135(5) of the Act, 2013		
	Amount.	Date of transfer	Name of the Fund	Amount.	Date of transfer
0.40 Cr	Not Applicable				

(f) Excess amount for set off, if any

Sl. No.	Particulars	(Amount in Rs.)
(i)	Two percent of average net profit of the Company as per Section 135(5)	0.38 Cr
(ii)	Total amount spent for the financial year	0.40 Cr
(iii)	Excess amount spent for the financial year [(ii)-(i)]	0.02 Cr
(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)]	0.02 Cr

7. Details of Unspent Corporate Social Responsibility amount for the preceding three Financial Years:

(in Rs.)

Sl. No.	Preceding Financial Year(s)	Amount transferred to Unspent CSR Account under sub- section (6) of section 135 (in Rs.)	Balance Amount in Unspent CSR Account under sub- section (6) of section 135 (in Rs.)	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

Place : Chennai
Date: 22nd April 2025

Venu Srinivasan
Chairman
DIN: 00051523

SUNDARAM AUTO COMPONENTS LIMITED

Annexure - IV

FORM No. AOC - 2

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 arms length transactions under third proviso thereto

1. Details of contracts or arrangements or transactions not at arm's length basis:

NIL

2. Details of material contract, arrangement or transaction at arm's length basis:

(a)	Name of the related party	TVS Motor Company Limited
(b)	Nature of relationship	Holding Company
(c)	Duration of the contracts/ arrangements/ transactions	2024-25
(d)	Date (s) of approval by the Board, if any:	28 th March 2024

Nature of contracts/ arrangements/ transactions	Goods / Services	Salient terms of the contracts or arrangements or transactions	Amount of contract or arrangement (Rs. in Cr)
Sale	Plastic Components and Dies & Moulds	Mark-up on cost of raw materials and conversion cost	482.84
Availing of Services	Sharing of Common exps etc. & Canteen recovery and Rent on Mysore Plant	At cost	1.37

For and on behalf of the Board

Place : Chennai
Date: 22nd April 2025

Venu Srinivasan
Chairman
DIN: 00051523

Form No. MR-3

Secretarial Audit Report for the financial year ended 31st March 2025

[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 read with Regulation 24A of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2014]

To,

The Members,

Sundaram Auto Components Limited [CIN: U29249TN1992PLC051417]
"Chaitanya", No.12, Khader Nawaz Khan Road, Nungambakkam, Chennai - 600 006.

We have conducted a Secretarial Audit on compliance with applicable statutory provisions and adherence to good corporate practices by Sundaram Auto Components Limited ('the Company') during the financial year from 1st April 2024 to 31st March 2025 ('the year' / 'the financial year' / 'the audit period' / 'period under review'). The audit was conducted in a manner that provided a reasonable basis for evaluation of the Company's corporate conducts / statutory compliances and expressing our opinion thereon.

We are issuing this report based on:

1. Our verification of the books, papers, Minute books and other documents / records maintained by the Company and furnished to us in electronic form for our verification, forms and returns filed, and compliance related action taken by the Company during the year and also after the end of the year but before the issue of this audit report;
2. Compliance report on compliance with all laws applicable to the Company given by the Chief Executive Officer of the Company and taken on record by the Board of Directors; and
3. Representations made and information provided by the Company, its officers, agents and authorized representatives during our conduct of the Secretarial Audit.

In our opinion, during the audit period covering the financial year ended on 31st March 2025, the Company has complied with the statutory provisions listed hereunder and also has Board processes and compliance mechanism in place, to the extent, in the manner and subject to the reporting made hereinafter.

The members are requested to read this report along with Annexure – I.

1. Compliance with specific statutory provisions

We report that:

- 1.1. We have examined the books, papers, Minute books and other records maintained by the Company and furnished to us in electronic form for our verification, the forms, returns, reports, disclosures and information filed / submitted during the year, according to the applicable provisions of:
 - (i) The Companies Act, 2013 ('the Act') and the rules made thereunder; and
 - (ii) Secretarial Standards on Meetings of the Board of Directors (SS-1), and Secretarial Standards on General Meetings (SS-2), issued by The Institute of Company Secretaries of India ('Secretarial Standards').
- 1.2. During the period under review, and also considering the compliance related action taken by the Company after 31st March 2025 but before the issue of this report, the Company, to the best of our knowledge and belief and based on the records, information, explanations and representations furnished to us, has generally complied with the applicable provisions of the Act and Rules and the Secretarial Standards as mentioned in paragraph 1.1 above.
- 1.3. We noted that, during / in respect of the year:
 - (i) The Company was not required to comply with the following laws, rules and regulations and consequently was not required to maintain any books, papers, minute books or other records or file any forms / returns under:
 - (a) Foreign Exchange Management Act, 1999, with respect to Foreign Direct Investment, Overseas Direct Investment or External Commercial Borrowings;
 - (b) Securities Contracts (Regulation) Act, 1956, and the rules made thereunder;
 - (c) Depositories Act, 1996, and the Regulations framed thereunder;
 - (d) Regulations prescribed under the Securities and Exchange Board of India Act, 1992, and Listing agreements with stock exchanges.

- (e) Secretarial Standards on Dividend (SS-3) and Secretarial Standards on Report of the Board of Directors (SS-4) (being non-mandatory).

- (ii) There was no other law that was specifically applicable to the Company, considering the nature of its business.

2. Constitution of the Board and Board processes

We further report that:

2.1. Composition of the Board

- (i) The Board of Directors of the Company is duly constituted, comprising of 1 (one) Executive Director and 3 (three) Non-Executive Non-Independent Directors including 1 (one) Woman Director, at the end of the year.
- (ii) The Company, being a wholly-owned Indian subsidiary of M/s. TVS Motor Company Limited, was not required to appoint Independent Directors or constitute Audit Committee or Nomination and Remuneration Committee of its Board in terms of applicable provisions of the Act.
- (iii) The Company, not being a material subsidiary of M/s. TVS Motor Company Limited in terms of Regulation 24(1) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, was not required to appoint an Independent Director of the holding company as a Director on its Board.
- (iv) The following change took place in the Board of Directors of the Company during the year, in accordance with Section 152(6) and other applicable provisions of the Act and the Rules made thereunder:
 - (a) Re-appointment of Dr. Lakshmi Venu (DIN: 02702020), Non-Executive Director, who retired by rotation at the 32nd Annual General Meeting held on 26th August 2024.

2.2. Notice of Board meetings

We noted that:

- (i) Adequate notice was given to all the directors to plan their schedule for the Board Meetings. Notices of Board meetings were sent atleast 7 (seven) days in advance, or at a shorter notice for transacting urgent items of business in accordance with Section 173(3) of the Act;
 - (ii) Agenda and detailed notes on agenda were sent atleast 7 (seven) days before the Board meetings, other than meetings held at shorter notice for which agenda and detailed notes on agenda were sent at a shorter notice; and
 - (iii) Agenda notes in respect of additional subjects and supplementary agenda notes and annexures in respect of some of the agenda items were either circulated separately or at the meeting.
- 2.3. We noted that, a system exists for directors to seek and obtain further information and clarifications on the agenda items before the meetings and for their meaningful participation at the meetings.
 - 2.4. We noted that, at the Board meetings held during the year:
 - (i) Majority decisions were carried through; and
 - (ii) No dissenting views were expressed by any director on any of the subject matters discussed, that were required to be captured and recorded as part of the Minutes.

3. Compliance mechanism

We noted that:

- 3.1 The Company has reasonably adequate systems and processes, commensurate with its size and operations, to monitor and ensure compliance with applicable laws, rules and regulations.

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4. Specific events /actions

We report that, the specific events and actions during the year, having a major bearing on the Company's affairs, in pursuance of the above referred laws, rules, regulations and standards are as follows:

4.1. Sale of business undertakings of the Company

The Board of Directors at their meeting held on 2nd December 2024, accorded approval for Slump sale of injection moulded plastic components solution division of the Company to Pricol Precision Products Private Limited, a wholly-owned subsidiary of Pricol Limited. The members also accorded approval in terms of Section 180(1)(a) of the Act, for the transaction, by way of special resolution passed at the Extra-ordinary General Meeting held on 2nd December 2024. Business transfer agreement (BTA) in respect of the transaction was executed on 2nd December 2024, for consideration to be determined in accordance with the BTA. The Board of Directors have also accorded their approval for slump sale of seating business to Uno Minda Limited.

4.2. Proposed amalgamation with holding company

The Board of Directors at their meeting held on 24th January 2025, approved the draft Scheme of Amalgamation of the Company with TVS Motor Company Limited, its holding company, in terms of Sections 230 to 232 of the Act. The Scheme is subject to approval of the respective shareholders and creditors of the Company and TVS Motor Company Limited, and requisite statutory and regulatory approvals.

For Sriram Krishnamurthy & Co
(formerly known as S. Krishnamurthy & Co.)
Company Secretaries
[Firm Unique Identification No. P1994TN045300]
(Peer Review Certificate No.739/2020)

SHARANYA SRIRAM,
Partner
Membership No.F10252
Certificate of Practice No: 12731
UDIN: F010252G000176981

Date : 22nd April 2025
Place : Chennai

Annexure - I to Secretarial Audit Report of even date

To,
The Members,
Sundaram Auto Components Limited, [CIN:U29249TN1992PLC051417]
"Chaitanya" No.12, Khader Nawaz Khan Road, Nungambakkam, Chennai 600 006

Our Secretarial Audit Report (Form MR-3) of even date for the financial year ended 31st March 2025 is to be read along with this letter.

1. Responsibility of the Management:

The Company's management is responsible for maintenance of secretarial records, making the requisite statutory / regulatory disclosures / filings and compliance with the provisions of corporate and other applicable laws, rules, regulations and standards.

2. Auditors' responsibility:

Our responsibility as the Secretarial Auditors is to express an opinion on the compliance with the applicable laws and maintenance of records based on our audit.

3. The audit was conducted in accordance with applicable standards issued by The Institute of Company Secretaries of India. Those Standards require that the Auditor comply with statutory and regulatory requirements and plan and perform the audit to obtain reasonable assurance about compliance with applicable laws and maintenance of records.

4. We have followed such audit practices and processes as we considered appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records.

5. While forming an opinion on compliance and issuing this report, we have also considered compliance related action taken by the Company after 31st March 2025 but before the issue of this report.

6. We have considered compliance related actions taken by the Company based on independent legal / professional opinion / certification obtained as being in compliance with law, wherever there was scope for multiple interpretations.

7. We have verified the secretarial records furnished to us on a test basis to see whether the correct facts are reflected therein. We also examined the compliance procedures followed by

the Company on a test basis. We believe that the processes and practices we followed provide a reasonable basis for our opinion.

8. We have not verified the correctness and appropriateness of financial records and books of accounts of the Company, as they are subject to audit by the Auditors of the Company appointed under Section 139 of the Companies Act, 2013.

9. We have obtained the Management's representation about compliance of laws, rules and regulations and happening of events, wherever required.

10. Our 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.

11. Due to the inherent limitations of an audit including internal, financial and operating controls, there is an unavoidable risk that some mis-statements or material non-compliances may not be detected, even though the audit is properly planned and performed in accordance with the Standards.

For Sriram Krishnamurthy & Co
(formerly known as S. Krishnamurthy & Co.)
Company Secretaries
[Firm Unique Identification No. P1994TN045300]
(Peer Review Certificate No.739/2020)

SHARANYA SRIRAM,
Partner
Membership No.F10252
Certificate of Practice No: 12731
UDIN: F010252G000176981

Date : 22nd April 2025
Place : Chennai

Independent Auditors' Report to the members of Sundaram Auto Components Limited, Chennai for the year ended 31st March 2025

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Opinion

We have audited the financial statements of Sundaram Auto Components Limited ("the Company"), which comprise the balance sheet as at 31st March 2025, the Statement of Profit and Loss (including Other Comprehensive Income), Statement of changes in Equity and Statement of including Cash Flows for the year then ended, and notes to the financial statements, a summary of 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 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, 2025, and profit, Other 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 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 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 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 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 with reference to financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of 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

SUNDARAM AUTO COMPONENTS LIMITED

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 2025 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March 2025 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".
- (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 has disclosed the impact of pending litigations on its financial position in its financial statements - Refer Note No. 36(i) to the financial statements.
 - b. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;
 - 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, as disclosed in the notes to the accounts (refer note no 37 (xiv)), 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, as disclosed in the notes to the accounts (refer note no 37 (xv)),

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. The dividends declared and paid by the Company during the year and until the date of this audit report are in accordance with Section 123 of the Companies Act, 2013.
- 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 requirement for record retention.
- 3. 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 remuneration paid by the Company to its directors during the current year is in accordance with the provisions of Section 197 of the Act. The remuneration paid to any director is not in excess of the limit laid down under Section 197 of the Act. The Ministry of Corporate Affairs has not prescribed other details under Sec 197(16) which are required to be commented upon by us.

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

Place: Chennai
Date: 22nd April 2025

S. VENKATARAMAN
PARTNER
Membership No.023116
UDIN:25023116BNINUW9882

SUNDARAM AUTO COMPONENTS LIMITED

ANNEXURE “A” TO THE INDEPENDENT AUDITOR’S REPORT – 31st March 2025 (Referred to in our report of even date)

- i. a) A. According to the information and explanations given to us and the records of the Company examined by us, in our opinion, the Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment.
- B. According to the information and explanations given to us and the records of the Company examined by us, in our opinion, the Company has maintained proper records showing full particulars of Intangible assets.
- b) The company has a regular program of physically verifying all the Property, Plant and Equipment at its plants/ offices in a phased manner over a period of 2 years, which in our opinion is reasonable having regard to the size of the company and the nature of its assets. No material discrepancies as compared to book records were noticed on such verification.
- c) According to the information and explanations given to us and the records of the Company examined by us, 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) are held in the name of the Company.
- d) The Company has not revalued its Property, Plant and Equipment (including Right of use assets) or intangible assets during the year ended March 31, 2025.
- e) According to the information and explanation given to us and the records of the Company examined by us, there are no proceedings initiated or are pending against the Company for holding any benami property under the Prohibition of Benami Property Transactions Act, 1988 and rules made thereunder.
- ii. a) As informed to us, the management has conducted physical verification of inventory [including inventory lying with third parties] 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) According to the information and explanations given to us and the records of the Company examined by us, the Company has been sanctioned working capital limits in excess of Rs. five crores in aggregate from banks during the year on the basis of security of current assets of the Company. The quarterly returns filed by the Company with such banks are in agreement with the books of accounts of the Company.
- iii. a) According to the information and explanation given to us and the records of the Company examined by us, during the year the Company:
- Has made investments in companies.
 - Has not made investments in firms, Limited Liability Partnerships or any other parties.
 - Has not provided loans, advances in the nature of loans, guarantee and security to companies, firms, Limited Liability Partnerships or any other parties. There are no opening balance in loans and advances in the nature of loans. Therefore, the requirement to report under clauses (iii) (b) to (f) of para 3 of the Order are not applicable to the Company.
- b) According to the information and explanations given to us and the records of the Company examined by us, the investments made are not prejudicial to the Company's Interest.
- iv. In our opinion and according to the information and explanations given to us, the company has complied with the provisions of Section 185 and 186 of the Companies Act, 2013 in respect of Investments made.
- The Company has not granted any loan or provided securities or guarantees during the year.

- v. According to the information and explanation given to us and the records of the Company examined by us, the Company has neither accepted any deposits from the public nor accepted any amounts which are deemed to be deposits within the meaning of sections 73 to 76 of the Companies Act and the rules made thereunder, to the extent applicable. Accordingly, the requirement to report on clause 3(v) of the Order is not applicable to the Company.
- vi. In our opinion and according to the information and explanations given to us, the Central Government has not prescribed the maintenance of cost records under Section 148(1) of the Act in respect of certain products manufactured by the Company. Therefore, the provisions of clause(vi) of the order not applicable to the company.
- vii. a) According to the information and explanations given to us and the records of the Company examined by us, in our opinion, the Company is generally regular in depositing undisputed statutory dues payable including Provident Fund, Employees' State Insurance, Income Tax, Goods and Services Tax, Customs duty and Cess and other material statutory dues as applicable to the Company with the appropriate authorities. According to the information and explanations given to us, no undisputed amounts payable in respect of Provident Fund, Employees' State Insurance, Income Tax, Goods and Services Tax, Customs duty and Cess were in arrears as at 31st March 2025 for a period of more than six months from the date they became payable.
- b) According to the information and explanations given to us and the records of the Company examined by us, there are no dues of Income-Tax, Customs Duty, Sales Tax, Service Tax, Goods and Services Tax, Value Added Tax, Excise Duty and Cess which have not been deposited on account of dispute as at 31st March 2025 other than the following on account of dispute, as given below.

Name of the statute/ (Nature of dues)	Period of Due	Demand Amount – Rs. In Crores*	Amount paid under protest/ Deposit against appeal – Rs. In Crores	Forum where dispute is pending
Income Tax Act, 1961	FY 2008-09 to FY 2018-19	3.41	-	Assessing Officer and Commissioner of Income Tax (Appeals)(CIT(A)), Chennai.
Goods and Services Tax, 2017	FY 2017-18	2.16	0.10	GST Appellate Authority, Salem.
Goods and Services Tax, 2017	FY 2017-18	11.80	1.18	Appeal order rejected by Additional commissioner (ST), Chittoor, AP. Appeal to be filed with GST Appellate Tribunal, on its formation.
Goods and Services Tax, 2017	FY 2017-18	34.62	15.93	To be filed to appellate authority
Goods and Services Tax, 2017	FY 2017-18	1.29	-	Writ petition filed in the Hon'ble AP High Court via Ref. Writ Petition No. 28050/2023
Goods and Services Tax, 2017	FY 2019-20	0.42	-	Appeal application filed (APL-01) - JC (Appeal), Salem

* excluding interest at applicable rates thereon

- viii. According to the information and explanations given to us and based on the records of the Company examined by us, the Company has not surrendered or disclosed any transaction, previously unrecorded in the books of account, in the tax assessments under the Income Tax Act, 1961 as income during the year. Therefore, there are no unrecorded income to be recorded in the books of accounts during the year.

SUNDARAM AUTO COMPONENTS LIMITED

- ix. On the basis of verification of records, the procedures performed by us, on an overall examination of the financial statements of the Company and according to the information and explanations given to us,
- the Company has not defaulted in repayment of loans or other borrowings or in the payment of interest thereon to any lender.
 - the Company has not been declared willful defaulter by any bank or financial institution or government or any government authority.
 - the Term loans were applied for the purpose for which the loans were obtained.
 - the Company has not utilized funds raised on short-term basis for long-term purposes.
 - & f) the Company does not have subsidiaries, associates or joint ventures. Hence, the requirement to report on Clause 3 (ix) (e) and (f) of the order is not applicable to the company.
- x. a) According to the information and explanations given to us and based on the records of the Company examined by us, the Company has not raised any money during the year by way of initial public offer / further public offer (including debt instruments) hence, the requirement to report on clause 3(x)(a) of the Order is not applicable to the Company.
- b) According to the information and explanations given to us and based on the records of the Company examined by us, the Company has not made any preferential allotment or private placement of shares /fully or partially or optionally convertible debentures during the year under audit and hence, the requirement to report on clause 3(x)(b) of the Order is not applicable to the Company.
- xi. a) During the course of our examination of the books and records of the Company, carried out based upon the generally accepted audit procedures performed for the purpose of reporting the true and fair view of the financial statements, to the best of our knowledge and belief and as per the information and explanations given to us by the Management, and the representations obtained from the management, no material fraud by the Company and on the Company have been noticed or reported during the year.
- b) During the year, no report under sub-section (12) of section 143 of the Companies Act, 2013 has been filed by us in Form ADT – 4 as prescribed under Rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government. According to the information and explanations given to us and based on the information given to us and records verified by us, Secretarial Auditor has not filed report in Form ADT – 4 as prescribed under Rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government. The Company does not have a Cost Auditor.
- c) According to the information and explanations given to us and 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 and according to the information and explanations given to us, based on verification of the records of the Company, transactions with the related parties are in compliance with sections 188 of Companies Act, 2013 where applicable and the details have been disclosed in the notes to the financial statements, as required by the applicable accounting standards. The provisions of section 177 are not applicable to the Company and accordingly the requirements to report under clause 3(xiii) of the Order insofar as it relates to section 177 of the Act is not applicable to the Company.
- xiv. a) In our opinion and based on our examination, the Company has an internal audit system commensurate with the size and nature of its business.
- b) The internal audit reports of the Company issued till the date of the audit report, for the period under audit have been considered by us.
- 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.
- xvi. According to the information and explanations given to us and based on the information given to us and records verified by us,
- the Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, the provisions of Clause 3(xvi) of the Order are not applicable to the Company.
 - The Company has not conducted any Non-Banking Financial or Housing Finance activities.
 - The Company is not a Core Investment Company as defined in the regulations made by Reserve Bank of India. Accordingly, the requirement to report on clause 3(xvi)(c) of the Order is not applicable to the Company.
 - The Group does not have more than one Core Investment Company as a part of the Group and hence, the requirement to report on clause 3(xvi)(d) of the Order is not applicable to the Company.
- xvii. According to the information and explanations given to us and on an overall examination of the financial statements of the Company, the Company has not incurred cash losses in the current year and in the immediately preceding financial year respectively.
- xviii. There has been no resignation of the statutory auditors during the year and accordingly requirement to report on Clause 3(xviii) of the Order is not applicable to the Company.
- xix. According to the information and explanations given to us and on the basis of the financial ratios disclosed in note no. 37(i) to the financial statements, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the financial statements, 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 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. a) According to the information and explanations given to us,
- In respect of other than ongoing projects, there are no unspent amounts that are required to be transferred to a fund specified in Schedule VII of the Companies Act (the Act), in compliance with second provision to sub section 5 of section 135 of the Act. This matter has been disclosed in note no. 36(iii) to the financial statements.
- b) There are no unspent amounts in respect of ongoing projects that are required to be transferred to a special account in compliance of provision of sub section (6) of section 135 of the Companies Act. This matter has been disclosed in note no. 36(iii) to the financial statements.
- xxi. The Company is not required to prepare a consolidated financial statement. Therefore, clause (xxi) of para 3 of the order is not applicable to the Company.

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

S. VENKATARAMAN
PARTNER
Membership No.023116

UDIN:25023116BNINUW9882

Place: Chennai
Date: 22nd April 2025

ANNEXURE 'B' TO THE INDEPENDENT AUDITOR'S REPORT – 31st March 2025 (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 Sundaram Auto Components Limited ("the Company") as of March 31, 2025 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. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to financial statements 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 statements.

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 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 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 with reference to financial Statements were operating effectively as at March 31, 2025, 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 Regn. No.109208W

Place: Chennai
Date: 22nd April 2025

S. VENKATARAMAN
PARTNER
Membership No.023116
UDIN:25023116BNINUW9882

SUNDARAM AUTO COMPONENTS LIMITED

Balance Sheet as at 31st March 2025

		Rupees in crores	
	Notes	As at March 31, 2025	As at March 31, 2024
Assets			
Non-current assets			
Property, Plant and Equipment	2	56.08	215.60
Capital work in progress	3	-	2.58
Goodwill	4(a)	-	2.20
Intangible assets	4(b)	-	11.47
Financial assets			
i. Investments	5	0.48	3.12
ii. Other financial assets	6	-	0.32
Other non-current assets	7	2.80	5.07
Total non-current assets		59.36	240.36
Current assets			
Inventories	8	-	44.96
Financial assets			
i. Trade receivables	9	-	96.79
ii. Cash and cash equivalents	10	30.89	4.44
iii. Other financial assets	11	2.39	0.16
Other current assets	12	5.02	14.24
Total current assets		38.30	160.59
Total Assets		97.66	400.95
Equity and liabilities			
Equity			
Equity share capital	13	11.94	11.94
Other equity	14	57.08	134.17
Total equity		69.02	146.11
Liabilities			
Non-current liabilities			
Financial liabilities			
i. Borrowings	15	-	43.64
ii. Lease liabilities		1.42	2.19
Provision - Employee benefit obligations	16	3.71	5.40
Deferred tax liabilities (Net)	17	10.31	21.18
Total non-current liabilities		15.44	72.41
Current liabilities			
Financial liabilities			
i. Borrowings	18	-	44.46
ii. Lease liabilities		0.11	0.17
iii. Trade payables	19		
a. Total outstanding dues of Micro and Small enterprises		0.89	13.39
b. Total outstanding dues of other than (ii)(a) above		8.15	86.02
iv. Other financial liabilities	20	-	0.44
Other current liabilities	21	2.96	36.58
Provision - Employee benefit obligations	16	1.09	1.37
Total current liabilities		13.20	182.43
Total liabilities		28.64	254.84
Total equity and liabilities		97.66	400.95
Material Accounting Policies	1	-	-
(See accompanying notes to the financial statements)			

Venu Srinivasan
Chairman
DIN No: 00051523

Rajesh Oommen
Director & Chief Executive Officer
DIN No: 08588098

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

Place: Chennai
Date: 22-04-2025

K. Gopala Desikan
Chief Financial Officer

G Sathyan
Company Secretary

S. Venkataraman
Partner
Membership No. 023116

SUNDARAM AUTO COMPONENTS LIMITED

Statement of Profit and Loss for the year ended 31st March 2025

		Rupees in crores	
	Notes	Year ended March 31, 2025	Year ended March 31, 2024
Income			
Revenue from operations	22	-	-
Other income	23	0.97	0.41
Total income		0.97	0.41
Expenses			
Cost of materials consumed	24	-	-
Changes in inventories of finished goods, Stock-in -Trade and work-in-progress	24	-	-
Employee benefits expense	25	0.81	0.91
Finance costs	26	0.18	0.21
Depreciation and amortisation expense		3.31	3.58
Other expenses	27	3.65	2.17
Total expenses		7.95	6.86
Profit/ (Loss) before exceptional items from Continuing operations		(6.98)	(6.45)
Exceptional items - Gain / (Loss)		-	-
Tax expenses on profit from Continuing operations	28	-	-
Current tax		-	-
Deferred tax		(0.69)	(0.76)
Profit/(Loss) after tax from Continuing operations		(6.30)	(5.69)
Discontinued operations			
Profit before tax from Discontinued operations		22.48	35.28
Exceptional items (net)		-	-
Tax expenses on profit from Discontinued operations	28	-	-
Current tax		2.63	5.79
Deferred tax		(10.05)	4.55
Profit/(Loss) for the year from discontinued operations		29.91	24.94
Profit/(Loss) for the year		23.61	19.25
Other comprehensive income			
<i>A. Items that will not be reclassified to profit or loss</i>		-	-
Remeasurement of post employment benefit obligations arising on account of actuarial losses		(0.52)	1.19
Change in fair value of equity instruments		0.21	(0.52)
Income tax relating to these items		(0.12)	(0.53)
<i>B. Items that will be reclassified to profit or loss</i>			
Fair value changes on cash flow hedges		-	-
Income tax relating to these items		-	-
Other comprehensive income for the year, net of tax		(0.43)	0.14
Total comprehensive income for the period		23.18	19.39
Earnings per equity share of Rs. 10 each fully paid up			
Basic and Diluted earnings per share (in Rupees)- Continuing operations	33	(5.27)	(1.58)
Basic and Diluted earnings per share (in Rupees)- Discontinued operations		25.05	6.91
Material Accounting Policies	1		
(See accompanying notes to the financial statements)			

Venu Srinivasan
Chairman
DIN No: 00051523

Rajesh Oommen
Director & Chief Executive Officer
DIN No: 08588098

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

Place: Chennai
Date: 22-04-2025

K. Gopala Desikan
Chief Financial Officer

G Sathyan
Company Secretary

S. Venkataraman
Partner
Membership No. 023116

SUNDARAM AUTO COMPONENTS LIMITED

Statement of Cash Flow for the year ended 31st march 2025

Rupees in crores

Details	Year Ended March 31,2025	Year Ended March 31,2024
Profit/(Loss) before tax	(6.30)	(5.69)
Adjustments for		
Depreciation and amortisation expense	3.31	3.58
Finance cost	0.18	0.21
	<u>3.31</u>	<u>3.58</u>
Net cash inflow from operating activities	(2.99)	(2.11)
Net cash outflow from investing activities	-	-
Net cash inflow (outflow) from financing activities		
Finance cost	(0.18)	(0.21)
Lease liability paid	(0.31) (0.49)	(0.23) (0.44)
Net increase (decrease) in cash and cash equivalents from Continued operations	(3.47)	(2.55)
Net cash flow transferred from Discontinued operations to Continued operations	34.36	6.99
Cash and cash equivalents at the end of the year	30.89	4.44
Discontinued operations		
Cash and cash equivalents at the beginning of the year	4.44	(1.85)
Net cash generated from operating activities (A)	20.73	58.97
Net cash (used) in Investing activities (B)	1.77	288.91
Proceeds from sale of Moulding and Seating business	210.41	-
Net cash generated from/used in Financing activities (C)	(202.99)	(339.04)
Net cash flow generated from Discontinued operations (A+B+C)	29.92	8.84
Net cash flow transferred from Discontinued operations to Discontinued operations	34.36	6.99

Particulars	As at 01-04-2024	Cash flow	Non cash changes fair value adjustment	Foreign exchange movement	As at 31-03-2025
Non current borrowings (including current maturities)	50.89	(53.48)	2.59	-	-
Current borrowings	37.21	(37.21)	-	-	-

Venu Srinivasan
Chairman
DIN No: 00051523

Rajesh Oommen
Director & Chief Executive Officer
DIN No: 08588098

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

Place: Chennai
Date: 22-04-2025

K. Gopala Desikan
Chief Financial Officer

G Sathyan
Company Secretary

S. Venkataraman
Partner
Membership No. 023116

SUNDARAM AUTO COMPONENTS LIMITED

Statement of Changes in Equity

Rupees in crores

A. EQUITY SHARE CAPITAL	Total
Balance as at 01-04-2024	44.57
Changes in equity share capital due to prior period items	-
Restated balance as at 01.04.2023	44.57
Changes in equity share capital	(32.63)
Balance as at 31-03-2024	11.94
Changes in equity share capital due to prior period items	-
Restated balance as at 01.04.2024	11.94
Changes in equity share capital	-
As at 31-03-2025	11.94

B. OTHER EQUITY

Particulars	Reserves and Surplus			Other Reserves		Total
	General Reserve	Securities Premium Reserve	Retained Earnings	Equity Instruments Fair Value through Other Comprehensive Income	Hedging Reserve	
Balance as at April 1, 2023	8.05	294.32	91.44	0.31	-	394.12
Profit for the period 2023-24	-	-	19.25	-	-	19.25
Other comprehensive income for the year 2023-24	-	-	0.66	(0.52)	-	0.14
Reduction of Share premium	-	(277.38)	-	-	-	(277.38)
Sub-total A	8.05	16.94	111.35	(0.21)	-	136.13
<u>Less : Distribution to shareholders</u>						
2023-24 first and final dividend paid	-	-	1.96	-	-	1.96
Dividend distribution tax paid	-	-	-	-	-	-
Sub-total B	-	-	1.96	-	-	1.96
Balance as at March 31, 2024 C = (A - B)	8.05	16.94	109.39	(0.21)	-	134.17
Profit for the period 2024-25	-	-	23.61	-	-	23.61
Other comprehensive income for the year 2024-25	-	-	(0.64)	0.21	-	(0.43)
Sub-total D	8.05	16.94	132.36	-	-	157.35
<u>Less : Distribution to shareholders</u>						
2024-25 first and final dividend paid	-	-	100.27	-	-	100.27
Sub-total E	-	-	100.27	-	-	100.27
Balance as at March 31, 2025 F = (D - E)	8.05	16.94	32.09	-	-	57.08
Nature and purpose of reserves:						

Security premium reserve: This is used to record premium on issue of shares. The reserve will be utilised in accordance with the provisions of the Companies Act, 2013

General reserve: This is available for distribution to share holders.

Retained Earnings : This represents profit that the Company has earned till date less any transfer to General Reserves and dividend distributed to Shareholders.

Venu Srinivasan
Chairman
DIN No: 00051523

Rajesh Oommen
Director & Chief Executive Officer
DIN No: 08588098

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

Place: Chennai
Date: 22-04-2025

K. Gopala Desikan
Chief Financial Officer

G Sathyan
Company Secretary

S. Venkataraman
Partner
Membership No. 023116

SUNDARAM AUTO COMPONENTS LIMITED

Notes to Financial Statements

1. SIGNIFICANT ACCOUNTING POLICIES

a) Brief description of the Company

Sundaram Auto Components Limited ("the reporting entity" or referred to as "the Company") is a public limited company incorporated and domiciled in India. The registered office is located at Chaitanya, No.12, Khadar Nawaz Khan Road, Nungambakkam Chennai 600 006, Tamil Nadu, India.

The Company manufactures injection moulded plastics components used in automobile industry. The Company has manufacturing plants located at Chennai and Hosur in Tamil Nadu, Mysore in Karnataka, Bhiwadi in Rajasthan, Nalagarh in Himachal Pradesh and Sanand in Gujarat.

b) Basis of preparation

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.

The financial statements have been prepared on the historical cost convention under accrual basis of accounting except for certain financial assets and liabilities (as per the accounting policy below), which have been measured at fair value.

These financial statements for the year ended 31st March 2025 have been approved and authorized for issue by Board of Directors at its meeting held 22nd April 2025

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 recognised prospectively in the current and future period. The estimates and underlying assumptions are reviewed on an ongoing basis.

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) Significant Estimates and judgments

- Estimation of fair value of unlisted securities- Refer Note 32
- Defined benefit obligation - Refer Note 16
- Estimation of useful life of Property, Plant and Equipment - Refer Note 1(f) and 1(g)
- Estimation and evaluation of provisions and contingencies relating to tax litigations - Refer Note 36.

e) Revenue recognition

The Company has adopted Ind AS 115 from 1st April, 2018 and opted for modified retrospective application with the cumulative effect of initially applying this standard recognised at the date of initial application. The standard has been applied to all open contracts as on 1st April, 2018, and subsequent contracts with customers from that date.

- Performance obligation:
The revenue is recognized on fulfilment of performance obligation.
- Sale of products:
Revenue from sale of products is recognised when the products are delivered to the customer or when delivered to the designated carrier and when risks and rewards of ownership pass to the customers, as per terms of contract.
Revenue is measured and recognized at the fair value of the consideration received or receivable and net of returns, trade allowances and rebates.
- Dividend income:
Dividend from investments is recognised when the right to receive the same is established.
- Interest income:
Interest income is recognised on time proportion basis, determined by the amount outstanding and the rate applicable.

v. 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.

f) Property, Plant and Equipment

Freehold Land is stated at historical cost. All other items of property plant and equipment (Furniture's, fixtures, vehicles and buildings etc.) are stated at cost of acquisition or construction less accumulated depreciation and impairment, if any. Such assets are classified to the appropriate categories of Property, Plant and Equipment when completed and ready for intended use. Cost includes purchase price, taxes and duties, labour cost and directly attributable overhead expenditure incurred upto the date the asset is ready for its intended use. However, cost excludes Goods and Services Tax to the extent of credit of tax is availed of.

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 repairs and maintenance are charged to Statement of Profit and Loss during the reporting period in which they are incurred.

Gains and losses on disposals are determined by comparing proceeds with carrying amount. These are included in profit or loss within other gains / (losses).

g) Depreciation and amortization

- Depreciation on Property, Plant and Equipment is charged over the estimated useful life of the asset or part of the asset (after considering double/triple shift) as evaluated by a Chartered Engineer, on straight line method, in accordance with Part A of Schedule II to the Companies Act 2013. The useful life of the Property, plant and equipment are reviewed annually with respect to estimates and changes if any are, being accounted for on a prospective basis.
- Keeping in mind the rigorous and periodic maintenance program followed by the Company, the estimated useful life of the tangible fixed assets as assessed by the Chartered Engineer and followed by the Company is given below:

Description	Years
Factory building and other buildings	30
Material handling equipment	5 to 10
Plant and Equipment	10 to 15
Electrical equipment	3 to 15
Furniture and fixtures	3 to 15
Laboratory equipment	3 to 15
Computers and information systems	3
Office equipment	5 to 15
Mobile phones	2
Vehicles	5

- Tools and dies used for manufacture of components are depreciated based on quantity of components manufactured and the life of tools and dies, subject to a maximum of 3-5 years.
- Residual values and useful lives are reviewed, and depreciation is accordingly charged, at the end of each reporting period. (Presently, the company retains 5% of the cost of the asset as its residual value other than mobile phone)
- On tangible fixed assets added / disposed off during the year, depreciation is charged on pro-rata basis from the date of addition / till the date of disposal.
- Depreciation in respect of tangible assets costing less than Rs.5,000/- is provided at 100%.

h) Intangible assets

i) Software and License fee

Intangible assets acquired are recorded at their acquisition cost and are amortised over its useful life, viz., 2 years in the case of software and license fee.

ii) Goodwill

Goodwill on acquisition of business is included in intangible assets. Goodwill is not amortised but it is tested for impairment annually, or more frequently if events or changes in circumstances indicate that it might be impaired, and is carried at cost less accumulated impairment losses.

iii) 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, viz., 3 to 5 years in the case of Design, Development and Technical knowhow. 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.

An intangible asset is derecognised on disposal, or when no future economic benefits are expected from use or disposal. Gains or losses arising from derecognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset, and is recognised as profit or loss with in other income /expenses.

i) Transactions in foreign currencies

- i) Transactions in foreign currencies are recorded at the exchange rates prevailing on the date of transaction.
- ii) Foreign currency monetary assets and liabilities such as cash, receivables, payables, etc., are translated at year end exchange rates.
- iii) Non-monetary items denominated in foreign currency such as investments, fixed assets, etc., are valued at the exchange rate prevailing on the date of transaction.
- iv) Exchange differences arising on settlement of transactions are recognised as income or expense in the year in which they arise.

j) Hedge accounting

Derivatives are initially recognized at fair value on the date when 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 certain derivatives as either:

- hedges of the fair value of recognized assets or liabilities or a firm commitment (fair value hedges)
- hedges of a particular risk associated with the cash flows of recognized assets and liabilities and highly probable forecast transactions (cash flow hedges), or
- hedges of a net investment in a foreign operation (net investment hedges).

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 fair values or cash flows of hedged items.

The fair values of various derivative financial instruments used for hedging purposes are disclosed in Note 32. Movements in the hedging reserve in shareholders' equity are shown in Statement of Changes in Equity. The full fair value of a hedging derivative is classified as a non-current asset or liability when the remaining maturity of the hedged item is more than 12 months; it is classified as a current asset or liability when the remaining maturity of the hedged item is less than 12 months.

The effective portion of changes in the fair value of derivatives that are designated and qualify as cash flow hedges is recognised in the other comprehensive income in cash flow hedging reserve within equity, limited to the cumulative change in fair value of the hedged item on a present value basis from the inception of the hedge. The gain or loss relating to the ineffective portion is recognised immediately in profit or loss, within other gains/(losses).

When forward contracts are used to hedge forecast transactions, the Company generally designates only the change in fair value of the forward contract related to the spot component as the hedging instrument. Gains or losses relating to the effective portion of the change in the spot component of the forward contracts are recognised in other comprehensive income in cash flow hedging reserve within equity. In some cases, the entity may designate the full change in fair value of the forward contract (including forward points) as the hedging instrument. In such cases, the gains and losses relating to the effective portion of the change in fair value of the entire forward contract are recognized in the cash flow hedging reserve within equity. Amounts accumulated in equity are reclassified to profit or loss in the periods when the hedged item affects profit or loss (for example, when the forecast sale that is hedged takes place).

When a hedging instrument expires, or is sold or terminated, or when a hedge no longer meets the criteria for hedge accounting, any cumulative deferred gain or loss and deferred costs of hedging in equity at that time remains in equity until the forecast transaction occurs. When the forecast transaction is no longer expected to occur, the cumulative gain or loss and deferred costs of hedging that were reported in equity are immediately reclassified to profit or loss

k) Inventories

Inventories are valued at the lower of cost and net realisable value.

- i) Cost of Raw materials, components, stores, spares, are ascertained on a moving average basis.
- ii) Cost of finished goods and work-in-process comprises of direct materials, direct labour and an appropriate proportion of variable and fixed overhead expenditure, the latter being allocated based on normal operating capacity. Costs are assigned to individual items of inventory based on weighted average costs. Costs of purchased inventory are determined after deducting rebates and discounts. Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale. Materials held for use in production of finished goods are not written down if the finished products in which they will be used are expected to be sold at or above cost. Slow and non-moving materials, obsolescence, defective inventories are provided in the books if more than one year of age.

l) 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 upto the end of the reporting period and are recognised 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 and recognized as the present value of the expected future payments to be made in respect of services provided by employee upto 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-measurement as a result of experience adjustments and changes in actuarial assumptions are recognised in other comprehensive income.

iii) Post-employment obligation:

The Company operates the following post-employment schemes:

- a) Defined benefit plans such as gratuity for its eligible employees, pension plan for its senior managers; and
- b) Defined contribution plan such as provident fund.

SUNDARAM AUTO COMPONENTS LIMITED

Pension and gratuity obligation:

The liability or asset recognised 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 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 recognised 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 recognised immediately in statement of profit and loss as past service cost.

Provident fund:

The company regularly contributes the amounts due to the Regional Provident Fund Commissioner.

iv) Bonus plans:

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

m) **Taxes on Income**

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 in the countries where the company's subsidiaries and associates operate and generate taxable income. 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 financial statements. However, deferred tax liabilities are not recognised 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 statement of profit and loss. Deferred tax is determined using tax rates 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 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 they relate to income taxes levied by 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 statement of profit and 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.

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 to the extent that there is a reasonable certainty of recovering/utilizing such unclaimed tax credits.

n) **Government Grants**

Grants from the government are recognised 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 or loss of the period in which it becomes available.

o) **Provisions and contingent liabilities**

i) **Provisions:**

A provision is recorded when the Company has a present 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 reliably estimated. The estimated liability for product warranties is recorded when products are sold based on technical evaluation.

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 recognised as interest expenses.

ii) **Contingent liabilities:**

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

p) **Segment reporting**

Operating segments are reported in a manner consistent with the internal reporting provided to the Chief Operating Decision Maker.

q) **Leases**

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, for leases of real estate for which the Company is a lessee, it has elected not to separate lease and non-lease components and instead accounts for these as a single lease component.

Assets and liabilities arising from a lease are initially measured on a present value basis. Lease liabilities include the net present value of the following lease payments:

- fixed payments (including in-substance fixed payments), less any lease incentives receivable
- variable lease payment that are based on an index or a rate, initially measured using the index or rate as at the commencement date
- amounts expected to be payable by the Company under residual value guarantees
- the exercise price of a purchase option if the Company is reasonably certain to exercise that option, and
- payments of penalties for terminating the lease, if the lease term reflects the Company exercising that option

Lease payments to be made under reasonably certain extension options are also included in the measurement of the liability. The lease payments are discounted using the interest rate implicit in the lease. If that rate cannot be readily determined, which is generally the case for leases in the Company, the lessee's incremental borrowing rate is used, being the rate that the individual lessee 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.

To determine the incremental borrowing rate, the Company:

- where possible, uses recent third-party financing received by the individual lessee as a starting point, adjusted to reflect changes in financing conditions since third party financing was received
- uses a build-up approach that starts with a risk-free interest rate adjusted for credit risk for leases held by the Company which does not have recent third party financing, and

- makes adjustments specific to the lease, e.g. term, country, currency and security.

The Company is exposed to potential future increases in variable lease payments based on an index or rate, which are not included in the lease liability until they take effect. When adjustments to lease payments based on an index or rate take effect, the lease liability is reassessed and adjusted against the right-of-use asset.

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.

Variable lease payments that depend on sales are recognised in profit or loss in the period in which the condition that triggers those payments occurs.

Right-of-use assets are measured at cost comprising the following:

- the amount of the initial measurement of lease liability
- any lease payments made at or before the commencement date less any lease incentives received
- any initial direct costs, and
- restoration costs.

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.

Payments associated with short-term leases of equipment 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. Low-value assets comprise IT equipment and small items of office furniture.

r) 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 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 impairment are reviewed for possible reversal of the impairment at the end of each reporting period.

s) 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 Banks, 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, and bank overdrafts. Bank overdrafts are displayed within borrowings in current liabilities in the balance sheet.

t) Trade receivables

Trade receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment.

u) Investments and Other financial assets

i) Classification

The Company has classified as follows:

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

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

ii) Measurement – financial assets: -

Initially these are recognized at cost.

In addition to transaction cost attributable to such asset, corresponding effect on fair valuation is recognized in statement of profit and loss.

Debt Instruments:

Debt instruments are initially recognized at cost.

Debt instruments which are initially recognized at cost are subsequently measured based on the company's business model for managing the asset and 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 statement of profit and 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 statement of profit and loss:

Assets that do not meet the criteria for amortised cost or Fair Value through Other Comprehensive Income (FVTOCI) are measured at fair value through statement of profit and loss. A gain or loss on a debt investment that is subsequently measured at fair value through statement of profit and loss and is not part of a hedging relationship is recognised in statement of profit and 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.

Equity instruments:

The Company subsequently measures all investments in equity (except of the subsidiaries/associate) at fair value. Where the company's management has elected to present fair value gains and losses on equity investments in other comprehensive income, there is no subsequent reclassification of fair value gains and losses to statement of profit and loss. Dividends from such investments are recognised in statement of profit and loss as other income when the Company's right to receive payments is established.

Where the Company elects to measure fair value through profit and loss, changes in the fair value of such financial assets are recognised in the statement of profit and loss.

Impairment losses (and reversal of impairment losses) on equity investments measured at FVTOCI are not reported separately. Where the Company elects to measure fair value through profit and loss, changes in the fair value of such financial assets are recognised in the statement of profit and loss.

Investment in subsidiary / associate:

Investment in subsidiary/associate are measured at cost less provision for impairment.

iii) Impairment of financial assets

The company assesses on a forward-looking basis the expected credit losses associated with its assets carried at amortised cost and FVTOCI debt instruments. The impairment mythology applied depends on whether there has been significant increase in credit risk. Note 30 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 recognised from initial recognition of the receivables.

iv) De-recognition of financial assets

A financial asset is de-recognised 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 a contractual obligation exists to pay the such 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 derecognised. Where the entity has not transferred substantially all risks and rewards of ownership of the financial asset, the financial asset is not derecognised.

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) Borrowings

Borrowings are initially recognised at fair value, net of transaction cost incurred. Borrowings are subsequently measured at amortised cost. Any difference between the proceeds (net of transaction cost) and the redemption amount is recognized in statement of profit and 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 recognized in 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 at least 12 months after the reporting period.

w) Borrowing Costs:

Borrowing costs that are directly attributable to the acquisition, construction, production or erection of a qualifying asset are capitalized if such qualifying asset takes a substantial period of time to get ready for its intended use. Substantial period is determined on a case to case basis depending on the nature of the asset and time involved in putting them on ready for use. Other borrowing costs are expensed in the period in which they are incurred.

x) 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 realized 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 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.

The operating cycle is the time between the acquisition of assets for processing and their realization in cash and cash equivalents. The Company has identified twelve months as its operating cycle.

y) Business Combinations:

The acquisition method of accounting is used to account for all business combinations, regardless of whether equity instruments or other assets are acquired. The consideration transferred for the acquisition of a business comprises the

- Fair values of the assets acquired;
- Liabilities incurred to the former owners of the acquired business;

Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are, measured initially at their fair values at the acquisition date.

z) 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 33)

(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.

(iii) Other Comprehensive Income is not considered for computing earnings per share.

aa) Recent pronouncements:

Ministry of Corporate Affairs ("MCA") notifies new standards or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. For the year ended March 31, 2025, MCA has not notified any new standards or amendments to the existing standards applicable to the Company.

SUNDARAM AUTO COMPONENTS LIMITED

Notes to Financial Statements - (continued)

2. Property, Plant & Equipment

Rupees in crores

Description	Property, Plant & Equipment								
	Free hold Land	Buildings	Plant & equipment	Furniture & fixtures	Office equipment	Computers	Vehicles	Right of Use Asset	Total
Gross Carrying Amount									
As at 01-04-2024	5.15	83.13	250.54	10.15	2.35	3.55	1.70	13.16	369.73
Additions	-	-	15.36	0.05	0.08	0.02	0.09	0.13	15.73
Sub-total	5.15	83.13	265.90	10.20	2.43	3.57	1.79	13.29	385.46
Sales / Deletion	3.21	36.72	232.62	10.04	2.30	3.45	0.36	11.51	300.21
Closing Gross Carrying Amount	1.94	46.41	33.28	0.16	0.13	0.12	1.43	1.78	85.25
Accumulated Depreciation									
Upto 31-03-2024	-	20.60	121.06	5.25	1.66	2.70	0.62	2.24	154.13
For the year FY 2024-25		2.73	14.89	0.63	0.10	0.23	0.40	0.31	19.29
Sub-total	-	23.33	135.95	5.88	1.76	2.93	1.02	2.55	173.42
Withdrawn on assets sold/deleted		10.27	121.68	5.75	1.68	2.83	0.10	1.94	144.25
Closing accumulated depreciation	-	13.06	14.27	0.13	0.08	0.10	0.92	0.61	29.17
Net Carrying Amount									
As at 31-03-2025	1.94	33.35	19.01	0.03	0.05	0.02	0.51	1.17	56.08
Gross Carrying Amount									
As at 01-04-2023	5.15	82.76	243.67	9.36	2.31	3.07	0.52	13.16	360.00
Additions	-	0.37	12.31	0.79	0.05	0.55	1.34	-	15.41
Sub-total	5.15	83.13	255.98	10.15	2.36	3.62	1.86	13.16	375.41
Sales / deletion	-	-	5.44	-	0.01	0.07	0.16	-	5.68
IND AS 116 Transition	-	-	-	-	-	-	-	-	-
Closing Gross Carrying Amount	5.15	83.13	250.54	10.15	2.35	3.55	1.70	13.16	369.73
Accumulated Depreciation		49.78							
Upto 31-03-2023	-	17.57	108.74	4.36	1.50	2.54	0.46	1.91	137.08
For the year FY 2023-24	-	3.03	17.15	0.89	0.16	0.22	0.32	0.33	22.10
Sub-total	-	20.60	125.89	5.25	1.66	2.76	0.78	2.24	159.18
Withdrawn on assets sold/deleted	-	-	4.83	-	-	0.06	0.16	-	5.05
Closing accumulated depreciation	-	20.60	121.06	5.25	1.66	2.70	0.62	2.24	154.13
Net Carrying Amount									
As at 31-03-2024	5.15	62.53	129.48	4.90	0.69	0.85	1.08	10.92	215.60

SUNDARAM AUTO COMPONENTS LIMITED

Notes to Financial Statements - (continued)

Rupees in crores

3. Capital Work-In-Progress

Description	As at March 31, 2025	As at March 31, 2024
Capital work in progress (At cost)		
(a) Building	-	2.01
(b) Plant & equipment	-	0.57
(c) Pre-operative expense	-	-
Total	-	2.58

Borrowing cost capitalised during the year is Nil (last year 0.37 Cr)

Ageing for capital work-in-progress as at March 31, 2025 is as follows

Particulars	Amount in CWIP for a year ended on 31 March 2025				
	<1 Yr.	1-2 years	2-3 years	More than 3 years	Total
Projects in progress	-	-	-	-	-

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

Ageing for capital work-in-progress as at March 31, 2024 is as follows

Particulars	Amount in CWIP for a year ended on 31 March 2024				
	<1 Yr.	1-2 years	2-3 years	More than 3 years	Total
Projects in progress	1.53	1.05	-	-	2.58

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

4a. Goodwill

Description	Total
Gross Carrying Amount	
As at 01-04-2024	2.20
Additions	-
Sub-total	2.20
Sales / deletion	2.20
Closing Gross Carrying Amount	-
Accumulated amortisation	
Upto 31-03-2024	-
For the year	-
Sub-total	-
Withdrawn on assets sold/deleted	-
Closing accumulated amortization	-
Net Carrying Amount	
As at 31-03-2025	-
Gross Carrying Amount	
As at 01-04-2023	2.20
Additions	-
Sub-total	2.20
Sales / deletion	-
Closing Gross Carrying Amount	2.20
Accumulated amortisation	
Upto 31-03-2023	-
For the year	-
Sub-total	-
Withdrawn on assets sold/deleted	-
Closing accumulated amortisation	-
Net Carrying Amount	
As at 31-03-2024	2.20

SUNDARAM AUTO COMPONENTS LIMITED

Notes to Financial Statements - (continued)

Rupees in crores

4.b Other Intangible Assets

Description	Software	Development Cost	Total
Gross Carrying Amount			
As at 01-04-2024	1.47	11.92	13.39
Additions	-	5.57	5.57
Sub-total	1.47	17.49	18.96
Sales / deletion	1.47	17.49	18.96
Closing Gross Carrying Amount	-	-	-
Accumulated amortisation			
Upto 31-03-2024	1.47	0.45	1.92
For the year	-	2.06	2.06
Sub-total	1.47	2.51	3.98
Withdrawn on assets sold/deleted	1.47	2.51	3.98
Closing accumulated amortization	-	-	-
Net Carrying Amount			
As at 31-03-2025	-	-	-
Gross Carrying Amount			
As at 01-04-2023	1.47	-	1.47
Additions	-	11.92	11.92
Sub-total	1.47	11.92	13.39
Sales / deletion	-	-	-
Closing Gross Carrying Amount	1.47	11.92	13.39
Accumulated amortisation			
Upto 31-03-2023	1.47	-	1.47
For the year	-	0.45	0.45
Sub-total	1.47	0.45	1.92
Withdrawn on assets sold/deleted	-	-	-
Closing accumulated amortisation	1.47	0.45	1.92
Net Carrying Amount			
As at 31-03-2024	-	11.47	11.47

SUNDARAM AUTO COMPONENTS LIMITED

Notes to Financial Statements - (continued)

5 Investments

Rupees in crores

Sl. No.	Particulars	Holding/ Subsidiary/ Associate	No. of shares / units		Face Value	Currency	As at	As at
			As at 31-03- 2025	As at 31-03- 2024			31-03-2025	31-03-2024
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
(A)	Investment in Equity Instruments Fair valued through OCI:							
	Unquoted:							
(i)	Green Infra Wind Energy Theni Limited		-	34,34,477	10	INR	-	2.01
(ii)	Green Infra Wind Energy Generation Limited		-	8,40,000	10	INR	-	0.13
(ii)	Atria wind power (chitradurga) P Ltd		-	80,948	100	INR	-	0.51
	Total value of Equity Instruments (A)						-	2.65
(B)	Other non-current Investments valued at amortized cost:							
	Unquoted:							
(i)	Life Insurance Corporation Pension Policy, Mumbai					INR	0.48	0.47
(ii)	Investment in Zero coupon bonds	Holding Company	-	-	1,00,00,000	INR	-	-
	Total value of other non- current Investment (B)						0.48	0.47
	Total (A+B)						0.48	3.12
	Aggregate amount of quoted investments and market value thereof						-	-
	Aggregate amount of unquoted investments						0.48	3.12
	Aggregate amount of impairment in value of investments						-	-
	Total						0.48	3.12
	(All Investments are fully paid up)							

SUNDARAM AUTO COMPONENTS LIMITED

Notes to Financial Statements - (continued)

Rupees in crores

	As at March 31, 2025	As at March 31, 2024		As at March 31, 2025	As at March 31, 2024
6 Financial Assets - Others			8 Inventories		
Others			Raw materials and components	-	23.36
Security deposits	-	0.32	Goods in Transit - Raw materials and components	-	3.17
Total other financial assets	-	0.32	Work-in-process	-	9.59
			Finished goods	-	7.92
7 Other non-current assets			Stores and spares	-	0.92
Capital advances	-	0.48			
Advances other than capital advances:			Total Inventories	-	44.96
Electricity Deposit	2.06	3.90			
Other Advances:					
Prepaid Expenses	-	0.22			
IT Recoverable - (Advance income tax net of provision)	0.74	0.47			
Total other non-current assets	2.80	5.07	9 Trade receivables		
			Secured, considered good	-	-
			Unsecured, considered good	(0.00)	97.18
				-	97.18
			Less: Loss allowance	-	(0.39)
			Total	-	96.79

Refer note 1 for Inventory Valuation. The cost of inventories recognized as an expense during the year is disclosed in Note No.24 and it includes cost of inventories recognized as an expense/(gain) of Nil during the current year and previous year Rs (0.08) crore in respect of write-downs of inventory to net realisable value, slow and non moving items

Ageing for trade receivables - billed – non-current outstanding as at March 31, 2025 is as follows

Particulars	Outstanding for following periods from due date of payment						
	Not due	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	-	-	-	-	-	-	-
(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	-	-	-	-	-	-	-
Less: Loss allowance	-	-	-	-	-	-	-
Trade Receivables- Billed	-	-	-	-	-	-	-
Trade Receivables- Unbilled	-	-	-	-	-	-	-
Total - Trade Receivables	-	-	-	-	-	-	-

Ageing for trade receivables - billed – non-current outstanding as at March 31, 2024 is as follows

Particulars	Outstanding for following periods from due date of payment						
	Not due	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	80.94	7.88	0.03	-	-	-	88.85
(ii) Undisputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-	-
(iii) Undisputed Trade Receivables – credit impaired	-	-	0.18	0.09	0.08	0.04	0.39
(iv) Disputed Trade Receivables – considered good	-	-	-	-	-	-	-
(v) Disputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-	-
(vi) Disputed Trade Receivables – credit impaired	-	-	-	-	-	-	-
	80.94	7.88	0.21	0.09	0.08	0.04	89.24
Less: Loss allowance	-	-	-	-	-	-	(0.39)
Trade Receivables- Billed	-	-	-	-	-	-	88.85
Trade Receivables- Unbilled	-	-	-	-	-	-	7.94
Total - Trade Receivables	-	-	-	-	-	-	96.79

Balances includes balance with related parties (refer note no.29(c)) for trade payables

SUNDARAM AUTO COMPONENTS LIMITED

Notes to Financial Statements - (continued)

Rupees in crores

	As at March 31, 2025	As at March 31, 2024		As at March 31, 2025	As at March 31, 2024
10 Cash and cash equivalents			12 Other current assets		
Balances with banks	10.85	4.43	GST/Sales tax / IT Receivables	4.24	2.55
Deposits with maturity of less than three months	20.04	-	Other Advances:		
Cash on hand	-	0.01	Prepaid expense	0.07	2.00
Total cash and cash equivalents	30.89	4.44	Advance to suppliers	0.06	8.26
11 Other financial Assets			Others		
Employee advances	-	0.16	Claims and other receivables	6.37	3.20
Other receivables	2.39	-	Less: Loss allowance	(5.72)	(1.78)
Total other financial assets	2.39	0.16	Net Claims and other receivables	0.65	1.42
			Export Incentive Receivable	-	0.02
			Total other current assets	5.02	14.24

13 SHARE CAPITAL

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

Particulars	As at 31-03-2025		As at 31-03-2024	
	Number	Rs. In Crores	Number	Rs. In Crores
Authorised:				
Equity shares of Rs.10/- each	5,00,00,000	50.00	5,00,00,000	50.00
Issued, subscribed and fully paid up:				
Equity shares of Rs.10/- each	1,19,37,422	11.94	1,19,37,422	11.94
Total	1,19,37,422	11.94	1,19,37,422	11.94

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

Particulars	As at 31-03-2025		As at 31-03-2024	
	Number	Rs. In Crores	Number	Rs. In Crores
Shares outstanding at the beginning of the year	1,19,37,422	11.94	4,45,69,000	44.57
Shares issued during the year	-	-	-	-
Share reduction during the year	-	-	(3,26,31,578)	(32.63)
Shares outstanding at the end of the year	1,19,37,422	11.94	1,19,37,422.00	11.94

(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/ultimate holding/subsidiaries/associates of holding company at the end of the year

Name of shareholder	Class of share	As at 31-03-2025		As at 31-03-2024	
		No. of shares held	% of holding	No. of shares held	% of holding
TVS Motor Company Limited, Chennai and by its six nominees	Equity	1,19,37,422	100.00	1,19,37,422	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 31-03-2025	As at 31-03-2024
		No. of shares held	No. of shares held
		-	-

(f) Shares held by promoters at the end of the year 31-03-2025

Promoter Name	As at 31-03-2025		As at 31-03-2024		% Changes during the year
	No. of shares held	% of holding	No. of shares held	% of holding	
TVS Motor Company Limited	1,19,37,422	100.00	1,19,37,422	100.00	-

SUNDARAM AUTO COMPONENTS LIMITED

Notes to Financial Statements - (continued)

Rupees in crores

	As at March 31, 2025	As at March 31, 2024
14 PARTICULARS		
General reserve	8.05	8.05
Securities premium reserve	16.94	16.94
Retained earnings	32.09	109.18
Total	57.08	134.17

15. Long Term Borrowings

Description	Frequency	No. of instalments due	Maturity	As at 31-03-2025	As at 31-03-2024
<u>Secured:</u>					
Term loan from bank	Repayable in 12 equal Quarterly instalments INR 3.5 Cr starting Feb 2025	12	24- Nov- 2027	-	47.56
Term loan from SIPCOT	Repayable in single instalments INR 5.80Cr on April 2029	1	01- April- 2029	-	3.33
Total Borrowings				-	50.89
Less : Current Maturities of long-term borrowings (Refer Note No. 18)				-	7.25
Total Long-term Borrowings				-	43.64
Details of securities created:					
(i) Term loan from banks -Exclusive charge on land and building and paripasu charge on plant and equipment					
(ii) Term loan from banks -Equitable mortgage of immovable properties of the company					
(iii) Term loan from SIPCOT- First charge on the specific plant and equipment					
Description	Currency	Amount	Rate of Interest		
Term loan from bank	INR	15 Crores	8.95% (T-Bill 30 days +2.98)		
Term loan from bank	INR	42 Crores	9.25% (MCLR 6 Month)		
Term loan from SIPCOT	INR	5.80 Crores	0.1% per Annum		

16. Provisions- Employee benefit obligations

	As at March 31, 2025			As at March 31, 2024		
Particulars	Current	Non-current	Total	Current	Non-current	Total
Pension	1.09	3.71	4.80	1.09	3.04	4.13
Leave Salary	-	-	-	0.28	1.89	2.17
Gratuity	-	-	-	-	0.47	0.47
Total employee benefit obligations	1.09	3.71	4.80	1.37	5.40	6.77

SUNDARAM AUTO COMPONENTS LIMITED

Notes to Financial Statements - (continued)

Rupees in crores

Details	Gratuity			Pension			Leave Salary		
	Present value of obligation	Fair value of plan assets	Net amount	Present value of obligation	Fair value of plan assets	Net amount	Present value of obligation	Fair value of plan assets	Net amount
April 1, 2024									
Opening values	7.16	6.69	0.47	4.13	-	4.13	2.17	-	2.17
Current service cost	-	-	-	0.30		0.30			-
Interest expense/(income)	-	-	-			-			-
Total amount recognised in profit or loss	-	-	-	0.30	-	0.30	-	-	-
<i>Remeasurements</i>									
Return on plan assets, excluding amounts included in interest expense/(income)	-	-	-	-	-	-	-	-	-
(Gain)/loss from change in demographic assumptions	-	-	-	-	-	-	-	-	-
(Gain)/loss from change in financial assumptions	-	-	-	0.38	-	0.38	-	-	-
Experience (gains)/losses	-	-	-		-	-		-	-
Total amount recognised in other comprehensive income	-	-	-	0.38	-	0.38	-	-	-
Employer contributions	-	-	-	-	-	-			-
Benefit payments	-	-	-	-	-	-			-
Transfer of asset and liabilities on account of slump sale	(7.16)	(6.69)	(0.47)			-	(2.17)	-	(2.17)
March 31, 2025	-	-	-	4.81	-	4.81	-	-	-

Details	Gratuity			Pension			Leave Salary		
	Present value of obligation	Fair value of plan assets	Net amount	Present value of obligation	Fair value of plan assets	Net amount	Present value of obligation	Fair value of plan assets	Net amount
April 1, 2023									
Opening values	7.32	4.66	2.66	3.72	-	3.72	1.87	-	1.87
Current service cost	0.91	-	0.91	-	-	-	-	-	-
Interest expense/(income)	0.46	0.43	0.03	0.28	-	0.28	0.22	-	0.22
Total amount recognised in profit or loss	1.37	0.43	0.94	0.28	-	0.28	0.22	-	0.22
<i>Remeasurements</i>									
Return on plan assets, excluding amounts included in interest expense/(income)	-	-	-	-	-	-	-	-	-
(Gain)/loss from change in demographic assumptions	-	-	-	-	-	-	-	-	-
(Gain)/loss from change in financial assumptions	0.17	-	0.17	0.20	-	0.20	0.04	-	0.04
Experience (gains)/losses	(1.48)	-	(1.48)	(0.08)	-	(0.08)	0.44	-	0.44
Total amount recognised in other comprehensive income	(1.31)	-	(1.31)	0.12	-	0.12	0.48	-	0.48
Employer contributions	-	1.81	(1.81)	-	-	-	-	-	-
Benefit payments	(0.22)	(0.22)	-	-	-	-	(0.40)	-	(0.40)
March 31, 2024	7.16	6.69	0.47	4.13	-	4.13	2.17	-	2.17

SUNDARAM AUTO COMPONENTS LIMITED

Notes to Financial Statements - (continued)

Rupees in crores

(i) Post-Employment benefits

Significant estimates: actuarial assumptions and sensitivity

The significant actuarial assumptions were as follows:

Details	Gratuity		Pension		Leave Salary	
	March 31, 2025	March 31, 2024	March 31, 2025	March 31, 2024	March 31, 2025	March 31, 2024
Discount rate	-	6.97%	6.38%	6.97%	-	6.97%
Salary growth rate	-	5.50%	5.50%	5.50%	-	5.50%
Attrition rate	-	3.00%	0.00%	0.00%	-	3.00%

Assumptions regarding future mortality for pension and medical benefits are set based on actuarial advice in accordance with published statistics and experience. These assumptions translate into an average life expectancy in years for a pensioner retiring at 60 years.

The Expected maturity analysis of undiscounted defined benefit obligations is as follows:

Particulars	Year 1	Year 2	Year 3	Year 4	Year 5	Next 5 years	Total
As at March 31, 2025	1.12	1.69	1.69	1.69	1.69	8.44	16.31
As at March 31, 2024	1.82	2.22	2.72	2.31	2.25	11.94	23.26

(ii) Sensitivity analysis

The sensitivity of the defined benefit obligation to changes in the weighted principal assumptions is:

Details	Impact on defined benefit obligation		
	Change in assumption	Increase in assumption	Decrease in assumption
	March 31, 2024	March 31, 2024	March 31, 2024
Discount rate	0.50%	-4.87%	5.28%
Salary growth rate	0.50%	5.33%	-4.96%
Attrition growth rate	5.00%	0.20%	-0.20%
Life expectancy	5.00%	0.02%	-0.02%

Details	Impact on defined benefit obligation					
	Change in assumption		Increase in assumption		Decrease in assumption	
	March 31, 2025	March 31, 2024	March 31, 2025	March 31, 2024	March 31, 2025	March 31, 2024
Discount rate	1.00%	1.00%	-13.05%	-13.49%	15.81%	16.37%
Salary growth rate	1.00%	1.00%	16.42%	17.06%	-13.68%	-14.18%
Attrition growth rate	5.00%	5.00%	0.00%	0.00%	0.80%	0.00%
Life expectancy	5.00%	5.00%	-0.78%	-0.71%	0.00%	0.74%

The above sensitivity analyses are based on a change in an assumption while holding all other assumptions constant. In practice, this is unlikely to occur, and changes in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions the same method (present value of the defined benefit obligation calculated with the projected unit credit method at the end of the reporting period) has been applied as when calculating the defined benefit liability recognised in the balance sheet.

(iii) Risk exposure

Through its defined benefit plans, the company is exposed to a number of risks, the most significant of which are detailed below:

Asset volatility: The plan liabilities are calculated using a discount rate set with reference to bond yields; if plan assets under perform this yield, this will create a deficit. Most of the plan asset investments is in fixed income securities with high grades and in government securities. These are subject to interest rate risk and the fund manages interest rate risk with derivatives to minimise risk to an acceptable level. A portion of the funds are invested in equity securities and in alternative investments which have low correlation with equity securities. The equity securities are expected to earn a return in excess of the discount rate and contribute to the plan deficit. The company has a risk management strategy where the aggregate amount of risk exposure on a portfolio level is maintained at a fixed range. Any deviations from the range are corrected by rebalancing the portfolio. The company intends to maintain the above investment mix in the continuing years.

Changes in bond yield: A decrease in bond yields will increase plan liabilities, although this will be partially offset by an yields increase in the value of the plans bond holdings.

Inflation risks: In the pension plans, the pensions in payment are not linked to inflation, so this is a less material risk.

Life expectancy: The pension plan obligations are to provide benefits for the life of the member, so increases in life expectancy will result in an increase in the plan liabilities. This is particularly significant where inflationary increases result in higher sensitivity to changes in life expectancy.

SUNDARAM AUTO COMPONENTS LIMITED

Notes to Financial Statements - (continued)

Rupees in crores

17 Deferred tax Liability / (Asset)

The balance comprises temporary differences attributable to:

Details	As at March 31, 2025	As at March 31, 2024
Depreciation	13.33	26.74
Provision for employee benefits	(2.66)	(4.23)
Provision for doubtful debts	-	(0.14)
On Voluntary Retirement Scheme	(0.36)	(1.09)
Loss allowance	-	(0.20)
On Financial Instruments	-	0.10
Unused MAT credit entitlement	-	-
Net deferred tax liability / (Asset)	10.31	21.18

Movement in deferred tax Liability / (Asset)

Details	Depreciation	Provision for employee benefits	Provision for doubtful debts	Financial Instruments	Unused tax credits (MAT credit entitlement)	On Voluntary Retirement Scheme	Provision for Loss allowance	Carryforward loss	Total
At April 1, 2023	25.71	(3.84)	(0.13)	0.52	(3.51)	(1.68)	(0.20)	(0.01)	16.86
Charged/(credited):									
- to profit or loss	1.03	(0.79)	(0.01)	(0.53)	3.51	0.59	(0.00)	-	3.79
- to other comprehensive income	-	0.42	-	0.11	-	-	-	-	0.53
At March 31, 2024	26.74	(4.22)	(0.14)	0.10	-	(1.09)	(0.20)	(0.01)	21.17
Charged/(credited):									
- to profit or loss	(13.41)	1.70	0.14	(0.10)	-	0.73	0.20	-	(10.74)
- to other comprehensive income	-	(0.12)	-	-	-	-	-	-	(0.12)
At March 31, 2025	13.33	(2.65)	(0.00)	0.00	-	(0.36)	0.00	(0.01)	10.31

	As at March 31, 2025	As at March 31, 2024
18 Current Liabilities - Borrowings		
Borrowings repayable on demand from banks		
Unsecured:		
- Bank 1 (Interest @ 7.6%)	-	8.21
- Bank 2 (Interest @ 8.0%)	-	19.00
Secured:		
- Bank 3 (Interest @ 7.8%)	-	10.00
Current Maturities of long term borrowings	-	7.25
Total Borrowings under Current Liabilities	-	44.46

	As at March 31, 2025	As at March 31, 2024
19 Trade payables		
Dues to Micro and Small Enterprises **	0.89	13.39
Dues to enterprises other than Micro and Small Enterprises	6.16	81.53
	9.04	94.92
Accrued Expenses	1.99	4.49
Total	9.04	99.41

** Dues to Micro and Small Enterprises have been determined to the extent such parties have been identified on the basis of information furnished by the vendor. The entire closing balance represents the principal amount payable to these enterprises. There are no interests due or outstanding on the same.

SUNDARAM AUTO COMPONENTS LIMITED

Notes to Financial Statements - (continued)

Rupees in crores

Ageing for trade payables outstanding as at March 31, 2025 is as follows:

Particulars	Outstanding for following periods from due date of payment					
	Not due	<1 Yr.	1-2 years	2-3 years	More than 3 years	Total
(i) MSME	0.89	-	-	-	-	0.89
(ii) Others	6.16	-	-	-	-	6.16
(iii) Disputed dues – MSME	-	-	-	-	-	-
(iv) Disputed dues – Others	-	-	-	-	-	-
	7.05	-	-	-	-	7.05
Accrued Expenses						1.99
Total - Trade payables						9.04

Ageing for trade payables outstanding as at March 31, 2024 is as follows:

Particulars	Outstanding for following periods from due date of payment					
	Not due	<1 Yr.	1-2 years	2-3 years	More than 3 years	Total
(i) MSME	13.12	0.27	-	-	-	13.39
(ii) Others	47.63	33.13	0.41	0.05	0.31	81.53
(iii) Disputed dues – MSME	-	-	-	-	-	-
(iv) Disputed dues – Others	-	-	-	-	-	-
	60.75	33.40	0.41	0.05	0.31	94.92
Accrued Expenses						4.49
Total - Trade payables						99.41

Balances includes balance with related parties (refer note no.29(c)) for trade payables

Details of securities created for Cash credit facility and repayable demand loan:

Hypothecation of book debts and inventories of the company, both present and future

Year ended
March 31, 2025

Year ended
March 31, 2024

	As at March 31, 2025	As at March 31, 2024				
20 Other financial liabilities			23 Other income			
Current			Interest income	0.80	0.40	
Interest accrued and due #	-	0.44	Other non-operating income	0.17	0.01	
Total other current financial liabilities	-	0.44	Total other income	0.97	0.41	
# Funds are made available with banks which have been appropriated subsequently			24 Cost of Materials consumed:			
21 Other current liabilities			Purchase for contract manufacturing			
Advance received from customers*	-	31.58	(i) Purchase of raw materials for contract manufacturing	143.10	-	
Others:			(ii) Less: Sale of raw material	(143.10)	-	
Statutory dues	2.65	1.84	Total Cost of purchase	-	-	
Employee related	0.31	3.16	25 Employee benefits expense			
Total other current liabilities	2.96	36.58	Salaries, wages and bonus	0.62	0.84	
*Advance received from Customer include Dues to Customer- Nil (Previous Year -Rs. 20.14 Crs)			Contribution to provident and other funds	0.01	0.01	
			Welfare expenses	0.18	0.07	
22 Revenue from operations			Total employee benefit expense	0.81	0.91	
Revenue from contract manufacturing*			26 Finance Costs			
(i) Sale of Finished goods	145.91	-	Interest	0.18	0.21	
(ii) Less: Purchase of goods for contract manufacturing	(145.91)	-	Total finance costs	0.18	0.21	
Total revenue from operations*	-	-				

* Company engages in contract manufacturing without applying a markup. The revenue generated from contract manufacturing was offset against sales and purchases

SUNDARAM AUTO COMPONENTS LIMITED

Notes to Financial Statements - (continued)

Rupees in crores

27	Other expenses	Year ended March 31, 2025	Year ended March 31, 2024
	(a) Repairs - buildings	0.68	0.05
	(b) Repairs - Other assets	0.06	0.03
	(c) Insurance	0.02	0.02
	(d) Rates and taxes	0.00	0.01
	(e) Audit fees #	0.26	0.26
	(f) Sitting fees	0.01	0.01
	(g) Miscellaneous expenses	2.62	1.78
	(under this head there is no expenditure which is in excess of 1% of revenue from operations or Rs.10 lakhs, whichever is higher)		
	Total other expenses	3.65	2.17

Refer Note No:36 (ii) for details on audit fees

28 Tax expense and Reconciliation

(a) Income tax expense

Current tax

	2.63	5.79
Current tax on profits for the year		

Total current tax expense	2.63	5.79

Deferred tax

Unused tax (credit) [MAT credit entitlement]	-	3.51
Decrease (increase) in deferred tax assets	1.94	(1.34)
(Decrease) increase in deferred tax liabilities	(12.68)	1.62

Total deferred tax expense/(benefit)	(10.74)	3.79

Tax expense	(8.11)	9.58

(b) Reconciliation of tax expense and the accounting profit multiplied by Indian tax rate:

Profit before income tax expense	15.50	28.83

Provision for bad debts	-	0.02
Tax on income chargeable at lower rates	(8.42)	-
Ind AS current year OCI adjustment	(0.31)	1.19
	6.77	30.04

Tax at Indian tax rate 25.17% of the Income Tax Act 1961 (PY 25.17%)	2.63	5.79

Deferred tax liabilities / (Assets)	(10.74)	0.28
MAT Credit entitlements	-	3.51

Tax expense	(8.11)	9.58

SUNDARAM AUTO COMPONENTS LIMITED

Notes to Financial Statements - (continued)

Rupees in crores

Related Party Disclosure

29 (a) (i) Related parties and their relationship where control exists

Ultimate holding company

TVS Holdings Limited, Chennai (Formerly known as Sundaram-Clayton Limited) - From 11th August 2023

Holding company

TVS Motor Company Limited, Chennai

(ii) Related parties and their relationship where transaction / control exists

Fellow subsidiaries

TVS Digital Limited, Chennai [Name changed from 15th December 2023 - Formerly known as TVS Housing Limited]

Home Credit India Finance Private Limited [w.e.f. 30th January, 2025]

TVS Holdings (singapore) Pte. Limited

TVS Motor Services Limited, Chennai

TVS Credit Services Limited, Chennai

TVS Electric Mobility Ltd, Chennai

TVS Motor Company (Europe) B.V., Amsterdam

TVS Motor (Singapore) Pte. Limited, Singapore (TVSM Singapore)

PT TVS Motor Company Indonesia, Jakarta

TVS Motor Company, DMCC, Dubai

DriveX Mobility Private Limited, Coimbatore (Formerly known as Nkars Mobility Millennial Solutions Private Limited) [w.e.f. 23rd December, 2024]

Harita ARC Services Private Limited, Chennai

Harita Two Wheeler Mall Private Limited, Chennai

TVS Housing Finance Private Limited, Chennai

The GO Corporation, Switzerland (GO AG),

Swiss E-Mobility Group (Holding) AG, Switzerland (SEMG)

The Norton Motorcycle Co Limited, UK

TVS Digital Pte Ltd, Singapore

EBCO Limited, UK

Celerity Motor GmbH, Germany

EGO Movement Stuttgart, GmbH, Germany (Subsidiary of GO AG)

Swiss E-Mobility Group (Schweiz) AG Switzerland, Zurich

Colag E-Mobility GmbH, Germany, Nuremberg

Alexand'Ro Edouard'O Passion Vélo Sàrl, Switzerland

Fellow subsidiaries [Upto 31st December, 2024]

TVS Emerald Limited (Formerly Known as Emerald Haven Realty Limited)

Emerald Haven Maintenance Services Private Limited, Chennai

Emerald Haven Property Development Limited, Chennai

Happiness Harmony Property Developers Private Limited, Chennai

Emerald Haven Realty Developers (Paraniputhur) Private Limited, Chennai

Emerald Haven Towers Limited, Chennai

Emerald Haven Development Limited, Chennai

Emerald Haven Life Spaces (Radial Road) Limited, Chennai

Emerald Haven Town & Country Private Limited, Chennai

Emerald Haven Residences Private Limited, Chennai

Emerald Haven Properties Private Limited, Chennai

Emerald Haven Builders Private Limited, Chennai

Emerald Haven Life Spaces 2 Private Limited, Chennai

Emerald Haven Life Spaces 3 Private Limited, Chennai

SUNDARAM AUTO COMPONENTS LIMITED

Notes to Financial Statements - (continued)

Rupees in crores

Associate of Holding companies:

Ultraviolette Automotive Private Limited, Bengaluru
Tagbox Solutions Private Limited, Bengaluru [upto 30.03.2024]
DriveX Mobility Private Limited, Coimbatore [upto 23.12.2024]
Indian Foundation for Quality Management, Bengaluru [upto 11.03.2025]

Associate of Fellow companies:

Killwatt GmbH, Germany [From 14.04.2023]
ION Mobility Pte. Ltd. [From 14.03.2024]
Predictronic Corp, USA
Tagbox Pte Ltd , Singapore (Upto 19th June, 2024)
Altizon Inc, USA
Scienaptic Systems Inc , USA (Upto 27th December, 2024)
Emerald Haven Housing Private Limited, Chennai (Upto 31st December 2024)

Enterprises under Common control

Sundaram - Clayton Limited, Chennai (formerly known as Sundaram - Clayton DCD Limited) - From 11th August 2023
TVS Emerald Limited (Formerly Known as Emerald Haven Realty Limited)
Emerald Haven Maintenance Services Private Limited, Chennai
Emerald Haven Property Development Limited, Chennai
Happiness Harmony Property Developers Private Limited, Chennai
Emerald Haven Realty Developers (Paraniputhur) Private Limited, Chennai
Emerald Haven Towers Limited, Chennai
Emerald Haven Development Limited, Chennai
Emerald Haven Life Spaces (Radial Road) Limited, Chennai
Emerald Haven Town & Country Private Limited, Chennai
Emerald Haven Residences Private Limited, Chennai
Emerald Haven Properties Private Limited, Chennai
Emerald Haven Builders Private Limited, Chennai
Emerald Haven Housing Private Limited, Chennai
Emerald Haven Life Spaces 2 Private Limited, Chennai
Emerald Haven Life Spaces 3 Private Limited, Chennai
Emerald Haven Highrises Private Limited

Key Managerial Personnel

Non Independent Directors

Mr. Venu Srinivasan
Dr. Lakshmi Venu
Mr. SG Murali

Whole time Director

Mr. Rajesh Oommen

Relative of KMP

Dr. Malini Srinivasan

SUNDARAM AUTO COMPONENTS LIMITED

NOTES TO ACCOUNTS

Rupees in crores

29 (b) Transactions with related parties:

(i) Purchase of goods

- Holding company - TVS Motor Company Limited, Chennai

- -

(ii) Sale of Investment

- Ultimate holding company - TVS Holdings Limited, Chennai (Formerly known as Sundaram-Clayton Limited), Chennai

- -

(iii) Reduction of Shares (including premium) and payment to holding company

- Holding Company - TVS Motor Company Ltd, Chennai

- 310.00

(iv) Sale of goods

- Holding Company - TVS Motor Company Ltd, Chennai

482.84 406.07

- Associate of Holding Company - Ultraviolette Automotive Private Limited

0.85 0.67

(v) Investment in Zero coupon bonds

- Holding Company - TVS Motor Company Ltd, Chennai

- -

(vi) Redemption of Zero coupon bonds

- Holding Company - TVS Motor Company Ltd, Chennai

- 310.00

(vii) Rendering of services

- Ultimate holding company - TVS Holdings Limited, Chennai (Formerly known as Sundaram-Clayton Limited), Chennai

2.42 2.27

- Enterprises under Common control - Sundaram-Clayton Limited (Formerly known as Sundaram-Clayton DCD Limited), Chennai

8.17 5.40

(viii) Availing of services

- Holding company - TVS Motor Company Limited, Chennai

1.37 1.07

- Ultimate holding company - TVS Holdings Limited, Chennai (Formerly known as Sundaram-Clayton Limited), Chennai

3.50 3.47

- Enterprises under Common control - Sundaram-Clayton Limited (Formerly known as Sundaram-Clayton DCD Limited), Chennai

1.75 1.15

- Fellow subsidiaries

TVS Credit Services Limited, Chennai

-

(ix) Sale of Assets

Key Management Personnel

- -

(x) Remuneration to Key Management Personnel

Short Term Employee benefits

1.76 2.11

Post- Employment Benefits

0.17 0.16

(xi) Commission To Key Management Personnel

- -

(xii) Dividend Paid to Holding Company

100.27 1.96

29 (c) Balances with related parties:

(xiii) Trade receivables

- Holding company - TVS Motor Company Limited, Chennai

4.17 10.95

- Enterprises under Common control - Sundaram-Clayton Limited (Formerly known as Sundaram-Clayton DCD Limited), Chennai

2.50 1.25

- Ultimate holding company - TVS Holdings Limited, Chennai (Formerly known as Sundaram-Clayton Limited), Chennai

2.39 -

- Associate of Holding Company

- Ultraviolette Automotive Private Limited

0.58 0.18

(xiv) Trade payables

- Holding company - TVS Motor Company Limited, Chennai

0.04 0.04

- Ultimate holding company - TVS Holdings Limited, Chennai (Formerly known as Sundaram-Clayton Limited), Chennai

0.76 0.03

- Enterprises under Common control - Sundaram-Clayton Limited (Formerly known as Sundaram-Clayton DCD Limited), Chennai

1.01 0.10

NOTES TO ACCOUNTS - (continued)

Rupees in crores

30 Financial risk management

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

This note explains the sources of risk which the entity is exposed to and how the entity mitigates the risk and the impact of hedge accounting in the financial statements.

Risk	Exposure arising from	Measurement	Mitigation plan
Credit risk	Cash and cash equivalents, trade receivables, financial assets measured at amortised cost.	Ageing analysis Credit ratings	Diversification of bank deposits, credit limits and letters of credit
Liquidity risk	Borrowings and other liabilities	Rolling cash flow forecasts	Availability of committed credit lines and borrowing
Market risk – foreign exchange	Recognised financial assets and liabilities not denominated in Indian rupee (INR)	Cash flow forecasting Sensitivity analysis	Forward foreign exchange contracts
Market risk – interest rate	Long-term borrowings at variable rates	Sensitivity analysis	Interest rate swaps

The company's risk management is carried out by the treasury department under policies approved by the Board of director. Treasury identifies, evaluates and hedges financial risks in close co-operation with the company's operating units. The board provides written principles for overall risk management, as well as policies covering specific areas, such as foreign exchange risk, interest rate risk, credit risk, use of derivative financial instruments and non-derivative financial instruments, and investment of excess liquidity.

(A) Credit risk

Credit risk arises from cash and cash equivalents, investments carried at amortised cost and deposits with banks and financial institutions, as well as credit exposures to wholesale customers including outstanding receivables.

(i) Credit risk management

Credit risk is managed by the entity. For banks and financial institutions, only high rated banks/institutions are accepted.

For other financial assets, The company assesses and manages credit risk based on internal credit rating system. The finance function consists of a separate team who assess and maintain an internal credit rating system. Internal credit rating is performed for each class of financial instruments with different characteristics. The company assigns the following credit ratings to each class of financial assets based on the assumptions, inputs and factors specific to the class of financial assets.

- 1 : High-quality assets, negligible credit risk
- 2 : Quality assets, low credit risk
- 3 : Standard assets, moderate credit risk
- 4 : Substandard assets, relatively high credit risk
- 5 : Low quality assets, very high credit risk
- 6 : Doubtful assets, credit-impaired

The company considers the probability of default upon initial recognition of asset and whether there has been a significant increase in credit risk on an ongoing basis throughout each reporting period. To assess whether there is a significant increase in credit risk The company compares the risk of a default occurring on the asset as at the reporting date with the risk of default as at the date of initial recognition. It considers available reasonable and supportive forwarding-looking information. Especially the following indicators are included -

- Internal credit rating
- External credit rating (as far as available)
- Actual or expected significant adverse changes in business, financial or economic conditions that are expected to cause a significant change to the borrower's ability to meet its obligations
- Actual or expected significant changes in the operating results of the borrower
- Significant increase in credit risk on other financial instruments of the same borrower
- Significant changes in the value of the collateral supporting the obligation or in the quality of third-party guarantees or credit enhancements
- Significant changes in the expected performance and behaviour of the borrower, including changes in the payment status of borrowers in The company and changes in the operating results of the borrower.

Macroeconomic information (such as regulatory changes, market interest rate or growth rates) is incorporated as part of the internal rating model.

In general, it is presumed that credit risk has significantly increased since initial recognition if the payments are more than 30 days past due.

A default on a financial asset is when the counterparty fails to make contractual payments within 60 days of when they fall due. This definition of default is determined by considering the business environment in which entity operates and other macro-economic factors.

SUNDARAM AUTO COMPONENTS LIMITED

NOTES TO ACCOUNTS - (continued)

Rupees in crores

(ii) Provision for expected credit losses

The company provides for expected credit loss based on the following:

Year ended 31 March 2025:

(a) Expected credit loss for loans, security deposits and investments

Particulars	Category	Asset group	Internal credit rating	Estimated gross carrying amount at default	Expected probability of default	Expected credit losses	Carrying amount net of impairment provision
Loss allowance measured at 12 month expected credit losses	Financial assets for which credit risk has not increased significantly since initial recognition	Investment at amortized cost	1	0.48	0%	-	0.48
		Other Financial Assets	1	-	0%	-	-
Loss allowance measured at life-time expected credit losses	Financial assets for which credit risk has increased significantly and credit-impaired	NA	NA	NA	NA	NA	NA

(b) Expected credit loss for trade receivables under simplified approach

Ageing	Less than 180 days	More than 180 days	Total
Gross carrying amount	-	-	-
Expected loss rate	-	-	-
Expected credit losses (Loss allowance provision)	-	-	-
Carrying amount of trade receivables (net of impairment)	-	-	-

Year ended 31 March 2024:

(a) Expected credit loss for loans, security deposits and investments

Particulars	Category	Asset group	Internal credit rating	Estimated gross carrying amount at default	Expected probability of default	Expected credit losses	Carrying amount net of impairment provision
Loss allowance measured at 12 month expected credit losses	Financial assets for which credit risk has not increased significantly since initial recognition	Investment at amortized cost	1	0.47	0%	-	0.47
		Other Financial Assets	1	0.48	0%	-	0.48
Loss allowance measured at life-time expected credit losses	Financial assets for which credit risk has increased significantly and credit-impaired	NA	NA	NA	NA	NA	NA

(b) Expected credit loss for trade receivables under simplified approach

Ageing	Less than 180 days	More than 180 days	Total
Gross carrying amount	96.79	0.39	97.18
Expected loss rate	-	100%	-
Expected credit losses (Loss allowance provision)	-	(0.39)	(0.39)
Carrying amount of trade receivables (net of impairment)	96.79	-	96.79

SUNDARAM AUTO COMPONENTS LIMITED

NOTES TO ACCOUNTS - (continued)

Rupees in crores

(iii) Reconciliation of loss allowance provision – Trade receivables

Details	
Loss allowance on 1 April 2024	0.39
Changes in loss allowance (net)	(0.39)
Loss allowance on 31 March 2025	-

(B) Liquidity risk

Prudent liquidity risk management implies maintaining sufficient cash and marketable securities and the availability of funding through an adequate amount of committed credit facilities to meet obligations when due and to close out market positions. Due to the dynamic nature of the underlying businesses, the entity's treasury maintains flexibility in funding by maintaining availability under committed credit lines. Management monitors rolling forecasts of the company's liquidity position (comprising the undrawn borrowing facilities below) and cash and cash equivalents on the basis of expected cash flows. In addition, the company's liquidity management policy involves projecting cash flows in major currencies and considering the level of liquid assets necessary to meet these, monitoring balance sheet liquidity ratios against internal and external regulatory requirements and maintaining debt financing plans.

(i) Financing arrangements

The company had access to the following undrawn borrowing facilities at the end of the reporting period:

Details	31 March, 2025	31 March, 2024
Floating rate		
- Expiring within one year (bank overdraft and other facilities)	-	30.00

The bank overdraft facilities may be drawn at any time and may be terminated by the bank without notice. Subject to the continuance of satisfactory credit ratings, the bank loan facilities may be drawn at any time in INR.

(ii) Maturities of financial liabilities

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

- All non-derivative financial 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.

Particulars	Maturity	Amount (Rs. Cr.)	
		31-Mar-25	31-Mar-24
Term loan	> than 12 months	-	43.64
Short-term borrowings	< than 12 months	-	37.21
Trade payables	< than 12 months	9.04	99.41
Current maturities of term loan	< than 12 months	-	7.25
Interest accrued and due on loans	< than 12 months	-	0.44
Employee related	< than 12 months	0.31	3.16
Lease rent	> than 12 months	1.50	4.57

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.

(C) Market risk

(i) Foreign currency risk

The company operates internationally and is exposed to foreign exchange risk arising from foreign currency transactions, primarily with respect to the USD. Foreign exchange risk arises from future commercial transactions and recognised assets and liabilities denominated in a currency that is not the company's functional currency (INR). The risk is measured through a forecast of highly probable foreign currency cash flows.

The company's exposure to foreign currency risk at the end of the reporting period expressed in Rupees Crores, are as follows

Details	31 March 2025			31 March 2024		
	USD	EURO	JPY	USD	EURO	JPY
Financial liabilities						
Foreign currency loan	-	-	-	-	-	-
ECB loan from bank	-	-	-	-	-	-
Trade payables	-	-	-	4.77	0.03	0.01
Net exposure to foreign currency risk (liabilities)	-	-	-	4.77	0.03	0.01

SUNDARAM AUTO COMPONENTS LIMITED

NOTES TO ACCOUNTS - (continued)

Rupees in crores

Sensitivity

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

Details	Impact on profit	
	31 March 2025	31 March 2024
<i>USD sensitivity</i>		
INR/USD Increases by 5%	-	0.24
INR/USD Decreases by 5%	-	(0.24)
<i>JPY sensitivity</i>		
INR/JPY Increases by 5%	-	0.00
INR/JPY Decreases by 5%	-	(0.00)
<i>Euro sensitivity</i>		
INR/Euro Increases by 5%	-	0.00
INR/Euro Decreases by 5%	-	(0.00)

* Holding all other variables constant

(ii) Cash flow and fair value interest rate risk

The company's main interest rate risk arises from short-term borrowings with variable rates, which expose the company to rate risk.

Interest rate risk exposure

Particulars	31 March 2025	31 March 2024
Variable rate borrowings	-	88.10

Sensitivity analysis

Details	Impact on profit	
	31 March 2025	31 March 2024
<i>Interest rate</i>		
Increases by 5%	-	0.34
Decreases by 5%	-	(0.34)

Impact of hedging activities

Disclosure of effects of hedge accounting on financial position

Type of hedges and risks	Nominal Value of the hedging instruments	Carrying amount hedging instruments	Maturity Date	Hedge Ratio	Weighted Average price	Changes in fair value of hedging instrument
31st March 2025						
Forward Contracts	-	-	-	-	-	-
31st March 2024						
Forward Contracts	8.48	8.46	April 2024 to June 2024	1:1	INR/USD Rs.83.40	0.02

SUNDARAM AUTO COMPONENTS LIMITED

NOTES TO ACCOUNTS - (continued)

Rupees in crores

31 Capital management

(a) 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 vary the amount of dividends payable to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

Consistently, 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 optimum gearing ratio. The gearing ratios were as follows:

Details	March 31, 2025	March 31, 2024
Net debt	0.00	83.66
Total equity	69.02	146.11

Net debt to equity ratio (in times)	0.00	0.57

(b) Dividends

Details	March 31, 2025	March 31, 2024

(i) Equity shares

First and final dividend for the year ended 31st March 2025 of Rs. 84 (31st March 2024 Rs. 1.64) per fully paid share	100.27	1.96

(ii) Dividends not recognised at the end of the reporting period	-	-

32 Fair Value Measurements

Financial instruments by category

Particulars	March 31, 2025			March 31, 2024		
	FVTPL	FVOCI	Amortised cost	FVTPL	FVOCI	Amortised cost
Financial assets						
Investments						
- Equity instruments	-	-	-	-	2.52	-
- Others						
Life Insurance Corporation Pension Policy	-	-	0.48	-	-	0.47
Zero coupon bonds	-	-	-	-	-	-
Deposits	-	-	-	-	-	0.32
Share allotment money	-	-	-	-	-	-
Trade receivables	-	-	-	-	-	96.79
Cash and cash equivalents	-	-	30.89	-	-	4.44
Employee advance	-	-	2.39	-	-	0.16
Receivable under hedge instruments	-	-	-	-	-	-
Total financial assets	-	-	33.76	-	2.52	102.18
Financial liabilities						
Trade payables	-	-	9.04	-	-	99.41
Borrowings	-	-	-	3.33	-	77.52
Others						
- Current Maturities of long term borrowings	-	-	-	-	-	7.25
- Interest accrued	-	-	-	-	-	0.44
- Employee related	-	-	0.31	-	-	3.16
Payable under hedged instruments	-	-	-	-	-	-
Total financial liabilities	-	-	9.35	3.33	-	187.78

SUNDARAM AUTO COMPONENTS LIMITED

NOTES TO ACCOUNTS - (continued)

Rupees in crores

(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.

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

At 31 March 2025	Notes	Level 1	Level 2	Level 3	Total
Financial assets					
<i>Financial Investments at FVTPL:</i>		-	-	-	-
<i>Financial Investments at FVOCI:</i>					
Green Infra Wind Energy Theni Limited	5	-	-	-	-
Atria wind power (chitradurga) P Ltd	5	-	-	-	-
Total financial assets		-	-	-	-
Financial liabilities					
<i>Financial liabilities at FVTPL:</i>					
Borrowings	15	-	-	-	-
Total financial liabilities		-	-	-	-

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

At 31 March 2025	Notes	Level 1	Level 2	Level 3	Total
Financial assets					
<u>Investments</u>					
Life Insurance corporation pension policy	5	-	-	0.48	0.48
Total financial assets		-	-	0.48	0.48
Financial Liabilities	-	-	-	-	-
Total financial liabilities		-	-	-	-

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

At 31 March 2024	Notes	Level 1	Level 2	Level 3	Total
Financial assets					
<i>Financial Investments at FVTPL:</i>		-	-	-	-
<i>Financial Investments at FVOCI:</i>					
Green Infra Wind Energy Theni Limited	5	-	-	2.01	2.01
Atria wind power (chitradurga) P Ltd	5	-	-	0.51	0.51
Total financial assets		-	-	2.52	2.52
Financial liabilities					
<i>Financial liabilities at FVTPL:</i>					
Borrowings	15	-	-	3.33	3.33
Total financial liabilities		-	-	3.33	3.33

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

At 31 March 2024	Notes	Level 1	Level 2	Level 3	Total
Financial assets					
<u>Investments</u>					
Life Insurance corporation pension policy	5	-	-	0.47	0.47
Total financial assets		-	-	0.47	0.47
Financial Liabilities		-	-	-	-
Total financial liabilities		-	-	-	-

SUNDARAM AUTO COMPONENTS LIMITED

NOTES TO ACCOUNTS - (continued)

Rupees in Crores

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, contingent consideration and indemnification asset 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 fair value of foreign currency option contracts is determined using Black Scholes valuation model.

- 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

Fair value measurements using significant unobservable inputs (level 3)

	Unlisted Securities
As at 1 April 2023	2.33
Acquisition/(Disposal)	0.84
Gains/losses recognised in profit or loss	-
Gains/losses recognised in OCI	(0.52)
31-Mar-24	2.65
Acquisition/(Disposal)	(2.65)
Gains/losses recognised in profit or loss	-
Gains/losses recognised in OCI	-
31-Mar-25	-

Valuation inputs and relationships to fair value						
Particulars	Fair value as at			Probability-weighted range		
	31-Mar-25	31-Mar-24	Significant unobservable inputs	31-Mar-25	31-Mar-24	Sensitivity
Unquoted Equity Shares	-	2.65	Risk adjusted discount rate	8.0%	8.0%	Not Significant

(v) Valuation processes

The finance department of the company includes a team that performs the valuations of financial assets and liabilities required for financial reporting purposes, including level 3 fair values. This team reports directly to the Chief Financial Officer (CFO). Discussions of valuation processes and results are held between the CFO, and the valuation team at least once in every three months, in line with the group's quarterly reporting periods.

The main level 3 inputs for unlisted equity securities, contingent considerations and indemnification asset used by the group are derived based on the the discount rates that 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.

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

The carrying amounts of trade receivables, trade payables, deposits, 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 and in-significant change in interest rate.

	31 March, 2025	31 March, 2024	34	Disclosure under Micro, Small and Medium Enterprises Development Act, 2006.	Year ended 31-03-2025	Year ended 31-03-2024
33 Earnings per share						
(a) Basic and diluted earnings per share						
Basic and diluted earnings per share attributable to the equity holders of the Company (in Rs.)- Discontinued operations	25.05	6.91		1. The principal amount and interest due thereon (to be shown separately) remaining unpaid to any supplier as at the end of each accounting year:		
				(i) Principal (all are within agreed credit period and not due for payment)	0.89	13.39
Basic and diluted earnings per share attributable to the equity holders of the Company (in Rs.) - Continuing operations	(5.27)	(1.58)		(ii) Interest (as no amount is overdue)	Nil	Nil
				2. The amount of interest paid by the buyer in terms of Section 16 of the Micro, Small and Medium Enterprises Development Act, 2006, along with the amount of the payment made to the supplier beyond the appointed day during each accounting year	Nil	Nil
(b) 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 basis earnings per share (Rs. In Crores)- Discontinued operations	29.91	24.94		3. The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the Micro, Small and Medium Enterprises Development Act, 2006	Nil	Nil
Profit attributable to equity holders of the company used in calculating basis earnings per share (Rs. In Crores)- Continued operations	(6.30)	(5.69)		4. The amount of interest accrued and remaining unpaid at the end of each accounting year	Nil	Nil
				5. The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise, for the purpose of disallowance as a deductible expenditure under section 23 of the Micro, Small and Medium Enterprises Development Act, 2006.	Nil	Nil
(c) Weighted average number of equity shares used as the denominator in calculating basic earnings per share	1,19,37,422	3,60,75,850				

SUNDARAM AUTO COMPONENTS LIMITED

NOTES TO ACCOUNTS - (continued)

Rupees in Crores

35 Revenue from contracts with customers

1 Disaggregated revenue

Revenue from contracts with customers are disaggregated into categories that depict how the nature, amount, timing and uncertainty of revenue and cash flows are affected by economic factors. The Company identifies the product lines, amongst others to indicate the factors as mentioned above. The details of revenue from contracts with customers on the basis of various product lines are as under :

Particulars	For the year ended 31-03-2025	For the year ended 31-03-2024
A. Type of goods or service		
1. Components and tools	692.13	732.28
2. Other operating revenue	39.03	31.51
	<u>731.16</u>	<u>763.79</u>
B. Timing of recognition of revenue		
1. At a point in time	731.16	763.79
2. Over time	-	-
	<u>731.16</u>	<u>763.79</u>

2 The operations of the Company relate to only one segment viz., automotive components and tools. Thus, the information on the relationship between disaggregated revenue under Ind AS 115 and for reportable segment under Ind AS 108 is not required.

3 Reconciliation of contracts with customers

The following schedule gives the movement of contract liabilities for the reporting period.

A. Contract liabilities at the beginning of the period	9.22	6.20
Add / (Less) :		
Consideration received during the year as advance	-	9.22
Revenue recognized from contract liability	(9.22)	(6.20)
Contract liabilities at the end of the period	<u>-</u>	<u>9.22</u>

i. Payments are received in advance towards contracts entered with customers, and is recognised as a contract liability. As and when the performance obligation is met the same is recognized as revenue.

4 Transaction price allocated to the remaining performance obligations

The Company's contracts with customers are short term contracts with performance obligations that has an original expected duration of one year or less. Therefore, taking the practical expedient, the details on transaction price allocated to the remaining performance obligations are not disclosed.

5 Reconciliation of revenue with contract price

1. Contract price	731.16	763.79
2. Adjustments :		
Discounts	-	-
3. Revenue from operations as per Statement of Profit and loss	<u>731.16</u>	<u>763.79</u>

6 There is no impact on the retained earnings as on the date of adoption of the standard. No effect on any financial statement line item due to application of this standard and there is no requirement to disclose the same

35.a DISCONTINUED OPERATIONS- IND AS 105

During the year 2024-25, the company entered in to Business Transfer Agreement with Pricol precision products private limited on 2nd December 2024 and with Uno Minda Limited on 22nd March 2025 to transfer the Injection moulding business and seating business, respectively, by way of slump sale

On 31st January 2025, the company completed the sale and transferred its Moulding business as outlined in the Business Transfer agreement and recognized pre-tax gain of Rs. 0.98 Cr for the period ending 31st March 2025. This gain has been reported under discontinued operations.

Subsequently, on 31st March 2025, the company consummated the sale and transfer of seating business as outlined in the Business transfer agreement and recognized pre tax gain of Rs.12.53 Cr for the period ending 31st March 2025, also included under discontinued operations.

Particulars	As at 31st March 2025	As at 31st March 2024
1 Assets and Liabilities disposed through slump sale		
Group of Assets disposed through slump sale	338.97	400.95
Liabilities associated with the group of assets disposed through slump sale	142.06	254.84
2 Major Class of Assets disposed through slump sale		
Property, plant and equipment	137.22	204.68
Capital work in progress	3.48	2.58
Other Intangible assets	17.18	13.67
Right of use of assets	8.99	10.92
Inventories	46.52	44.96
Other Financial assets	6.61	8.04
Trade receivables	102.85	96.79
Other assets	16.11	19.31
Total assets	<u>338.97</u>	<u>400.95</u>
Trade payables	109.30	99.41
Other liabilities and provision	32.76	155.43
Total liability	<u>142.06</u>	<u>254.84</u>
Net assets	<u>196.90</u>	<u>146.11</u>
3 Financial performance related to Discontinued operations		
Revenue and other Income	744.64	764.31
Less: Expenses	722.16	729.03
Profit before tax (A+B+C)	<u>22.48</u>	<u>35.28</u>
Exceptional items (net)	-	-
Profit before tax	<u>22.48</u>	<u>35.28</u>
Tax expenses of discontinued operations - Current tax	2.63	5.79
Tax expenses of discontinued operations - Deferred tax	(10.05)	4.55
Profit after tax	<u>29.91</u>	<u>24.94</u>
4 Cash flow disclosure with respect to Discontinued operations		
Cash and cash equivalents at the beginning of the year	4.44	(1.85)
Cash flow from Operating activities	20.73	58.97
Cash flow from Investing activities	212.18	288.91
Cash flow from Financing activities	(202.99)	(339.04)
Net cash flow generated from Discontinued operations (A+B+C)	<u>34.36</u>	<u>6.99</u>

SUNDARAM AUTO COMPONENTS LIMITED

NOTES TO ACCOUNTS - (continued)

			Rupees in Crores		
Particulars	31st March 2025	31st March 2024	Particulars	31st March 2025	31st March 2024
36 Other Disclosures			(ii) Payment to Auditor (excluding GST)		
(i) Contingent liabilities					
Details			Audit fee	0.20	0.20
(a) Claims against the company not acknowledged as debt			Taxation matters	0.04	0.04
(i) Income Tax	3.41	3.46	Certification matters	0.02	0.02
(ii) Goods and Services Tax**	28.48	6.70	Total	0.26	0.26
(b) Other money for which the company is contingently liable on bill discounting with bank	-	-	Miscellaneous expenses include travel and stay expenses of auditors	0.05	0.04
(c) Commitments					
(i) Estimated amount of contracts remaining to be executed on capital account and not provided for	-	2.38	(iii) Expenditure incurred on Corporate Social Responsibility activities:		
(ii) Estimated Indemnity amount on account of tax paid due to interpretational difference in GST tax rate	15.94	15.94	1. Amount required to be spent by the Company during the year	0.38	0.06
(iii) On Investments	-	-	2. Amount of expenditure incurred	0.40	0.15
Total	47.83	28.48	3. Shortfall at the end of the year	-	-
The future cash flows on the above items are determinable only on receipt of the 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. ** excluding interest at applicable rates thereon			4. Total of previous years shortfall	-	-
			5. Reasons for shortfall	Not applicable	
			6. Details of related party transactions e.g. Contribution to a trust controlled by the Company in relation to CSR expenditure as per relevant accounting standard	-	-
			7. 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 : Rural development, Economic development, Women empowerment, Health care, Education and Conservation of natural resources.		
			(iv) Segment Reporting:		
			The company operates in only one segment namely, manufacturing and selling of automobile parts.		

NOTES TO ACCOUNTS - (continued)

37 Additional Regulatory Information

(i) Ratio Analysis

S No	Ratio	Numerator	Denominator	Numerator	Denominator	Current Year 31.03.2025	Previous Year 31.03.2024	% Variance	Reasons
a	Current Ratio (in times)	Current Assets	Current Liabilities	44.02 162.37	18.81 184.04	2.34	0.88	165%	Reflects better operational performance and due to discontinued operations
b	Debt Equity Ratio (in times)	Total Debt	Total Shareholders Equity	- 83.66	69.02 146.11	-	0.57	-100%	Repayment of debt
c	Debt Service Coverage Ratio (in times)	Earnings available for debt services	Total Interest and principal repayments	48.14 62.71	20.86 20.91	2.31	3.00	-23%	Increase in profit before tax and repayment of borrowings
d	Return on Equity Ratio (%)	Net Profit after Tax	Average Shareholder's Equity	23.61 19.25	107.57 292.40	21.95%	6.58%	233%	Return on Investment improved reduction of share capital
e	Inventory Turnover Ratio (in times)	Net Sales	Average Inventory	735.82 768.08	22.48 44.61	32.73	17.22	90%	Average inventory reduced due to discontinued operations
f	Trade Receivable Turnover Ratio (in times)	Net Credit Sales	Average Trade Receivables	735.82 768.08	48.40 94.56	15.20	8.12	87%	Average receivables reduced due to discontinued operations
g	Trade Payable Turnover Ratio (in times)	Net Credit Purchases	Average Trade Payables	483.84 531.35	57.98 99.91	8.35	5.32	57%	Average payables reduced due to discontinued operations
h	Net Capital Turnover Ratio (in times)	Net Sales	Working Capital	735.82 768.08	25.21 (21.67)	29.19	(35.44)	-182%	Net capital turn over ratio improved due to discontinued operations
i	Net Profit Ratio (%)	Net Profit	Net Sales	23.61 19.25	735.82 768.08	3.21%	2.51%	28%	Net profit % improved due to better operational/non operational performance
j	Return on Capital Employed (%)	Earnings before interest and taxes	Capital Employed	26.78 40.16	77.13 208.73	34.72%	19.24%	80%	The ROCE higher in current year due to reduction in average capital employed due to discontinued operations
k	Return on Investment (%)	Profit after Tax	Average Networth	23.61 19.25	69.02 146.11	34.21%	13.18%	160%	Return on Investment improved due to reduction in average investment due to discontinued operations

SUNDARAM AUTO COMPONENTS LIMITED

NOTES TO ACCOUNTS - (continued)

- ii The Title deeds of the immovable properties (other than properties where the Company is the lessee and the lease agreements are duly executed in favour of the lessee) are held in the name of the Company. Immovable properties transferred to PPPPL through BTA for which name transfer is in progress.
 - iii The Company does not have any investment property.
 - iv The Company has not revalued its Property, Plant and Equipment (including Right to Use Assets).
 - v The Company has not revalued its Intangible Assets.
 - vi 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.
 - vii 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.
 - viii During the year company has borrowings from banks on the basis of security of current assets. The quarterly returns filed by the Company with such banks are in agreement with the books of accounts of the Company. However, as on 31st March 2025, there are no outstanding balances to banks.
 - ix The Company is not declared as "willful defaulter" by any bank or financial institution or other lender.
 - x There are no transactions with the Companies whose name struck off under section 248 of The Companies Act, 2013 or section 560 of Companies Act, 1956 during the year ended 31 March 2025.
 - xi All applicable cases where registration of charges or satisfaction is required to be filed with Registrar of Companies have been filed. No registration or satisfaction is pending at the year ended 31 March 2025.
 - xii 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.
 - xiii No scheme of arrangement has been approved by the competent authority in terms of Section 230 to 237 of the Companies Act, 2013.
 - xiv The Company has not advanced or loaned or invested funds (either borrowed funds or share premium or any other sources or kind of funds) to any other person or entity, including foreign entities (Intermediaries) with the understanding (whether recorded in writing or otherwise) 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)
 - b) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries
 - xv The Company has not received any fund from any person or entity, including foreign entities (Intermediaries) 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)
 - b) provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
 - xvi The Company has not surrendered or disclosed as income during the year in the tax assessments under Income Tax Act, 1961.
 - xvii The Company has not operated in any crypto currency transactions.
- 38** Previous year's figures have been regrouped wherever necessary to conform to the current year's classification

Venu Srinivasan
Chairman
DIN No: 00051523

Rajesh Oommen
Director & Chief Executive Officer
DIN No: 08588098

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

Place: Chennai
Date: 22-04-2025

K. Gopala Desikan
Chief Financial Officer

G Sathyan
Company Secretary

S. Venkataraman
Partner
Membership No. 023116

TVS MOTOR SERVICES LIMITED

Directors' Report to the Shareholders of the Company

The Directors' have pleasure in presenting the Sixteenth Annual Report on the progress of the Company together with the audited statement of accounts for the year ended 31st March 2025.

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 31-03-2024
Revenue from Operations	-	-
Other Income	8.84	341.21
Total	8.84	341.21
Purchases of Stock-in trade	-	-
Finance Cost	361.43	333.16
Administrative & other expenses	8.55	68.38
Profit / (Loss) before tax	(361.14)	(60.33)
Less:		
- Provision for tax	-	-
Add:	-	-
- Deferred Tax Asset		
Profit / (Loss) after tax	(361.14)	(60.33)

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 2025.

3. 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.

4. Debentures

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

5. 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.

6. 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.

7. 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.

8. 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.

9. Related Party Transactions

Pursuant to the provisions of section 134(h) of the Companies Act, 2013 (the Act 2013) read with Rule 8(2) of the Companies (Accounts) Rules, 2014, during the year there were no related party transaction and hence Form AOC - 2 is not applicable

10. Directors' Responsibility Statement

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

- In the preparation of the annual accounts for the year ended 31st March 2025, 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.
- The directors had prepared the accounts for the financial year ended 31st March 2025 on a going concern basis; and
- 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.

11. Directors

Directors' appointment / re-appointment / cessation

During the year under review, Mr V Gopalakrishnan resigned as Director of the Company with effect from 27th March 2025.

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, Mr K N Radhakrishnan and Mr Aravind Balaji retire from the office at the ensuing Annual General Meeting and being eligible, offer themselves for re-appointment.

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 7th May 2024, 26th August 2024, 23rd October 2024, 12th December 2024, 27th March 2025. 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 2025.

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.

12. 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 2025.

13. 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 2nd 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 2024-25, 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 2025-26.

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.

14. 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 2024-25.

Please refer note no. 4 to Notes on accounts for the financial year 2024-25, 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.

One-Time 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.

15. 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: 26th April, 2025

K N Radhakrishnan
Director
DIN: 02599393

Sasikala Varadachari
Director
DIN: 07132398

FORM NO.MR-3
SECRETARIAL AUDIT REPORT OF TVS MOTOR SERVICES LIMITED
FOR THE FINANCIAL YEAR ENDED 31st MARCH 2025
[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, 2025, 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, 2025 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

UDIN: F005853G000209243

Place: Chennai
Date: 26th April, 2025

S Sandeep
Managing Partner
FCS 5853; COP 5987

TVS MOTOR SERVICES LIMITED

INDEPENDENT AUDITOR'S REPORT FOR THE YEAR ENDED 31ST MARCH 2025

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 2025, 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 2025, 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.

Management's Responsibilities 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, 2025 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 over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B";
 - (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) 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, 2025 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 : 26th April, 2025

Membership No. 027716
UDIN : 25027716BMMIIMS1759

TVS MOTOR SERVICES LIMITED

Annexure "A" to Independent Auditors' Report 31st March 2025 (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 Property, Plant and Equipment have been physically verified by the 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 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, 2025 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 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) 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) 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 (b) section 45-IA of the Reserve Bank of India Act, 1934. Hence, (c) 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 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 provisions of section 135 of the Companies Act, 2013 is not applicable to the 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
Membership No. 027716
UDIN : 25027716BMIIMS1759

Place : Bengaluru
Date : 26th April, 2025

(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, 2025 in conjunction with our audit of the standalone 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, 2025 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 : 26th April, 2025

Membership No. 027716
UDIN : 25027716BMMIIMS1759

TVS MOTOR SERVICES LIMITED

BALANCE SHEET AS AT 31st March 2025

(All amounts in Lakhs, unless otherwise stated)

	Notes	As at March 31, 2025	As at March 31, 2024
Assets			
Non-current assets			
Capital work in progress	3	202.01	202.01
Investment property	2	9,803.91	9,397.35
Financial assets			
i. Investments	4	4,805.21	3,497.06
ii Loans	5	162.99	156.25
Income Tax Assets (Net)	6	75.20	74.75
Other non current assets	7	6.32	6.32
Deferred Tax assets	12	585.20	914.46
Total non-current assets		15,640.84	14,248.20
Current assets			
Inventories			
Financial assets			
i. Trade Receivables	8	743.45	743.45
ii. Cash and cash equivalents	9	358.60	78.87
iii. Bank balance other than Cash and Cash equivalents	9a	-	350.35
iv. Other receivables	10	6,298.05	6,643.34
Other current assets	11	704.42	704.42
Total current assets		8,104.52	8,520.43
Total Assets		23,745.36	22,768.63
Equity and liabilities			
Equity			
Equity share capital	13	14,963.38	14,963.38
Other Equity			
Reserves and surplus	14	2,826.63	2,208.91
Total equity		17,790.01	17,172.29
Liabilities			
Non-current liabilities			
Financial liabilities			
Borrowings			
i. Borrowings	15	4,613.05	4,252.12
Total non-current liabilities		4,613.05	4,252.12
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		120.22	176.28
iii. Other financial liabilities	17	134.79	134.34
Current Tax Liabilities (Net)			
Other current liabilities	18	1,087.29	1,033.60
Total current liabilities		1,342.30	1,344.22
Total liabilities		5,955.35	5,596.33
Total equity and liabilities		23,745.36	22,768.63
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

Sasikala Varadachari
Director
07132398

For and on behalf of the Board

V R Karuanakara Reddy
Chief Executive Officer

Place: Chennai
Date: 26-04-2025
UDIN: 23027716BGYLRZ9326

V. Sathyanarayanan
Partner
Membership No. 027716

S Sridhar
Chief Financial Officer

KS Srinivasan
Company Secretary

TVS MOTOR SERVICES LIMITED

STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED 31st MARCH 2025

(All amounts in Lakhs, unless otherwise stated)

	Notes	Year Ended March 31, 2025	Year Ended March 31, 2024
Income			
Revenue from operations		-	-
Other income	19	8.83	341.21
Total income		8.83	341.21
Expenses			
Finance costs	20	361.43	333.16
Other expenses	21	8.57	68.38
Total expenses		370.00	401.54
Profit/(loss) before tax		(361.17)	(60.33)
Tax Expense	22		
Current tax		-	-
Deferred tax		-	-
Profit/(loss) for the year		(361.17)	(60.33)
Other comprehensive income			
<i>Items that will not be reclassified to profit or loss</i>			
<i>Changes in fair value of FVOCI equity instruments</i>		1,308.15	1,144.63
<i>Income taxes on the above</i>	22	(329.26)	(288.08)
Other comprehensive income for the year, net of tax		978.89	856.55
Total comprehensive Profit/ (loss) for the year		617.72	796.22
Material accounting policies	1		
Earnings per equity share (Basic/ diluted earnings per share) (in Rs)	23	(0.24)	(0.04)

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

K N Radhakrishnan
Director
02599393

V. Sathyanarayanan
Partner
Membership No. 027716

Sasikala Varadachari
Director
07132398

S Sridhar
Chief Financial Officer

For and on behalf of the Board

V R Karuanakara Reddy
Chief Executive Officer

KS Srinivasan
Company Secretary

Place: Chennai
Date: 26-04-2025
UDIN: 23027716BGYLRZ9326

TVS MOTOR SERVICES LIMITED

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31st MARCH 2025

(All amounts in Lakhs, unless otherwise stated)

	Year ended March 31, 2025	Year ended March 31, 2024
Cash flow from operating activities		
Profit before income tax	(361.17)	(60.33)
Adjustments for		
Interest income accrued reversed	(6.74)	(6.75)
Unwinding of discount on security deposits	-	-
Interest expense	361.43	333.16
Operating Profit Before Working Capital Changes	(6.48)	266.08
Change in operating assets and liabilities		
(Increase)/decrease in Trade receivable	(0.00)	53.91
(Increase)/decrease in other current assets	(0.45)	(9.69)
Increase/(decrease) in other financial liabilities	338.55	(94.23)
(Increase)/decrease in Trade payables	(56.06)	1.43
Increase/(decrease) in other current liabilities	53.69	(154.32)
Increase/(decrease) in other financial liabilities	0.45	(320.50)
Cash generated from operations	329.70	(257.31)
Income taxes paid	-	-
Net Cash used in operating activities	329.70	(257.31)
Cash flows from investing activities		
Fixed Deposit -- Redeemed/(Invested)	350.35	(350.35)
(Increase) /decrease in other Financial assets	(406.56)	
Interest Income	6.74	6.75
Net Cash generated from/(used in) investing activities	(49.47)	(343.60)
Cash flows from financing activities		
Proceeds from issue of Share capital	-	-
Proceed from issue of Preference share	-	-
Proceeds(Repayment) of Borrowings	-	-
Interest Paid on Borrowings	(0.52)	(0.49)
Net cash generated from financing activities	(0.52)	(0.49)
Net increase (decrease) in cash and cash equivalents	279.71	(601.40)
Cash and cash equivalents at the beginning of the financial year	78.87	680.28
Cash and cash equivalents at the end of the year	358.60	78.87

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

K N Radhakrishnan
Director
02599393

Sasikala Varadachari
Director
07132398

For and on behalf of the Board

V R Karunanakara Reddy
Chief Executive Officer

Place: Chennai
Date:26-04-2025
UDIN: 23027716BGYLRZ9326

V. Sathyanarayanan
Partner
Membership No. 027716

S Sridhar
Chief Financial Officer

KS Srinivasan
Company Secretary

TVS MOTOR SERVICES LIMITED

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

(All amounts in Lakhs, unless otherwise stated)

I) Equity Share Capital

Particulars	Notes	Amounts
Balance as at 1st Apr, 2023		14,963.38
Changes in equity share capital during the year	13	-
Balance as at 1st Apr, 2024		14,963.38
Changes in equity share capital during the year	13	
Balance as at 31st March, 2025		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	1,084.18	1,412.70
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	1,084.18	2,208.91
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	1,084.18	2,826.63

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

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

K N Radhakrishnan
Director
02599393

V. Sathyanarayanan
Partner
Membership No. 027716

Sasikala Varadachari
Director
07132398

S Sridhar
Chief Financial Officer

For and on behalf of the Board

V R Karuanakara Reddy
Chief Executive Officer

KS Srinivasan
Company Secretary

Place: Chennai
Date: 26-04-2025
UDIN: 23027716BGYLR9326

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 dilutive potential shares. In computing dilutive earnings per share, only potential equity shares that are dilutive and that reduce 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 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 31/03/2020 Rs.44,601.00 Lakhs (31/03/2019 Rs.44,601.00 Lakhs)

Particulars	Gross Value				
	As at 1 st April 2023	Additions during the year due to business combination	Additions during the year	Deletions during the year	As at 31 st Mar 2024
Land*	9,029.61	367.75	-	-	9,397.35
Total	9,029.61	367.75	-	-	9,397.35

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

Particulars	March 31, 2025	March 31, 2024
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 2025

Particulars	Amount in CWIP for following periods as on 31 st March 2025				
	<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 2024

Particulars	Amount in CWIP for following periods as on 31-Mar-2024				
	<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

Particulars	March 31, 2025	March 31, 2024
Unquoted		
Investment in equity shares carried at FVOCI		
TVS Credit Services Limited		
10,90,125 equity shares of Rs.10 each fully paid up	4,469.51	3,161.36
Phi Research Private Ltd	300.70	300.70
Investment Carried at FVTPL		
Investment in ClG Reality Fund	35.00	35.00
(5,00,000 (PY 5,00,000) units of Rs 10 each)		
Total Investments	4,805.21	3,497.06
During the year TVSCS shares are fair valued @ Rs. 410/ share		
Aggregate amount of quoted investments and market value thereof		
Aggregate amount of unquoted investments	4,805.21	3,497.06
Total	4,805.21	3,497.06

5 Loans

Particulars	March 31, 2025	March 31, 2024
Loans	162.99	156.25
Total	162.99	156.25

Unsecured Loan of Rs.135 lakhs given @5%p.a

6 Income Tax Assets (Net)

Particulars	March 31, 2025	March 31, 2024
Income Tax Assets (Net)	75.20	74.75
Total Other- Income Tax Assets	75.20	74.75

7 Other Non-Current Assets

Particulars	March 31, 2025	March 31, 2024
Security Deposit	1.32	1.32
Advances	5.00	5.00
Total Other non-current assets	6.32	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

Particulars	March 31, 2025	March 31, 2024
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 2025

Particulars	Outstanding for following periods from due date of payment as on 31st March 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

Ageing for trade receivables as on 31st March 2024

Particulars	Outstanding for following periods from due date of payment as on 31-Mar-2024					
	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

Particulars	March 31, 2025	March 31, 2024
Balances with banks	303.10	22.38
Cash on Hand	55.50	56.49
Total cash and cash equivalents	358.60	78.87

9a Bank balance other than Cash and Cash equivalents

Particulars	March 31, 2025	March 31, 2024
Fixed Deposit	-	350.35
Total Bank balance other than Cash and Cash equivalents	-	350.35

10 Other Receivables

Particulars	March 31, 2025	March 31, 2024
Secured		
Receivable towards sale of property and other assets	6,298.05	6,640.91
Interest accrued on FD	-	2.43
Total Other receivables	6,298.05	6,643.34

11 Other Current assets

Particulars	March 31, 2025	March 31, 2024
Balance with GST/ Service Tax Department	704.42	704.42
Total Other Current assets	704.42	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, 2025	March 31, 2024
Depreciation		
Fair valuation of financial liabilities	-	-
Fair valuation of financial asset	(887.27)	(558.01)
Investment Property	1,472.47	1,472.47
Net deferred tax Liabilities/(Asset)	585.20	914.46

Movement in Deferred Tax Assets/(Liabilities)	Investment Property	Fair valuation of financial asset	Fair valuation of financial liabilities	Total
At March 31, 2024	1,472.47	(558.01)	-	914.46
- to profit or loss			-	-
- to other comprehensive income		(329.26)		(329.26)
At March 31, 2025	1,472.47	(887.27)	-	585.20

Note:-

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

13 Equity share capital

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

a) Equity Share Capital

Particulars	As at 31-03-2025		As at 31-03-2024	
	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 31-03-2025		As at 31-03-2024	
	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 31-03-2025		As at 31-03-2024	
	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 31-03-2025		As at 31-03-2024	
	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 2025 for both Equity and Preference Share Capital

a) Equity Share Capital

Name of the Shareholder	Relationship	Class of Share	As at 31-03-2025		As at 31-03-2024	
			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 31-03-2025		As at 31-03-2024	
			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 31-03-2025		As at 31-03-2024	
		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 31-03-2025		As at 31-03-2024	
		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 2025

Name of the Shareholder	Class of Share	As at 31-03-2025		As at 31-03-2024		% 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 31-03-2025		As at 31-03-2024		% 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

Particulars	March 31, 2025	March 31, 2024
Retained earnings	(703.65)	(342.48)
Capital reserves	(24.09)	(24.09)
FVOCI-Equity Instruments	2,470.19	1,491.30
Fair valuation of preference share issued	1,084.18	1,084.18
Total reserves and surplus	2,826.63	2,208.91
a) Retained earnings		
Opening balance	(342.48)	(282.15)
Net Loss for the period	(361.17)	(60.33)
Closing balance	(703.65)	(342.48)
b) Capital reserve		
Opening balance	(24.09)	(24.09)
Closing balance	(24.09)	(24.09)
c) FVOCI-Equity Instruments		
Opening balance	1,491.30	634.75
Other Comprehensive income (net of tax)	978.89	856.55
Closing Balance	2,470.19	1,491.30
d) Fair valuation of preference share issued		
Opening balance	1,084.18	-
Fair valuation of preference share issued	-	1,084.18
Closing Balance	1,084.18	1,084.18
Total	2,826.63	2,208.91

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 to capital reserve.

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

15 Borrowings

Particulars	March 31, 2025	March 31, 2024
Non-cumulative optionally Convertible Redeemable Preference shares	4,613.05	4,252.12
Total borrowings	4,613.05	4,252.12

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

Particulars	March 31, 2025	March 31, 2024
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))	120.22	176.28
Total trade payables	120.22	176.28

* 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 31.03.2025

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	-	-	-	-	-

Ageing for Trade Payables as on 31.03.2024

Particulars	Outstanding for following periods from due date of payment as on 31-March-2024				
	<1 Yr.	1-2 years	2-3 years	More than 3 years	Total
(i) MSME	-	-	-	-	-
(ii) Others	1.37	-	-	174.91	176.28
(iii) Disputed dues – MSME	-	-	-	-	-
(iv) Disputed dues – Others	-	-	-	-	-

17 Financial liabilities

Particulars	March 31, 2025	March 31, 2024
Current		
Payable to Preference Shareholder	0.90	0.45
Stale Cheques	-	-
Payable Others	133.89	133.89
Total other current financial liabilities	134.79	134.34

18 Other current liabilities

Particulars	March 31, 2025	March 31, 2024
Statutory Dues	955.30	893.13
Advance from customers		
- Advance received	131.98	140.47
Total other current liabilities	1,087.29	1,033.60

19 Other income

Particulars	March 31, 2025	March 31, 2024
a) Other income		
Other Non Operating Income	2.10	334.46
Interest income on loan to SAEL	6.74	6.75
Total other income	8.84	341.21

20 Finance Cost

Particulars	March 31, 2025	March 31, 2024
Other Borrowing Cost (Refer Note 29(e))	361.43	333.16
Total finance cost	361.43	333.16

21 Other expenses

Particulars	March 31, 2025	March 31, 2024
Rates and Taxes	-	11.33
Payment to Auditor* (Refer below note)	6.00	6.00
Consultancy Fees	1.09	27.15
Provision created against assets		
Other expenses	1.46	23.90
Total other expenses	8.55	68.38

Details of payment to auditors

Payment to auditors

As Statutory auditors	6.00	6.00
Total payment to auditors	6.00	6.00

22 Income tax expense

Particulars	March 31, 2025	March 31, 2024
(a) Income tax expense		
<i>Current tax</i>	-	-
Current tax on profits for the year	-	-
Total current tax expense	-	-
<i>Deferred tax</i>		
Decrease (increase) in deferred tax assets	(329.26)	288.08
(Decrease) increase in deferred tax liabilities		
Total deferred tax expense/(benefit)	(329.26)	288.08
Income tax expense	(329.26)	288.08

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 2025	31st March 2024
(a) Basic and diluted earnings per share		
Basic and diluted earnings per share attributable to the equity holders of the company (in rupees)	(0.24)	(0.04)
(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)	(361.14)	(60.33)
(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, 2025			March 31, 2024		
	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		4,469.51			3,161.36	
Loan			162.99			156.25
Trade receivable			743.45			743.45
Cash and cash equivalents	-	-	358.60	-	-	78.87
Other Bank Balances			-			350.35
Receivable towards sale of property	-	-	6,298.05	-	-	6,643.34
Total financial assets	35.00	4,770.21	7,563.09	35.00	3,462.06	7,972.26
Financial liabilities						
Borrowings	4,613.05	-	-	4,252.12	-	-
Trade payables	-	-	120.22	-	-	176.28
Payable towards purchase of Investments	-	-	-	-	-	-
Other financial liability	-	-	134.79	-	-	134.34
Total financial liabilities	4,613.05	-	255.01	4,252.12	-	310.62

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 2025	At 31 March 2024
Level 3 Measurements			
Financial Assets			
Investments	4	4,805.21	3,497.06
Total financial Assets		4,805.21	3,497.06
Financial liabilities			
Borrowings	15	4,613.05	4,252.12
Total financial liabilities		4,613.05	4,252.12

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

Particulars	Notes	At 31 March 2025	At 31 March 2024
Level 3 Measurements			
Financial assets			
Loan	5	162.99	156.25
Trade receivable	8	743.45	743.45
Cash and cash equivalents	9	358.60	78.87
Other Bank Balances	9a	-	350.35
Other Financial Assets	10	6,298.05	6,643.34
Total financial assets		7,563.09	7,972.26
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)

Particulars	Preference shares
As at 1 April 2023	3,919.45
Issue/ (redemption)	-
Fair value recognised through reserves	-
Fair value recognised in profit or loss	332.66
Fair value recognised in OCI	-
As at 31st March 24	4,252.12

Particulars	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 Mar 25	4,613.05

(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 levered financial data

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

Particulars	31-Mar-25		31-Mar-24	
	Carrying amount	Fair value	Carrying amount	Fair value
Financial assets				
Loan	162.99	162.99	156.25	156.25
Trade receivable	743.45	743.45	743.45	743.45
Cash and cash equivalents	358.60	358.60	78.87	78.87
Other Bank balances	-	-	350.35	350.35
Receivable towards sale of property	6,298.05	6,298.05	6,643.34	6,643.34
Total financial assets	7,563.09	7,563.09	7,972.26	7,972.26
Financial Liabilities				
Borrowings	-	-	-	-
Trade payables	120.22	120.22	176.28	176.28
Payable towards purchase of Investments	-	-	-	-
Other financial liability	134.79	134.79	134.34	134.34
Total financial liabilities	255.01	255.01	310.61	310.61

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

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 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	-	5,135.52	1.37	118.13	5,255.01

31 March 2024	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	176.28	-	-	-	176.28
Other financial liabilities	134.34	-	-	-	134.34
Total non-derivative liabilities	310.61	-	5,000.00	-	5,310.62

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:

Particulars	March 31, 2025	March 31, 2024
Net debt	4,254.45	3,822.90
Total equity	17,790.01	17,172.29
Net debt to equity ratio	0.24	0.22

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, 2025.

28 Contingent Liabilities not provided for

Particulars	March 31, 2025	March 31, 2024
Disputed Income Tax Demand (of this 70.11 lakhs has been paid for stay of demand) for the FY 17-18	397.27	467.46
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 the Entity

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

(b) Ultimate Holding Entity

TVS Holdings Limited

(c) Fellow Subsidiaries involving transactions

Name of the Entity

TVS Credit Services Limited, Chennai

(d) Key management personnel compensation

(e) Transactions with related parties

The following transactions occurred with related parties:

Particulars	March 31, 2025	March 31, 2024	March 31, 2023
TVS Motor company			
Interest payable towards purchase of Investment	-	-	323.81
Preference shares Investment	-	-	5,000.00
TVS Credit Services Ltd			
Payment toward purchase of investments	-	-	4,133.93

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

The following balances are outstanding at the end of the reporting period in relation to transactions with related parties:

Particulars	March 31, 2025	March 31, 2024	March 31, 2023
Receivables:			
TVS Motor Company Limited	-	-	267.16

TVS MOTOR SERVICES LIMITED

Notes to Balance Sheet and Statement of Profit and Loss

(All amounts in Lakhs, unless otherwise stated)

30 Additional Note

Disclosure of Ratios

Ratio	Description of numerator	Description of denominator	Ratio 31.03.2025	Ratio 31.03.2024	Variance	Reasons for variance
(a) Current ratio	Current Assets	Current Liabilities	6.04	6.34	-4.75%	
(b) Debt-equity ratio	Borrowings net of cash and cash equivalents	Shareholders' fund	0.24	0.22	7.42%	
(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	-0.02	0.00	477.84%	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	0.00%	1.27%	99.90%	On account of Non operating Income in the P/L
(k) Return on investment	Profit after tax	Average Investment	-2.17%	-0.52%	-321.77%	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 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 as 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

K N Radhakrishnan
Director
02599393

Sasikala Varadachari
Director
07132398

For and on behalf of the Board

V R Karuanakara Reddy
Chief Executive Officer

Place: Chennai
Date:26-04-2025
UDIN: 23027716BGYLRZ9326

V. Sathyanarayanan
Partner
Membership No. 027716

S Sridhar
Chief Financial Officer

KS Srinivasan
Company Secretary

Directors' Report to the Shareholders

The directors are pleased to present the Fourth annual report and the audited financial statements for the year ended 31st March 2025.

Financial Highlights

The Company is yet to commence its business.

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 2025 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 2025.

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.

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 Section 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 2025, 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 2025 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 Mr Kuok Meng Xiong, Independent Director resigned from the Board effective 5th August 2024.

As on 31st March 2025, 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 Meetings

During the period under review, the Board met 4 times on 8th May 2024, 6th August 2024, 23rd October 2024 and 28th January 2025. The gap between two meetings did not exceed one hundred and twenty days.

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 fourth year in the first term of five consecutive years, from the conclusion of this Annual General Meeting.

The Auditors' Report for the financial year 2024-25 does not contain any qualification, reservation or adverse remark and the same is attached as part of the annual financial statements.

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.

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 2024-25, 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

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.

As the Company is yet to commence its operations, it does not require to maintain any cost records.

Reporting of fraud

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

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.

Acknowledgement

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

For and on behalf of the Board

Place : Chennai
Date : 28th April 2025

VENU SRINIVASAN
Director
DIN: 00051523

SUDARSHAN VENU
Director
DIN: 03601690

INDEPENDENT AUDITOR'S REPORT FOR THE YEAR ENDED 31ST MARCH 2025

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 2025, 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, 2025, 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 2025 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March 2025 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(is), 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.

3. 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

Place : Chennai
Date : 28th April, 2025

K BALAJI
Partner
Membership No. 224922
UDIN 25224922BMIULO8134

Annexure A to Independent Auditor's Report - 31 March 2025

(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 2025. 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)
2024 – 2025	10,000.00
2023 – 2024	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

Place : Chennai
Date : 28th April, 2025

K BALAJI
Partner
Membership No. 224922
UDIN 25224922BMIULO8134

TVS ELECTRIC MOBILITY LIMITED

Annexure “B” to Independent Auditors' Report 31st March 2025

(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, 2025, 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, 2025, 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

Place : Chennai
Date : 28th April, 2025

K BALAJI
Partner
Membership No. 224922
UDIN 25224922BMIULO8134

TVS ELECTRIC MOBILITY LIMITED

Balance Sheet as at 31st March 2025

(in Rs.)

Particulars	Note No	As at 31 st March 2025	As at 31 st March 2024
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	(40,000)	(30,000)
TOTAL EQUITY		99,60,000	99,70,000
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	40,000	30,000
TOTAL LIABILITIES		40,000	30,000
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

K. BALAJI
Partner
Membership No.: 224922

Chennai
Dated: 28th April, 2025

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 2025

(In Rs.)

Particulars	Note No	For the period 1 st Apr 2024 to 31 st Mar 2025	For the period 1 st Apr 2023 to 31 st Mar 2024
<u>REVENUE</u>			
Revenue from operations		-	-
TOTAL INCOME		-	-
<u>EXPENSES</u>			
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

K. BALAJI
Partner
Membership No.: 224922

Chennai
Dated: 28th April, 2025

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 2025

(In Rs.)

Particulars	As at 31 st March 2024	As at 31 st March 2023
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

K. BALAJI
Partner
Membership No.: 224922

Chennai
Dated: 28th April, 2025

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

A Equity Share Capital

Particulars	Rs.
As at 31-03-2023	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 31-03-2024	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

B Other equity

Particulars	Retained earnings	Other reserves	Total
Balance as at 01-04-2023	(20,000)	-	(20,000)
Add : Profit for the year 2023-24	(10,000)	-	(10,000)
Add : Other comprehensive income for the year 2023-24	-	-	-
Balance as at 31-03-2024	(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 31-03-2025	(40,000)	-	(40,000)

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

For and on behalf of the Board of Directors

K. BALAJI
Partner
Membership No.: 224922

VENU SRINIVASAN
Director
DIN:00051523

SUDARSHAN VENU
Director
DIN: 03601690

Chennai
Dated: 28th April, 2025

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 28th April 2025.

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:

- 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 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-24	Amount as at 31-Mar-23
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 31-03-2024		As at 31-03-2023	
	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 31-03-2024		As at 31-03-2023	
	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 31-03-2025		As at 31-03-2024	
		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))

Shareholders holding more than five percent at the end of the year (Other than (a))					
Name of shareholder	Class of share	As at 31-03-2025		As at 31-03-2024	
		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 31-03-2024		As at 31-03-2023	
		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 31-03-2024	As at 31-03-2023
Retained earnings	(40,000)	(30,000)
Other Reserves	-	-
	(40,000)	(30,000)

5 TRADE PAYABLES

Dues to Micro and Small Enterprises **	-	-
Dues to enterprises other than Micro and Small Enterprises	40,000	30,000
	40,000	30,000

** 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 1 st Apr 2024 to 31 st Mar 2025	For the period 1 st Apr 2023 to 31 st Mar 2024
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 31-03-2024			As at 31-03-2023		
	FVTPL [§]	FVOCI *	Amortised cost	FVTPL [§]	FVOCI *	Amortised cost
Financial assets						
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	-	-	40,000	-	-	30,000
	-	-		-	-	
	-	-	40,000	-	-	30,000

* 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. 10 Employee Benefit Obligation - The Company does not have employees and hence disclosure of employee obligation is not furnished. 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 12 Disclosure under Micro, Small and Medium Enterprises Development Act, 2006 - Nil 13 Payment to Auditors: For Statutory audit - Rs. 10,000 14 Contingent liabilities, Contingent assets and other commitments - Nil 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. (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. (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 2024.	(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. (vii) No scheme of arrangement has been approved by the competent authority in terms of Section 230 to 237 of the Companies Act, 2013. (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 (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 (x) The Company has not operated in any crypto currency or Virtual Currency transactions (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. (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. (xiii) 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. (xiv) The Company does not have any borrowings, hence "wilful defaulter" related disclosures required as per Additional Regulatory Information of Schedule III (revised) to the Companies Act, is not applicable.

The Directors have the pleasure of presenting the Seventeenth Annual Report and the audited accounts of the Company for the year ended 31st March 2025.

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 2025	31 st March 2024
Revenue from Operations	6,626.10	5,789.72
Other Income	3.93	5.47
Total Income (A)	6,630.03	5,795.19
Finance Costs	1,863.32	1,653.64
Fees & Commission, Employee Benefit, Administrative & Other Operating Expenses	2,399.70	2,225.17
Impairment of Financial Instruments	1,295.36	1,127.05
Depreciation and Amortisation Expenses	46.20	27.39
Total Expenses (B)	5,604.59	5,033.25
Profit / (Loss) before Tax & Exceptional Item (A) - (B)	1,025.44	761.94
Less: Exceptional Items	-	-
Profit / (Loss) before Tax	1,025.44	761.94
Less: Tax Expense		
- Current Tax	323.80	307.64
- Deferred Tax	(65.61)	(117.53)
Profit / (Loss) after Tax	767.25	571.83
Other Comprehensive Income	(15.08)	(20.69)
Total Comprehensive Income	752.17	551.14

Company's Performance

This fiscal year 2025, the Company has completed 15 years of operations, an important milestone to celebrate in this journey till date. The Company registered a growth of 5% in disbursements from ₹25,018 crore to ₹26,301 crore for the financial year ended 31st March 2025. The Company ended the year with assets under management (AUM) of ₹26,647 crore as against ₹25,900 crore as of the end of the previous year, registering a growth of 3%. AUM of the Company is well diversified with various portfolios and % of total loans as of 31st March 2025 are as follows: Retail Finance business - Two-Wheeler Loans (28%) and Used Car Loans (8%), Commercial Finance business - Tractor Loans (17%), Used Commercial Vehicle Loans (12%) and Business Loans (2%) and Consumer Finance business - Consumer Durable Loans (15%) and Personal Loans (17%).

Total income during the financial year ended 31st March 2025 increased to ₹6,630 crore from ₹5,795 crore, an increase of 14.4% over the previous year. The profit before tax and exceptional items for the year stood at ₹1,025 crore as against ₹762 crore during the previous year, registering a growth of 34.5%.

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 of 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 ₹6,970 crore to ₹7,483 crore as of March 2025 registering a growth of 7.4%. 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 2025 is at ₹2,235 crore against ₹2,132 crore as at March 2024, registering an increase of 4.8%.

Tractor Loans: There has been degrowth in the disbursements in both the New tractor loans and Used tractor loans during this fiscal, which resulted in the reduction in the AUM of New tractors from ₹2,798 crore to ₹1,809 crore as of March 2025 and in AUM of Used tractors from ₹2,685 crore to ₹2,591 crore as of March 2025, registering a decrease of 35% and 4% respectively. This is on primarily on account of 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 medium, heavy, small and light commercial vehicles has increased marginally from ₹3,219 crore to ₹3,265 crore as of March 2025 on account of necessary credit interventions undertaken in the last one year due to stress in the segment.

Consumer Durable Loans: During this fiscal, the number of loans increased by 34% from 34 lakh loans to 46 lakh loans. AUM of consumer durable loans has increased from ₹2,734 crore to ₹4,047 crore, registering a growth of 48% over the corresponding previous year.

Personal Loans: The personal loans portfolio as of March 2025 is at ₹4,531 crore, registering a decrease of 5.6% from ₹4,802 crore as of March 2024, owing to the necessary credit interventions undertaken in the light of the recent stress noted in the portfolio coupled with the overleverage in the market across players.

2. MANAGEMENT DISCUSSION AND ANALYSIS REPORT

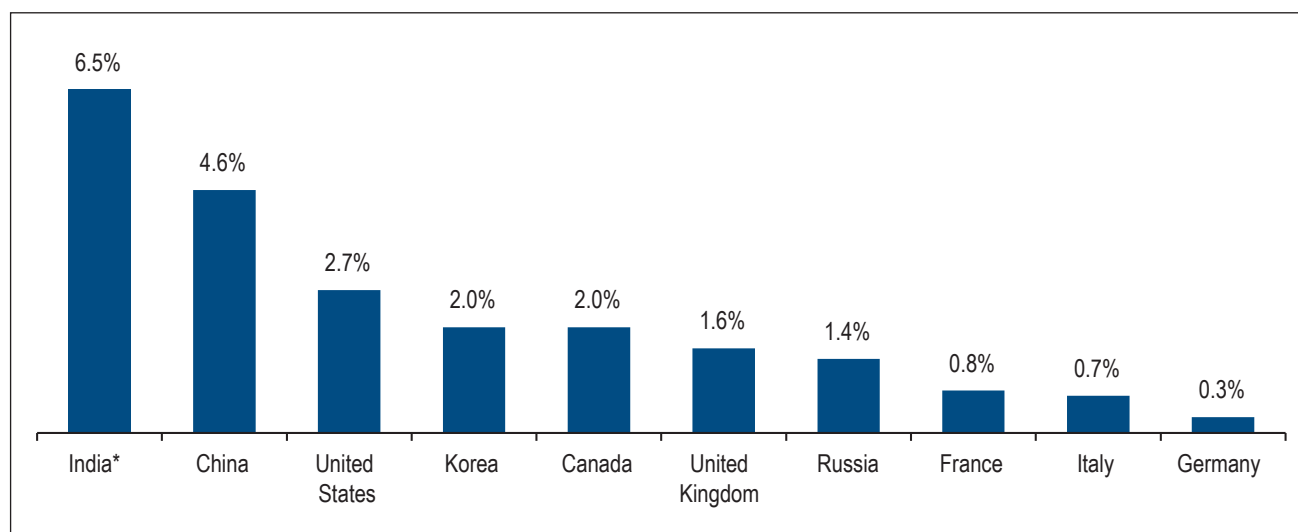
India's economic growth has been resilient against global headwinds consistently post COVID for the last four fiscals. India is the fifth-largest economy in the world in terms of GDP and it continues to maintain its position as one of the fastest-growing economies globally.

Indian economy's growth momentum to continue in fiscal 2025, outpacing global peers

As per the estimates published by RBI and National Statistical Office (NSO), India's real gross domestic product (GDP) is estimated to have grown by 6.5% in Financial Year 2024-25 over last year. According to the NSO's estimates, India's real gross value added (GVA) is expected to grow at 6.4% in fiscal 2025, compared with 8.6% in fiscal 2024. The 'financial, real estate and professional services' sector maintained its dominant share in the sectoral composition of nominal GVA, with a growth rate of 7.2% in fiscal 2025.

Private consumption, driven by a rebound in rural demand amid improved agricultural prospects has largely supported India's economic growth in fiscal 2025. Services sector also remained steady during the fiscal. Another factor that supported growth in fiscal 2025 was softer headline consumer price inflation, which is estimated to be around 4.6%, a decline from 5.4% in fiscal 2024, due to lower food inflation. However, the second half of fiscal 2025 witnessed high global prices, import duties and a weaker currency.

Real GDP growth for major global economies, CY25



Note: *For India, data is presented on a fiscal year basis (April 2024 – March 2025).

Source: IMF WEO January 2025, Crisil Intelligence

GDP growth to hold steady in fiscal 2026

India's GDP is forecasted to normalise at 6.5% in fiscal 2026, assuming the upcoming monsoon season to be normal and commodity prices to remain soft. Private consumption is expected to recover further, while investment growth hinges on the capex investments by the private sector.

Private consumption is expected to register growth supported by strong agricultural production and lower food inflation, leading to increased discretionary spending. The Reserve Bank of India's (RBI) recent easing of monetary policy is also expected to support consumer spending. After a 25-basis point rate cut in February 2025, the RBI made another 25-basis point cut in April 2025, bringing the repo rate down to 6.00%.

The Monetary Policy Committee has adopted an 'accommodative stance', citing low inflation and moderate growth, and is expected to bring in two more 25 basis point rate cuts in fiscal 2026. However, the RBI remains vigilant about global economic challenges and expected to leverage necessary liquidity management tools to mitigate potential volatility.

Growth in fiscal 2026 is expected to be driven by the following factors:

- On the fiscal front, the government's capex is budgeted at 3.1% of GDP, similar to that of previous fiscal. Capex for fiscal 2026 is budgeted at ₹11.2 lakh crore, up 10% from ₹10.2 lakh crore in fiscal 2025
- Healthy domestic consumption, particularly in fast-moving consumer goods, consumer durables and two-wheelers
- The government has reduced the income tax rates under the new tax regime, potentially increasing the disposable income in the hands of the middle class and the revision in tax slabs would potentially reduce the tax burden across income levels
- The policy rate cuts by RBI are expected to support consumption, as these will gradually get transmitted to other interest rates in the economy, thus lowering borrowing costs
- Along with measures to spur consumption in the short term, the Union Budget 2025-26 also looks to improve employment and skilling, as these two factors will help push up permanent incomes and strengthen consumption in the medium-to-long term

Rural consumption momentum to persist in fiscal 2026, driving economic growth

India's rural sector has been a key driver of the country's consumption growth in recent years and is expected to continue this trend in fiscal 2026. A normal monsoon, healthy farm income, and government support are anticipated to boost rural demand, with the agricultural sector's positive outlook having a ripple effect on the broader rural economy.

The government's increased allocation for rural development, including an increase of 8% year-on-year in the Department of Rural Development's budget, to support rural incomes and consumption. Key schemes such as Pradhan Mantri Awas Yojana (PMAY) and Pradhan Mantri Gram Sadak Yojana (PMGSY) received a 23.7% allocation increase, primarily benefiting lower-income households and driving consumption.

The rural sector would also benefit from sustained support under schemes, such as Mahatma Gandhi National Rural Employment Guarantee Scheme (MGNREGS) and PM-Kisan, as well as an increased loan limit under the Kisan Credit Card, which will enhance the cash flow for about 7.7 crore farmers. Further, new initiatives aim to improve farmers' income and food security, while addressing food inflation through climate-resilient and sustainable crop production.

Growth in rural demand is also reflected in the sales of key products such as two-wheelers, three-wheelers and tractors. Domestic tractor sales projected to expand at a 4-6% compound annual growth rate (CAGR) during fiscals 2024 to 2029, while two-wheeler sales expected to record a CAGR of 7-9% during the same period.

Agriculture GVA is expected to close with a 3.8% growth in fiscal 2025, driving demand for two-wheelers and tractors, and the trend is expected to continue in fiscal 2026, contingent on a favourable monsoon. Furthermore, the 14% increase in reservoir storage levels would support the cultivation of Rabi crops, while the higher Minimum Support Prices (MSPs) is likely to enhance the profitability of these crops, thereby boosting the outlook for tractor and two-wheeler sales.

Growing middle-class population and financial inclusion to drive mid-term growth

Over the past decade, the proportion of Middle India – households (annual income between ₹ 0.2 million and ₹ 1.0 million) has been steadily increasing, driven by rising GDP and household incomes. This trend is expected to continue, with India's per-capita Net National Income (NNI) at constant prices growing at a CAGR of 7.5% between fiscals 2021 and 2025.

Rising disposable income and changing lifestyles are driving a surge in discretionary spending, which is evident in the growing share of discretionary items in the consumption basket of both rural and urban areas. Between fiscals 2012 and 2024, this share has increased from 47% to 53% in rural areas and from 57% to 60% in urban areas, according to the Household Consumer Expenditure Survey (HCES) 2023-24 by the Ministry of Statistics and Programme Implementation (MoSPI).

Consumers are increasingly seeking value and convenience, driving demand for premium products – a trend that is expected to persist. As financial health improves, consumers are aspiring to upgrade their lifestyles, fuelling demand for credit to finance purchases such as vehicles and consumer durables.

Notably, data from the MoSPI shows a considerable uptick in household financial savings as a percentage of GDP, rising to 5.2% in fiscal 2024 from 5.0% in fiscal 2023. Despite this progress, credit penetration remains relatively low, offering a substantial opportunity for lenders to tap into this untapped market, expand their customer base and gain market share.

India's digital infrastructure remains a key driver of economic expansion

The proliferation of digital platforms and the gig economy, fuelled by digitalisation, has significantly expanded the scope for economic growth in India. The development of foundational digital infrastructure, including Aadhaar, India Stack (unified software platform with set of open APIs), and payments infrastructure, has been a key driver of growth in the financial and other services sectors. Technology has played a vital role in reducing the cost of reaching smaller markets, and expedited the ability of the businesses to reach these markets thereby fostering greater financial inclusion.

The government's initiatives have been instrumental in promoting digital payments and financial inclusion. Between April 2024 and January 2025, India witnessed an impressive 18,121 crore transactions (in volume) worth ₹2,331 lakh crore of digital payments. The Unified Payments Interface (UPI) has been a game-changer facilitating easy transactions using a simple authentication method and linking smartphones with bank accounts. During the same period, UPI facilitated 15,146 crore transactions, amounting to ₹214 lakh crore, with a notable 84% share of total digital payment volumes. The government has continued to build on this momentum, with the RBI recently announcing plans to broaden the UPI scope by allowing transfers to and from pre-sanctioned credit lines with banks.

Over the past few years, the government has also taken various initiatives in accelerating digital infrastructure development through a range of initiatives, such as the Trade Receivables e-Discounting System (TReDS), E-KYC, Aadhaar-based authentication and DigiLocker. By leveraging cutting-edge technologies and integrating them, this digital revolution has strengthened the country's digital backbone, enabling faster, more-secure and more-efficient transactions.

Risks and concerns

The recent surge in US tariffs poses a risk of dumping in the Indian market, which could potentially impact domestic prices. Moreover, the threat of extreme weather events, exacerbated by climate change, remains a concern.

Meanwhile, the considerable outflow of foreign portfolio investments and the rupee's sharp volatility against the US dollar have led to a liquidity drain in the banking system. The RBI maintains ample forex reserves to cushion domestic markets from excess volatility and is expected to continue using its liquidity and foreign exchange tools to support financial conditions. Rupee has seen depreciation against dollar by ~2.5% in Financial Year 2024-25, against an annual depreciation of 3% seen in Financial Year 2023-24.

Cyber risk has emerged as a significant threat to the continued digitalization. As more individuals, businesses and Government services rely on digital infrastructure, the potential impact of cyber-attacks has increased exponentially. The Corporate India should look to invest in strengthening the digital infrastructure and security framework to address the threats from time to time.

Systemic credit slowed down in Financial Year 2024-25 and expected to witness steady growth in fiscal 2026

In fiscal 2025, India's systemic credit, comprising banks and non-banks, expanded about 15% as against 18% in fiscal 2024. Retail segments continued to drive the credit growth, although the unsecured lending segment normalised from an elevated base. The RBI's vigilant oversight and risk-weights circular on consumer loans tempered growth in unsecured portfolios, ensuring a more measured pace of expansion.

Systemic credit is expected to grow steadily at a CAGR of 14-15% between fiscals 2025 and 2027. The wholesale segment and secured retail segments, such as housing loans and vehicle loans, are poised to be the primary drivers of overall credit expansion in the near term. However, unsecured retail loans, including personal loans and microfinance, pose a downside risk, due to the prevailing asset quality concerns, which would require close monitoring.

Secured segments to propel NBFCs' credit growth, albeit at a moderate pace

NBFCs continue to be a crucial part of India's financial ecosystem, bridging the credit gap in underserved areas. Their significance is underscored with their share in systemic credit (comprising both banks and NBFCs) increased to ~20.3% in fiscal 2025 from 17% in fiscal 2019. The same is expected to grow by 30 bps every year to reach ~21% in fiscal 2027.

NBFCs have successfully advanced financial inclusion to the unbanked and underbanked population by leveraging technology, targeting niche segments and building strong local networks. Harnessing artificial intelligence and machine learning to streamline processes and boost productivity, NBFCs are enhancing the customer journey and the customer experience.

Driven by their targeted focus on retail segments, NBFCs continue to outpace the overall systemic credit, clocking a CAGR of 14% between fiscals 2020 and 2025. In fiscal 2025, the retail segment was a key driver of credit growth, with strong expansion in secured asset classes, while the unsecured lending segments normalised from an elevated base. As a result, NBFCs expanded their outstanding credit by ~17% on-year in fiscal 2025 and are expected to grow at ~16% in fiscal 2026.

Within retail credit, the growth of NBFCs' vehicle finance portfolio moderated to 16-17% on-year in fiscal 2025 from 25% in fiscal 2024. This moderation was primarily driven by a decline in the commercial vehicles (CVs) segment, although it was partially offset by growth in tractor and two-wheeler sales, which benefited from improved rural sentiment. Looking ahead, NBFCs' vehicle finance portfolio is expected to experience a modest uptick in fiscal 2026, aided by improving market sentiment, following

the expectation of additional rate cuts in fiscal 2026.

NBFCs witnessed growth in disbursements during the first nine months of fiscal 2025, with ~17% and ~12% year-on-year increase in two-wheeler and tractor finance respectively along with an uptick in disbursements of three-wheeler financing on the back of rebound in rural demand. The market is poised for continued growth, driven by deeper finance penetration, rising demand for electric two-wheelers and three-wheelers and pent-up replacement demand for two-wheelers and tractors, which is expected to fuel credit growth in future.

The market in the Passenger Vehicle (PV) segment experienced a slowdown in the first half of fiscal 2025 due to weak consumer sentiment and elevated interest rates. However, the second half saw notable improvement in sales, driven by festive demand and discounts that helped clear the build-up inventories with original equipment manufacturers. As a result, the disbursements of NBFCs' PV finance segment grew ~10% on-year during first nine months of fiscal 2025. Meanwhile, the used vehicle segment saw traction, driven by increased demand from consumers seeking more affordable options over new vehicles selling at soaring prices.

CV sales faced headwinds in fiscal 2025, weighed down by sluggish infrastructure activity, oversupply of high-tonnage vehicles with lower capacity utilisation and subdued manufacturing and mining activity in the first half. Amid the challenges, replacement demand provided some relief, supporting growth in the segment. Consequently, disbursements under the CV financing segment grew at a modest 8% during first nine months of fiscal 2025. The outlook for the CV segment is likely to be positive, supported by resumption of government spending and pickup in economic activities.

NBFCs' consumer durable financing portfolio grew 22% in fiscal 2025, fuelled by strong mobile phone sales and higher credit penetration. The tax relief announced in the Union Budget 2025-26 is expected to boost retail consumption and demand, driving credit growth in the consumer durable financing segment in fiscal 2026.

In fiscal 2025, gold loans gained popularity as a credit option amid rising concerns over asset quality and overleveraging in unsecured loans. The trend was further fuelled by the upward trajectory of gold prices, driven by robust demand. As a result, NBFCs' gold loan portfolio grew 21-23% in fiscal 2025 and is projected to grow 18-20% in fiscal 2026.

The lending landscape in the micro, small and medium enterprise (MSME) sector has undergone a transformation in recent years, driven by increased digital lending, government-backed initiatives, robust economy and growing preference for formal credit channels. This has led to a rapid growth in the sector, with NBFCs' MSME credit portfolio expanding 20-22% on-year in fiscal 2025. The momentum is expected to continue with similar growth rates anticipated in fiscal 2026.

The housing credit growth remained steady at 13-14% year-on-year in fiscal 2025 reflecting the broader economic moderation and elevated interest rates. The sector remained resilient, buoyed by rising disposable incomes and robust demand.

NBFCs' credit growth in the personal loan segment moderated to 22% on-year in fiscal 2025 from 39% in fiscal 2024, due to increased concerns over asset quality, mainly on account of overleveraging, marked by a decline in unique borrowers over the past two years. The segment's small-ticket loans were particularly vulnerable to delinquencies and overleveraging. In response, the RBI took proactive measures, including increasing risk weights, which in turn, led lenders to exercise caution and slow down disbursements to the segment.

The credit card segment experienced a slowdown in fiscal 2025 on account of increased risk weights by the RBI, revisions to reward points and deteriorating asset quality. This resulted in a decline in credit card spends and the number of active cards growing at slower pace of 8% YoY growth in fiscal 2025.

Deterioration in asset quality was the most pronounced in the microfinance sector (MFI) in fiscal 2025, with the outstanding book contracting 8-12% on-year. The increased stress in the sector was on account of overleveraging, general elections impacting collection for lenders. As delinquencies soared, lenders responded by curtailing disbursements in fiscal 2025.

The market witnessed a shift from unsecured to secured asset classes in fiscal 2025, owing to concerns over asset quality in the former. With lower yields in the secured segments, the overall shift resulted in contraction in yield and margins. This, combined with elevated interest rates for most part of the year and increased risk weights, kept borrowing costs elevated.

With the easing of interest rates following the two rate cuts of 25 bps each in February and April 2025 and the RBI reinstating the previous risk weight levels on banks' exposure to NBFCs, credit growth from banks to NBFCs is expected to pick up, enabling NBFCs to better manage their cost of funds and stabilise their margins.

Disbursements grew at 5% in fiscal 2025

During fiscal 2025, the Company expanded its portfolio with a strategic focus on building a diversified book, primarily targeting consumer finance and retail segments. As of 31st March 2025, the Company's assets under management grew 3% to ₹26,647 crore from ₹25,900 crore as of 31st March 2024. The Company had around 18 million customers as at the end of March 2025, a growth of 38%. During the year, the disbursements grew 5% driven by a calibrated expansion in various micro markets, products and customer segment.

With focussed growth in the consumer segment, the Company has acquired over 44 lakh new customers in fiscal 2025. To enhance customer experience and operating efficiency, the Company has started the investments in the new loan origination system and has transitioned to an AI-powered collection app, which offers real-time tracking and nudges to collection officer to improve collection efficiency. The Company plans to launch personal loans and consumer durable loans on the loan origination system platform next fiscal year.

The Company's retail finance business, which primarily consists of two-wheeler and used-car financing, grew on account of deeper penetration, seamless customer experience through technological advancements and streamlined interactions, with focus on stable portfolio quality. The proportion of the Company's customers with credit scores of 700 and above increased, alongside stable loan-to-value (LTV) ratios. The Company maintained the strategic partnerships with dealers, channel partners and original equipment manufacturers (OEM). Furthermore, the Company strengthened its underwriting with the introduction of a new app score across all segments, leveraging a model that incorporates nuanced, micro-market level data. The Company plans to deepen its relationships with channel partners, expand the use of micro-market analytics, and develop digital channels to cater to the technologically savvy younger generation.

During fiscal 2025, the Company continued the scale up of its Consumer Finance business comprising Consumer Durable Loans through tie-ups with more OEMs and channel partners. This year, the Company achieved the milestone of disbursing loans of more than ₹10,000 crore of consumer durable loans, consisting of both white goods and mobile loans, registering a robust growth in disbursements by 43% year-on-year. This growth is led by strong demand for financing of mobile phones and white goods, with the increase in the share of white goods portfolio. The Company expanded its footprint to new regions such as Punjab, Haryana, Uttarakhand and Assam, while strengthening its presence in existing markets. It established partnerships with premium brands such as Apple and Samsung to facilitate consumer credit.

Additionally, the Company aims to introduce special promotions for energy-efficient products, such as high-rated air conditioners and refrigerators, and will focus on developing digital channels to increase its presence in semi-urban and rural areas, particularly in the white goods segment.

There was a slowdown in the personal loans segment due to industry-wide challenges stemming from over-indebtedness of borrowers. The Company continued with the caution stand. It had started to put in place necessary credit interventions to address the risks in the new disbursements over the last 2 years. Further, the Company introduced targeted measures based on geography and customer profiles, which lead to calibrated and cautious growth in fiscal 2025.

Additionally, the Company entered the gold loan market with a pilot launch in fiscal 2024 and has built on this momentum in fiscal 2025. The Company plans to expand its gold loan business in Tamil Nadu, aiming for controlled growth by utilising its existing customer base and established presence in the region.

From fiscal 2024, the Company has been experiencing degrowth in disbursement in respect of new tractors. Over the last two fiscals, the Company implemented necessary tighter credit guardrails that led to degrowth in the new tractors portfolio. The Company has adopted a geo-specific approach to reach the target customer segments in addition to implementing various credit interventions, which ensured that the portfolio quality is maintained on the new acquisitions. This fiscal, the Company also experienced de-growth in the used tractor portfolio owing to the cautious strategy adopted in

response to the increase in the delinquencies noted in the rural portfolio since last quarter of fiscal 2023. Additionally, the Company has also refined its approach to expand dealerships across geographies based on inputs from micro market level analytics.

The Company's targeted approach in the Used Commercial vehicles segment yielded a rise in customers with a credit score above 700, indicating effective risk management. Disbursements were slower than expected in fiscal 2025 due to the implementation of tighter portfolio quality controls. There has been increase in share of small and light commercial vehicle segment, driven by an increase in direct sales. The Company plans to expand its referral network through internal sales teams, existing customer relationships, and external partnerships to drive long-term growth and profitability. The Company continued its focus on specified eco-system based customer segments and strengthened the relationships which translated into growth in the Mid-corporate Loan segment in this fiscal.

The Company significantly expanded its presence in the three-wheeler financing segment, entering new markets in Haryana, Madhya Pradesh, West Bengal, Kerala, Assam, Chhattisgarh, and Rajasthan. The dealership network witnessed substantial growth in March 2025 since the launch of the product marking a notable expansion of its reach and distribution capabilities.

The Company continued its focus on strengthening Mid-Corporate and Supply Chain Finance portfolio through ecosystem-led programmes, strong relationship management, and proactive risk management framework. Strategic projects were undertaken in fiscal 2025 to improve profitability through cost initiatives, value-added services and portfolio quality. The company will further expand its secured offerings to targeted MSMEs in identified clusters and geographies. The Company has started pilot of Affordable Loan Against Property in fiscal 2025.

At an aggregate level, the Company's key performance indicators have started to show improvement in collection efficiencies, better quality new originations and other key input metrics this year. The Company's micro market analytics strategy, which involves analysing data at a highly granular level, including performance at the pin-code level has enabled effective management of risks and product optimisation across its loans business. The Company continues to keep investing in credit underwriting, cloud-based infrastructure and tech-based applications across all business segments to further expand business and facilitate enhanced customer experience.

Optimised collection framework to drive efficiency

The Company has a comprehensive collection infrastructure, comprising a dedicated collection team supported by digital infrastructure and framework and analytical models. The framework leverages data analytics to identify customers who require ongoing engagement, such as borrowers with staggered EMI payments, customer categorisation basis the risk profiles and tailor digital campaigns to foster credit discipline & payment behaviour. Furthermore, each product has a distinct collection vertical, allowing for more concentrated and effective collection efforts. The Collection structure at product level is reinforced by a robust three-tiered supervisory framework at the regional level, along with a strong Legal team to effectively manage collections across product lines.

During fiscal 2025, the lending industry witnessed asset quality stress in select products. The Company took proactive measures to manage stress with inputs from its micro market analytics models, to identify areas with higher delinquency rates and implemented measures addressing the sales, credit and collections across micro markets.

The Company also put in place necessary framework to closely track attrition rates and takes proactive measures to address the underlying causes, ensuring seamless business operations. The Company has also established a parallel calling and digital capability across all products to effectively manage collections.

During fiscal 2025, the Company extensively leveraged the AI-powered digital collection App which enabled real-time monitoring of field activities, provided valuable collection insights, enhanced productivity and optimised collection efforts. The Company plans to expand the app's capabilities including new features leveraging analytical capabilities to augment its collection efforts. The Company also kick-started the project to take collection towards total quality management by redesigning the existing process for higher efficiency.

To equip the collections teams with skills to handle hard bucket collections, adhere to the regulatory guidelines and improving the field productivity, the Company has launched Collection Academy

where assessment is done based on proficiency test and impart required training linked to the career progress of the collection teams. The Company is aiming to create a supervisory strength and grow people to the next level from within the Company.

Leveraging digital infrastructure to optimise business efficiency

During fiscal 2025, the Company recorded zero downtime during peak sales periods including the festive season. This milestone in system uptime and performance was made possible by its cloud migration and various system strengthening measures taken in fiscal 2024. This improvement has enhanced partner confidence in the company's scalability, strengthening key OEM relationships.

During fiscal 2025, the Company undertook various digital transformation initiatives, focussing on three key areas: Loan management system (LMS), Loan origination system (LOS), and Customer relationship management (CRM). The LMS migration has been designed to enable the Company to maintain a single repository, seamless integration across front end applications and improving data maintenance and accessibility and robust compliance & reporting. The Company is also consolidating multiple loan origination applications into a single, scalable platform which is expected to bring standardisation, streamlined integration, and accelerated time-to-market, ultimately leading to enhanced customer experience. The Company would be better positioned to leverage this platform to expand its partnerships, deliver quicker turnaround for both the customers & business and thereby enhanced customer journeys across the portfolios.

The Company had also completed the migration to Oracle Fusion CRM for enhanced scalability and better user experience. The new CRM features an intuitive interface, enabling seamless data access and capture, as well as other features which would help in streamlining operations and boosting overall efficiency.

Strategic initiatives in data, analytics to drive business

During the year, the Company implemented channel segmentation for key products, enabling targeted interventions and personalised engagement with dealerships. The Company also conducted a comprehensive customer segmentation exercise, utilising bureau and other data sets, and advanced deep learning models to predict the next three products in a borrower's journey with the Company over the next one to three years.

The Company also explored the potential of GenAI, focussing on employee-centric applications such as optimising HR policies through its in-house platform, which leverages large language models to provide instant responses to employee queries related to policies. Additionally, the Company revamped its analytics model, incorporating micro-market-based underwriting strategies for key products, resulting in improved outcomes, including faster turnaround times and reduced delinquencies.

The Company's strategic priorities for the next year include adopting a micro-market based approach to analyse market trends and industry dynamics, expanding the application of GenAI and machine learning to generate insights and enable voice-based interactions, enhancing collection activities using bureau-based risk triggers, developing persona-based underwriting and cross-sell models.

Enhancing customer experience through customer-centric initiatives

The Company's core focus remains enriching the customer journey by elevating the digitalization with robust self-service metrics. The Company's Service to Sale initiatives enabled cross-sell business through customer care, area office walk-ins, & WhatsApps and customer retentions. The company achieved 89% digitalization rate in fiscal 2025 vs 87% in the preceding fiscal. The self-service rate also improved, from 85% to 88% during the same period. Additionally, the Dealer App Play Store rating saw a significant boost, rising from 3.7 in fiscal 2024 to 4.4 in fiscal 2025.

The Company achieved considerable gains in customer satisfaction across all segments in fiscal 2025, driven by its proactive approach, which combines monitoring, engagement and collaboration to boost customer and partner satisfaction.

The Company's efforts in addressing customer complaints yielded tangible results, with a 41% reduction in complaints across key complaint categories. Customer complaints are segmented into High Medium Low categories and repeat categories are subjected to detailed Root Cause Analysis (RCA) thereby

strengthening of process controls, through the implementation of Total Quality Management. The Company continues to take various proactive measures to address customer feedbacks from time to time.

Going forward, the Company will continue to focus on transitioning from customer service to customer experience through strategic expansion aimed at seamlessly onboarding customers and servicing them throughout their journeys. In addition, the Company will remain committed to advancing digital adoption and implementing predictive services to improve the customer experience.

Strengthening the company's presence with strong marketing and branding initiatives

During the fiscal 2025, the Company's brand health improved, with brand awareness rising to 34% (from 28% in fiscal 2024) and brand consideration increasing to 30% (from 21%). The Company continued to implement various innovative strategies across all business segments to boost brand visibility and customer reach. These initiatives included instituting co-branded offers and activities with OEMs, dealerships, and various formats of channel partners. Moreover, regional visibility campaigns featuring dealerships were also executed which further strengthened Company's channel partner relationships.

During the year, the Company's online presence expanded to 408 million overall and 34.1 million monthly, driven by engaging campaigns such as #FantasticFive and #AbWaitNahiUpgradeKaro. The brand was also featured in OEM and large format store marketing campaigns, solidifying its position as a preferred partner. To further boost the online engagement, the Company plans to create Gen Z-focussed content to resonate with the target audience and attract future consumers. Additionally, offline presence was strengthened with POSM (point of sale marketing) coverage at 44,000+ channel partners and improved PR coverage in mainstream publications.

During fiscal 2024, the Company had launched a direct-to-consumer horizontalization initiative known as 'Pragati Parv' that offers TVS Credit's product portfolio under a single umbrella. The programme focussed on boosting brand awareness, creating sales opportunities, and nurturing long-term relationships with customers and channel partnering. Building on the learnings from the previous year's Pragati Parv, the Company tested the hub and spoke model, expanding to 100 hub & 124 spoke locations, with over 96,000+ footfalls and 2,200+ channel partners. The Company plans to expand the programme to more regions, targeting tier 2 and 3 cities, to boost brand awareness and engagement.

The Company's digital marketing efforts generated substantial business across product categories and also witnessed a 30% growth in monthly active users (MAU) on the Saathi Mobile app. The Company website and the Saathi Mobile app are now available in six vernacular languages, and optimisation efforts led to a 40% increase in traffic and a 103% increase in the top 10 keyword rankings. The Company plans to leverage Gen AI, revamp the Saathi Mobile app and introduce an Enterprise BOT to enhance user experience.

The Company plans to enhance its sales strategy by introducing a dedicated 'offers' section in digital channels and CRM, enabling end-to-end lead conversion and expanding cross-sell opportunities.

Human resources

As part of its long-term vision, the Company's people strategy is anchored in building a high-performing, future-ready workforce that thrives on purpose, capability, and culture.

The Company believes that its people are the greatest assets. Reflecting on its sustained efforts to nurture a high trust and high performing culture, the Company has been re-certified as a Great Place to Work by Great Place To Work® for the period January 2025-2026, with a Trust Index score of 90, a two-point increase over the previous year. The Company achieved an exceptional 99.4% response rate in the survey, demonstrating strong levels of employee engagement. Additionally, the Company has been recognized among the Top 25 Best Workplaces in BFSI 2025 and the Top 50 Best Workplaces in Health & Wellness 2024.

The Company has established a comprehensive leadership development framework to nurture and empower leaders at every stage of their careers. This includes curated programmes such as the Strategic Leaders Program, Emerging Leaders Program, and Young Leaders Program. In addition,

strategic workshops on risk and credit were conducted for senior management and leadership team. These initiatives are integral to the Company's talent management strategy, which focusses on building a future-ready talent pool and a robust leadership succession pipeline by identifying and developing high-potential individuals through holistic, forward-looking interventions aligned with both individual aspirations and business priorities.

The Company fosters a culture of recognition and appreciation through its structured reward and recognition framework, which includes monthly, quarterly, and annual awards. The framework encourages peer-to-peer and manager-led recognition, complemented by instant gratification through spot awards. These practices reinforce a culture of appreciation and continuous motivation across all levels of the organization.

To further empower its workforce and foster long-term growth, the company offers a unique opportunity for employees who have completed their 12th-grade education to pursue graduate studies with full sponsorship – enabling them to overcome career advancement barriers and unlock their full potential. This year, the Company also launched an Internal Job Posting (IJP) platform, designed to enhance internal mobility and provide employees with meaningful opportunities for career growth, skill development, and new challenges within the organization.

Annual campus engagement programme

To increase brand visibility among future employees, the Company emphasises on engaging with top campuses and inspire budding talent to generate innovative solutions for business challenges. The sixth edition of the E.P.I.C Campus Challenge held in fiscal 2025 got participation from a diverse cohort of over 1,16,000 students, which increased from 96,000 students in fiscal 2024 covering 4,200+ esteemed colleges.

Process Excellence

Continuing with the theme of E+E=E (Error-free process + Effortless journey = Exceptional customer experience), the Company had implemented many projects which included TAT improvement, process streamlining and automation, enhancement in the customer journeys and automation / digitalisation of processes in the customer workflows and defect reductions. The primary goal of this initiative is to enhance customer loyalty by delivering exceptional experiences across the entire customer loan journey. During this fiscal, the Company also launched a Program for "Reimagining the Collection Process using TQM approach".

The Company has showcased improvement projects in external forums like CII, QCFL, ISQ & Kaizen Institute as well as presented 66+ case studies and won 42 awards during the fiscal 2025. The Company also won 3 GOLD awards at the International Convention conducted by QCFL in Sri Lanka.

The Company carries out periodic assessments of gaps and takes actions to address such identified gaps, which resulted in strengthening the processes across the Company. Furthermore, the Company obtained ISO Quality ISO 9001/2015 recertification for management systems from Bureau Veritas for all processing hubs and central operations.

Awards and recognitions

During fiscal 2025, the Company was honoured with various awards and recognitions. Some of the key awards are listed below:

- Great Place to Work recognition in the NBFC category by the Great Place to Work Institute
- Deloitte Enterprise Growth Awards 2025 by Deloitte
- Iconic Brands of India 2024 for excellence in the NBFC sector by ET Now
- Silver Award 2024 for Excellence in Learning Tech Implementation by ET HR World Future Skills
- Risk Management Team of the Year Award and Commercial Credit Management Team of the Year Award at India Credit Risk Summit and Awards 2025
- Best Farm Equipment Financier of the Year 2024 award by Indian Tractor of the Year (ITOTY)
- LEED V4.1 Gold Certification for one of the large office location (Chennai) by LEED

Awards for various marketing initiatives

- Digiplus Award for Best Social Media Campaign 2024 by The Economic Times
- Multiple FE Brandwagon ACE Awards for Best Brand of the Year along with Best Regional Marketing, Content Marketing, Youth Marketing Campaign and Social Cause campaign by Financial Express
- Best Social Development Campaign of the Year 2024 for the company's Saksham programme by Rural Marketing Association of India (RMAI)
- Two awards for the company's Khushiyan Unlimited Two-wheeler campaign and Namma Ooru Ponnunga Women's Day campaign at Pitch BFSI Marketing Summit & Awards 2024
- The Excellence Award in Content Marketing, the Collateral Award for the company's merchandising materials by PRCI
- Marketech APAC Marketing Technology Awards 2024 by Marketech
- E4m Maddies 2024 by E4m
- Social Stars Awards 2024 for Best Financial Content
- India Content Leadership Awards for the Best Vernacular/Local-Language Content on Radio/ Podcast and Best Financial Content
- Adworld Showdown Awards for the Best Digital Media Integrated Campaign and Best Social Campaign
- Top 50 companies with Great Managers in India for 2024 award by People's Business
- 3 GOLD awards at the International Convention conducted by QCFI in Sri Lanka

TQM and Quality awards :

- Global recognition by winning Gold awards for all three projects involving Operations, IT, TQM, and Retail Credit presented at the 49th International convention on Quality Control Circles (ICQCC) 2024
- The Platinum Award for the project presented on the digitalisation initiatives for reducing SMS to non-consumers by Confederation of Indian Industry (CII)
- Gold recognition for process improvements across depts of TQM, product management, operations, fee products, and CX by QCFI
- The Gold Award in all three case studies presented by IT, Compliance, TQM, and Used Cars departments at QCFI – 12th Poka Yoke Competition
- Overall category winner award for CX team and Gold for other SBUs processes from – Two-Wheeler, Customer Experience, Tractor Loans, Used Commercial Vehicle, Cross-Sell, and Business Intelligence by ISQ Society
- Best Contact Centre for outstanding initiatives in enhancing the company's NPS, CSAT, IVR utilisation and Email Bot by Kamikaze B2B Media

Community support initiatives

Our community support initiative, Saksham, in collaboration with Yuva Parivartan NGO empowers underprivileged youth in Chhattisgarh (Raipur), Karnataka (Bengaluru) and Maharashtra (Bhandara, Chandrapur, Gondia Nashik, Nanded, Nagpur, Pune and Thane) and Madhya Pradesh (Indore). 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 impacted over 957 individuals, with two new locations added this year.

Treasury

The Company has constituted an Asset Liability Management Committee (ALCO) in line with the guidelines issued by the Reserve Bank of India (RBI). ALCO monitors asset-liability mismatches, liquidity position, funding sources, interest rate risks, liquidity stress testing, contingency funding plans, collateral position, and ensures compliance with regulatory requirements and lender stipulations.

The financial year 2025 was marked by a sustained high-interest rate environment and tight systemic liquidity. Additionally, there was an increase in risk weights on Bank lending to NBFCs (subsequently reversed with effect from 1st April 2025). Despite these challenges, the Company demonstrated resilience by managing fund-raising activities while securing competitive borrowing rates across instruments.

As of 31st March 2025, the Company's outstanding borrowings stood at ₹24,491 crore. During the year, the Company raised ₹14,675 crore in fresh borrowings, comprising both long-term and short-term debt. The Company's borrowing strategy is aligned with the composition and maturity profile of its assets, with a continued focus on managing interest rate and liquidity risks. In this context, the Company collaborates with a diversified lender base to ensure that funding structures remain appropriate and responsive to its evolving asset mix. This prudent asset-liability management enabled the Company to maintain positive cumulative mismatches across all maturity buckets, well within internal and RBI stipulated norms.

During the year, the Company also executed External Commercial Borrowings and Non-Convertible Debenture (NCD) issuances at competitive pricing levels. Simultaneously, it continued to diversify funding sources while maintaining a strong liquidity position.

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 has maintained a strong liquidity buffer, in the form of cash and undrawn credit lines, to ensure preparedness for unforeseen disruptions. The Company's LCR remained comfortably above the regulatory threshold, and all liquidity ratios were within the limits approved by the ALCO.

All principal and interest obligations were met on time during the year. The Company's assets, which are available by way of security, continue to be adequate to cover outstanding liabilities as and when they become due. The Company also received continued support from shareholders through equity infusion. Additionally, participation from NBFCs, mutual funds, and insurance companies - through Tier I (Perpetual Debt Instruments) and Tier II (Subordinated Debt) instruments - contributed to adequate capital position. As of 31st March 2025, the Capital Adequacy Ratio (CRAR) stood at 20.3%, well above the regulatory limit.

During the year, CARE has assigned long-term rating of AA+ and CRISIL, ICRA and Brickwork Ratings upgraded the Company's long-term credit rating to AA+ from AA. The rating upgrade is expected to enhance the Company's access to capital markets and support broader funding diversification.

Rating details are given 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+

Rating Agency	Facility	Rating
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 80,48,780 Equity Shares of face value of ₹10 per share at a premium of ₹400 per share. Consequent to the aforesaid allotments of Equity Shares, the total paid-up capital of the Company as on 31st March 2025, stood at ₹254.66 crore comprising 23,62,72,706 Equity Shares and 1,83,84,684 CCPS, having a face value of ₹10 each.

Non-Convertible Debentures

During the year under review, the Company issued Non-Convertible Debentures (NCDs) of ₹1,675 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. 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.

5. TRANSFER TO RESERVES

During the year, ₹153 crore were transferred to the Statutory Reserve created as required under Section 45-IC of the Reserve Bank of India Act, 1934.

6. 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.

7. 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 AGM.

The consolidated Profit Before Tax of the Company and its subsidiaries amounted to ₹1,027 crore for the financial year 2024-25 as compared to ₹763 crore in the previous year.

Subsidiary Companies

The following companies are the subsidiaries of the Company as on 31st March 2025, and these subsidiaries have not commenced operations yet.

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 as on the date of this report and 80.69% on a fully diluted basis.

8. DIRECTORS AND KEY MANAGERIAL PERSONNEL

Directors' Appointment / Re-appointment / Cessation

During the year under review, Mr. B Sriram (DIN: 02993708), and Mr. R Gopalan (DIN: 01624555), were reappointed for their second term as Independent Director.

Board at its meeting held on 6th August 2024 appointed Dr. Deepali Pant Joshi (DIN: 07139051) and Mr. T C Suseel Kumar (DIN: 06453310) as Additional Director (Non-executive Independent) of the Company and their appointment as Independent Directors was approved by the Shareholders of the Company on 23rd September 2024.

At the meeting held on 6th August 2024, the Board also accorded the approval for appointment of Mr. Sanjiv Chadha (DIN: 08368448) as Additional Director (Non-Executive Non-Independent) and Mr. Ashish Sapra (DIN: 09805893) as Additional Director (Director and CEO) of the Company subject to the approval of RBI. The RBI communicated its no-objection to the said appointments on 22nd November 2024 and their appointment as directors was approved by the Shareholders of the Company on 27th December 2024.

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 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. Sudarshan Venu (DIN: 03601690) and Mr. Venu Srinivasan (DIN: 00051523), Non-Executive Directors, are liable to retire by rotation at the ensuing Annual General Meeting, and being eligible, offers themselves for re-appointment. The Nomination and Remuneration Committee, at their meeting held on 28th April 2025 recommended their re-appointment after evaluating his track record, integrity, and other fit and proper criteria as laid down under RBI guidelines.

Women 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) and Dr. Deepali Pant Joshi (DIN: 07139051), are the Independent Women Directors 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 Independent Directors 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, as per the directions of RBI on 'Non-banking Financial Companies – Corporate Governance (Reserve Bank) Directions, 2015, as amended, the Board obtained necessary annual declarations of undertaking' from the Directors in the format prescribed by RBI.

Separate Meeting of IDs

During the year under review, a separate meeting of IDs was held on 6th March 2025. 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) of non-IDs, namely, Mr. Venu Srinivasan (DIN: 00051523), Mr. Sudarshan Venu (DIN: 03601690), Mr. Sanjiv Chadha (DIN: 08368448) and Mr. K N Radhakrishnan (DIN: 02599393).

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 satisfied fully 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 and tough state of the economy and clear initiatives for staying ahead of the competition.

IDs also recorded 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 focussed 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, 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 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.

During the year, Mr. Sreejith Raj P resigned from the post of Company Secretary effective 20th January 2025 and Mr. Chetan Nage was appointed as Company Secretary of the Company with effect from 27th January 2025.

9. 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 in their meeting held on 25th November 2022, appointed M/s. CNGSN & Associates LLP, Chartered Accountants, Chennai having Firm Registration No. 004915S allotted by the Institute of Chartered Accountants of India as Joint Statutory Auditors of the Company for a term of 3 consecutive years 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. Sundaram & Srinivasan, Chartered Accountants expired at the Annual General Meeting of the Company and on the recommendation of the Board of Directors of the Company, members of the Company in 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 for a term of 3 consecutive years 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. CNGSN & Associates LLP, Chartered Accountants, and M/s. Suri & Co., Chartered Accountants, have jointly conducted the statutory audit for the year ended 31st March 2025. 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 2024-25. The Auditors' Reports for the financial year 2024-25 do not contain any qualifications, reservations, or adverse remarks, and the same is attached with the annual financial statements.

In view of the tenure of the existing Joint Statutory Auditor of the Company i.e. M/s. CNGSN & Associates LLP, Chartered Accountants, ending at the ensuing Seventeenth AGM of the Company, pursuant to the RBI Guidelines and based on the recommendation of the Audit Committee, the Board of Directors of the Company at its Meeting held on 28th April 2025 approved the appointment M/s. Brahmayya & Co., Chartered Accountants (ICAI Firm Registration No. 000511S) as the Joint Statutory Auditor of the Company for a period of three consecutive years i.e. Financial Year 2025-26, Financial Year 2026-27 and Financial Year 2027-28, from the conclusion of the Seventeenth AGM till the conclusion of the Twentieth AGM of the Company to be held in the year 2028, subject to the approval of the Members. The Members of the Company may refer to the accompanying Notice of the AGM of the Company.

10. SECRETARIAL AUDITORS

The Board of Directors in their meeting held on 8th May 2024, on the recommendation of Audit Committee, has appointed B. Chandra & Associates, Company Secretaries (Peer Reviewed) (Firm Registration No. P2017TN065700), as Secretarial Auditor of the Company for the year ended 31st March 2025.

As required under Section 204 of the Act, 2013, the Secretarial Audit Report for the year 2024-25, given by them, is attached as **Annexure VI** to this report. The Secretarial Audit Report does not contain any qualifications, observations, or other remarks.

The Board at its meeting held on 28th April 2025 has re-appointed B. Chandra & Associates, Company Secretaries as Secretarial Auditors for a term of five consecutive years from 2025-26 subject to the approval of the Members. The Members of the Company may refer to the accompanying Notice of the AGM.

Secretarial Standards

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

11. 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 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 2025, 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 judgements 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 2025 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.

12. 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).

13. 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 Company. 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 8th May 2024, 6th August 2024, 14th October 2024, 25th November 2024, 27th January 2025 and 28th March 2025 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/Non-Banking Financial Companies – Corporate Governance (Reserve Bank) Directions 2015 as amended.

The Board has *inter-alia* established the following Committees viz., Audit Committee, Nomination and Remuneration Committee (NRC), Corporate Social Responsibility Committee (CSR), Asset Liability Management Committee (ALCO), Risk Management Committee (RMC), Information Technology (IT) Strategy Committee, Credit Sanction Committee, Stakeholders Relationship Committee (SRC) 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 seeks to provide criteria for performance evaluation, disclosures on the remuneration of Directors, and criteria for making payments to Non-Executive Directors have been disclosed as part of the Corporate Governance Report attached herewith.

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 2024-25, based on the recommendation of the Nomination and Remuneration Committee. 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.

Commission

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.

As approved by the Shareholders at the Annual General Meeting of the Company held on 27th July 2020, Non-Executive and Independent Directors are being paid commission, as determined by the Board, for each such Director.

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 or other disciplines related to Company's business and (ii) Satisfaction of Fit and Proper Criteria (iii) 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 2025 with related parties were in the ordinary course of business and at arm's-length price in terms of Section 188 of the Act, 2013 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.

Hence, no particulars are being provided in Form AOC-2. Related Party disclosures, as per IND-AS have been provided in Notes to the financial statement.

14. 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, and operational 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 Risk Management Committee and the Asset Liability Management Committee 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. 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.

15. 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.

16. 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.

17. CORPORATE SOCIAL RESPONSIBILITY INITIATIVES

The Company recognizes social responsibility as an integral and a critical part of its value system. Srinivasan Services Trust (SST), the CSR arm of TVS Motor Company, has been successfully driving positive change in rural communities. In the last 29 years, SST's model has matured into one centred on community participation in all its projects. Today, SST works in 2,500 villages in the country. It follows an integrated, holistic and participatory approach to village development, working very closely with the communities and the government. SST's focus is to bring about sustainable development in villages through Total Community Involvement (TCI). Society building through the development of women and children, conserving water, providing holistic health and education by renovating the government infrastructure and preserving the environment are its focus areas. SST nudges communities to embrace practices towards a better quality of life by ensuring a participatory approach right from planning to execution of activities.

More than 60,000 women across the country have been organised into Self-Help Groups (SHGs), which empowers the women socially and economically. Today, more than ₹100 Crores of income is being generated annually by the women in Self-Help Groups. In 2024-25, nine SHGs facilitated by SST have been honoured with the district level prestigious Manimegalai Award introduced by the Tamil Nadu Corporation for Development of Women (TNCDW) for empowering women and fostering economic growth.

SST has so far renovated more than 2,000 government infrastructures, which includes Anganwadis, Schools, Health Centers and Veterinary Centers. Adopting this holistic integrated village development model, SST has partnered with organizations like Gramalaya, Agastya International Foundation, Villmart Education, Navsahyog Foundation, Shreeja Mahila Milk Producer Company, National Bank for Agriculture and Rural Development (NABARD) and Sankara Eye Foundation.

SST has ensured that more than 25,000 farmers have been benefited by its water conservation projects like building and repairing water conservation structures, desilting tanks and channels and creating

percolation ponds. Today, across the country, over 400 water conservation projects have been implemented by SST. SST has partnered with Karur Vysya Bank (KVB), Standard Chartered Bank (SCB) and Kaynes Technology India Limited to expand the reach of its water conservation and infrastructure projects.

SST also ensures last-mile connectivity for the government social security, agriculture and livestock schemes to reach the unreached and underserved.

Apart from renovating the government health centers and conducting regular medical camps, SST runs 7 medical centers and 2 medical vans in its working areas. SST has partnered with HDFC ERGO General Insurance and operates two medical vans, providing over 40,000 consultations in tribal areas annually. Today, due to SST's interventions, more than 2 lakh patients annually have access to health care facilities.

SST also extends its support to tiger reserves in Tamil Nadu and Karnataka. SST has also afforested barren hillocks of over 14,000 acres, in the last 3 decades.

SST is working with Tata Institute of Social Sciences (TISS), 4th Wheel Social Impact, Institute of Rural Management Anand (IRMA) and Chrysalis services to carry out social impact studies for the various projects it is undertaking in its working areas.

SST has won the following awards in Financial Year 2024-25:

- 1st place for its 'Learning & development' best practice at the 27th NHRD National conference & 13th HR Showcase at Bangalore on Feb 7-8, 2025
- The CSR Universe Social Impact Awards 2024 under the 'Health' category for impactful health services to rural communities through SST Health Centres, Mobile Medical Vans, Health camps.
- The Gold award for 'Excellence in HR Digital transformation' at the Economic Times Human Capital Awards MENA 2024
- The CSR & Sustainability Award 2023 under the category of Excellence in Providing Healthcare Services by ASSOCHAM (The Associated Chambers of Commerce and Industry of India)

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, containing the particulars of the projects / programmes approved and recommended by the CSR Committee and approved by the Board for the financial year 2024-25 are given by way of **Annexure III** attached to this Report. It may also be noted that the CSR Committee has approved the projects or programmes to be undertaken by the SST and other eligible trusts for the year 2025-26, preferably in local areas including the manner of execution, modalities of utilisation of funds and implementation schedules and also monitoring and reporting mechanism for the projects or programmes, as required under the Companies Amendment Act, 2020.

18. POLICY ON VIGIL MECHANISM

The Board has adopted a Policy on Vigil Mechanism in accordance with the provisions of the Act, 2013, which provides a formal mechanism 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.

19. 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 2024-25 is given in the Corporate Governance Report.

20. EMPLOYEE STOCK OPTION

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.

Nomination and Remuneration Committee of the Company ("NRC") has granted 1,55,400 employee stock options ("Options") in accordance with the Plan to the identified employees of the Company ("Eligible Employees") which would entitle such Eligible Employees to acquire equity shares of the Company ("Shares") at a predetermined price provided that the vesting conditions are thereby 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**.

21. GENERAL DISCLOSURES

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

- (a) 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.

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

As a non-banking finance company, the Company 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 2024-25 is ₹60.48 crore (previous year ₹33.77 crore). The Company did not have any foreign exchange earnings.

23. 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.

24. 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.

25. DETAILS OF LOANS / GUARANTEES / INVESTMENTS MADE

The details of investments made by the Company for the financial year 2024-25 is as per Note No. 09 to Notes on 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.

On loans granted to the employees, the Company has charged interest as per its remuneration policy, in compliance with Section 186 of the Act, 2013.

26. REPORTING OF FRAUD

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

27. 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.

28. 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 20.3% 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 finance 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.

29. ACKNOWLEDGEMENT

The Directors gratefully acknowledge the continued support and cooperation received from the holding Company, namely TVS Motor Company Limited 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 of 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

Place : Chennai
Date : 28th April 2025

Sudarshan Venu
Chairman
DIN: 03601690

Annexure - III to Directors' Report to the Shareholders

Particulars of Corporate Social Responsibility activities carried out by the Company in terms of Section 135 of the Companies Act, 2013

1. Brief outline on 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 programmes for the transformation and sustainable development of the rural communities at large.

2. Composition of CSR Committee:

Sl. 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, Chairman	Non-Independent Director	1	1
2.	K N Radhakrishnan, Member	Non-Independent Director	1	1
3.	R Gopalan, Member	Independent Director	1	1

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/wp-content/uploads/2023/09/Corporate-Social-Responsibility.pdf
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)	₹ 476.48 crore
	(b) Two percent of average net profit of the Company as per section 135(5) of the Companies Act, 2013	₹ 9.53 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)	₹ 9.53 crore
6.	(a) Amount spent on CSR Projects (both Ongoing Project and other than Ongoing Project)	₹ 10.00 crore
	(b) Amount spent in Administrative Over-heads	Nil
	(c) Amount spent on Impact Assessment, if applicable	Not Applicable
	(d) Total amount spent for the Financial Year [(a)+(b)+(c)]	₹ 10.00 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 Act, 2013		Amount transferred to any fund specified under Schedule VII as per second proviso to section 135(5) of the Act, 2013		
	Amount	Date of Transfer	Name of the Fund	Amount	Date of Transfer
10.00 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)	9.53
ii.	Total amount spent for the financial year	10.00
iii.	Excess amount spent for the financial year [(ii)-(i)]	0.47
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)]	0.47

7. Details of Unspent Corporate Social Responsibility amount for the preceding three Financial Years:

1	2	3	4	5	6	7	8
Sl. 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 ₹)	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 ₹)	Deficiency, if any
					Amount (in ₹)	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

Place : Chennai
Date : 28th April 2025

Venu Srinivasan
Chairman of the CSR Committee
DIN: 00051523

Annexure-IV to Directors' Report to the Shareholders
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	01.04.2024 to 31.03.2025			
3.	Reporting currency and Exchange rate as on the last date of the relevant financial year in the case of foreign subsidiaries	₹	₹	₹	₹
4.	Share capital / Contribution	0.25	1,200.00		0.25
5.	Reserves & Surplus	(1.81)	429.95		(1.92)
6.	Total assets	0.24	1,657.27		0.24
7.	Total liabilities	1.80	26.67		1.91
8.	Investments	-	-		-
9.	Turnover	-	108.32		-
10.	Profit/(Loss) before taxation	(0.12)	107.86		(0.25)
11.	Provision for taxation / Current Year Taxes	-	26.57		-
12.	Profit/(Loss) after taxation	(0.12)	81.28		(0.25)
13.	Proposed Dividend	-	-		-
14.	% of shareholding	100%	100%		100%

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 CNGSN & Associates LLP
Chartered Accountants
Firm Regn No.: 0049155

As per our report annexed
For Suri & Co.,
Chartered Accountants
Firm Regn No.: 0042835

Sudarshan Venu
Chairman
DIN: 03601690
28th April 2025
Chennai

Ashish Sapra
Director & Chief Executive Officer
DIN: 09805893

Roopa Sampath Kumar
Chief Financial Officer

Chetan Nage
Company Secretary

C. N. Gangadaram
Partner
Membership No.: 011205

Sanjeev Aditya. M
Partner
Membership No.: 229694

Annexure-V to Directors' Report to the Shareholders

Company's Philosophy on Corporate Governance

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 believes in ensuring corporate fairness, transparency, professionalism, accountability and propriety in total functioning of the Company, which are pre-requisites for attaining sustainable growth in this competitive corporate world. Obeying the law, both in letter and in spirit, is the foundation on which the Company's ethical standards are built.

The Company would constantly endeavour to improve on these aspects. 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

- 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.
- The size of the Board is commensurate with the size and business of the Company. As on 31st March 2025, the Board comprises ten 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	Atten- ded		Salary [^]	Sitting Fee	Comm- ission		Mem- ber ^{**}	Chair- man
Sudarshan Venu	03601690	31 Jan 2013	NED & Chairperson	6	5	17	-	-	-	-	2	1
Venu Srinivasan	00051523	21 Jun 2010	NED	6	2	24	-	0.004	-	-	1	-
Ashish Sapra	09805893	22 Nov 2024	ED	6	3	-	6.94	-	-	-	-	-
K N Radhakrishnan	02599393	17 Feb 2010	NED	6	5	6	-	0.031	-	10*	1	-
R Gopalan	01624555	20 Jul 2019	ID	6	6	10	-	0.032	0.20	-	7	1
B Sriram	02993708	12 Oct 2019	ID	6	6	8	-	0.046	0.20	-	4	1
Kalpana Unadkat	02490816	28 Jul 2021	ID	6	6	2	-	0.040	0.20	-	4	1
Dr. Deepali Pant Joshi	07139051	06 Aug 2024	ID	6	5	9	-	0.010	0.13	-	8	5
T C Suseel Kumar	06453310	06 Aug 2024	ID	6	3	4	-	0.006	0.13	-	6	4
Sanjiv Chadha	08368448	22 Nov 2024	NED	6	3	-	-	-	-	-	-	-

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
None of the directors, other than Mr. Venu Srinivasan and Mr. Sudarshan Venu are related to each other
^{**}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 Regulation 26 of the 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.

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 2024-25		Meeting date
April – June	(Q1)	8 th May 2024
July – September	(Q2)	6 th August 2024
October - December	(Q3)	14 th October 2024 25 th November 2024
January - March	(Q4)	27 th January 2025 28 th March 2025

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 7 th August 2024
		Entitled to attend	Attended	
1.	Sudarshan Venu	6	5	No
2.	Venu Srinivasan	6	2	No
3.	K N Radhakrishnan	6	5	Yes
4.	R Gopalan	6	6	Yes
5.	B Sriram	6	6	No
6.	Kalpana Unadkat	6	6	Yes
7.	Dr. Deepali Pant Joshi	5	5	NA
8.	T C Suseel Kumar	5	3	NA
9.	Ashish Sapra	3	3	NA
10.	Sanjiv Chadha	3	3	NA

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
Venu Srinivasan	TVS Holdings Limited	Non-Executive Director-Chairman
	TVS Motor Company Limited	Executive Director
	Sundaram Clayton Limited	Executive Director
Sudarshan Venu	TVS Holdings Limited	Executive Director
	Coromandel International Limited	Independent Director
	TVS Motor Company Limited	Executive 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

Name of the Director (M/s.)	Name of the company	Category of directorship
Dr. Deepali Pant Joshi	TVS Motor Company Limited	Independent Director
	Coromandel International Limited	Independent Director
	Aurobindo Pharma Limited	Independent Director
	LMW Limited	Independent Director
Kalpana Unadkat	Avenue Supermarts Limited	Independent Director
	Eris Lifesciences Limited	Independent Director
T C Suseel Kumar	Manappuram Finance Limited	Independent Director
	FirstSource Solutions Limited	Independent Director
	PCBL Chemical Limited	Independent Director

Meetings of Independent Directors

As stipulated by the Code of Independent Directors under the Act and Rules made thereunder and SEBI Listing Regulations as amended from time to time, one meeting of Independent Directors was held during the year. The meeting was conducted on 6th March 2025 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 programme

Familiarisation programme 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 programme 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 2024-25, in terms of the requirements of SEBI 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 (M/s.)	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
Venu Srinivasan	Leadership, Industry Knowledge, Risk Management Business and Strategic Planning, Financial Sector experience, Governance, Ethics and Regulatory Oversight, Information Technology, Human Resource

Name of Directors (M/s.)	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	Leadership, 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
Dr. Deepali Pant Joshi	Leadership, Industry Knowledge, Risk Management, Economics, Financial Sector experience, Governance, Ethics and Regulatory Oversight, Information Technology
T C Suseel Kumar	Leadership, Industry Knowledge, Risk Management Business and Strategic Planning, Financial Sector experience, Governance, Ethics and Regulatory Oversight, Information Technology
Sanjiv Chadha	Leadership, 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 2025.

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 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

Name of Committee	Name of Committee members	Category	Chairperson/ Membership	Date of Appointment
Nomination & Remuneration Committee	Kalpana Unadkat	Independent Director	Chairperson	04-Feb-2022
	Sudarshan Venu	Non-executive Director	Member	04-Feb-2022
	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
Stakeholders Relationship 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
Corporate Social Responsibility Committee	Venu Srinivasan	Non-executive Director	Chairperson	27-Mar-2015
	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
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 18 and 62F of the SEBI Listing Regulations and Master Direction – Reserve Bank of India (Non-Banking Financial Company - Scale Based Regulation) Directions, 2023.

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;
- Approval or any subsequent modification of transactions of the company with related parties;
- 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.
- Monitoring, reviewing, recommending and approving all related party transactions 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 of 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, recommending audit fee and approval for payment for any other services
- Approval of Annual Plans before it is placed before the Board
- Reviewing with the management the quarterly and annual financial statements before submission to the Board, focussing 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 judgement 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 or 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 of 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, nature and scope of audit as well as post audit discussion to ascertain any area of concern.
- Reviewing the company's financial and risk management policies.
- 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 if any) 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.
- 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.

The 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.

During the year Mr. B Sriram, Independent Director ceased to be the member of the Committee, and Mr. Sanjiv Chadha, Director was appointed as member of the Committee.

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)	B Sriram [#]	Kalpna Unadkat	Sanjiv Chadha [*]
7 th May 2024	✓	✓	✓	NA
5 th August 2024	✓	✓	✓	NA
14 th October 2024	✓	✓	✓	NA
20 th November 2024	✓	✓	✓	NA
27 th January 2025	✓	✓	✓	NA
27 th March 2025	✓	NA	✓	✓

NA – Not Applicable

*Appointed as member with effect from 27th January 2025

#Ceased to be a member with effect from 27th January 2025

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 programmes 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; and
- To perform such other function related or incidental to the CSR Policy of the Company, at the request of the Board;
- To perform all such actions as may be required under the relevant laws as prescribed by the Companies Act, 2013 and rules/regulations as prescribed by various regulators.

Based on the recommendation of the CSR Committee, the Board approved the projects / programmes to be carried out as CSR activities by Srinivasan Services Trust (SST) in compliance with the CSR policy of the Company and contributed ₹10 crore constituting more than 2% of average net profits, for the immediate past three financial years, towards CSR spending for the financial year 2024-25.

SST, with over 29 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 Meeting	Members Present (M/s)		
	Venu Srinivasan (Chairman)	R Gopalan	K N Radhakrishnan
8 th May 2024	LOA	✓	✓

LOA - Leave of Absence

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 & 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 19 and 62G read with Part D of Schedule II of the SEBI 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 and senior management personnel, 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 key managerial personnel (KMP) and senior management personnel (SMP).

NRC prescribes 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, and the Board carried out the performance evaluation as per the methodology.

The performance evaluation of the Board as a whole is assessed 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 delegated its authority to the Chairman, wherever appropriate, for this purpose.

The NRC also ensures 'fit and proper' status of proposed and existing directors on a continual basis.

Brief description of terms of reference:

- 1.1 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.
- 1.2 Evaluating the performance of the Director(s) and providing necessary report to the Board for its further evaluation and consideration.
- 1.3 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 automobile industry.
- 1.4 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.
- 1.5 Devise a policy on diversity in the Board.
- 1.6 Develop a succession plan for the Board and SMP.
- 1.7 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.

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)		
	Kalpana Unadkat (Chairman)	Sudarshan Venu	B Sriram
8 th May 2024	✓	LOA	✓
6 th August 2024	✓	✓	✓
14 th October 2024	✓	LOA	✓
27 th January 2025	✓	LOA	✓

LOA - Leave of Absence

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 21 and 62I of the SEBI 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 meeting
- 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
- Performing such other activities as may be delegated by the Board and/or prescribed under the Companies Act, the Listing Regulations, the 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

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 Radhakrishnan (Chairman)	R Gopalan	Kalpana Unadkat
25 th July 2024	✓	✓	✓
30 th September 2024	✓	✓	✓
20 th November 2024	✓	✓	✓
23 rd January 2025	✓	LOA	✓

LOA - Leave of Absence

The matters reviewed and recommended in the meetings of the Risk Management Committee were appraised 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 (ALCO):

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, liquid 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 credit facilities up to the limits delegated by the Board
- Approve and review ALCO policy and its amendments
- 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 a member 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
20 th June 2024	✓	LOA	✓
25 th September 2024	✓	✓	✓
21 st December 2024	✓	✓	✓
24 th March 2025	✓	LOA	✓

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 (IT) 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 established 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 roles 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
- All other roles/responsibilities of IT 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

During the year Mr. Sudarshan Venu, Non-Executive Director ceased to be the member of the Committee. Mr. Ashish Sapra, Director and CEO was appointed as a member of the Committee.

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)	Sudarshan Venu*	K N Radhakrishnan	Ashish Sapra^
20 th June 2024	✓	LOA	✓	NA
30 th September 2024	✓	LOA	✓	NA
22 nd November 2024	✓	LOA	✓	NA
13 th March 2025	✓	NA	✓	✓

LOA - Leave of Absence

*Ceased to be a member with effect from 27th January 2025

^Appointed as member with effect from 27th January 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.

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 activities 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 28th June 2024, 24th September 2024, 18th December 2024 and 31st March 2025.

i. Stakeholders Relationship Committee

In terms of Regulation 20 and 62H of SEBI Listing Regulations, the Company has constituted Stakeholders Relationship Committee. The Committee is empowered to perform the functions of the Board relating to handling of stakeholders' queries and grievances. The terms of reference for the Committee are as follows:

- Oversee and review all matters connected with the transfer of the Company's securities
- Monitor redressal of investors' / shareholders' / security holders' grievances
- Oversee the performance of the Company's Registrar and Transfer Agents

- Recommend methods to upgrade the standard of services to investors
- Carry out any other function as is referred by the Board from time to time or enforced by any statutory notification/amendment or modification as may be applicable

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 Radhakrishnan (Chairman)	Kalpana Unadkat	R Gopalan
30 th September 2024	✓	✓	✓

There were no complaints received during the year 2024-25.

iii) General body meeting:

Location and time where Annual General Meetings (AGMs) were held during the last three years:

Year	Venue of the meeting	Date	Time
2021-22	Registered Office	29 th June 2022	02.00 PM
2022-23	Registered Office	17 th July 2023	10.00 AM
2023-24	Registered Office	7 th August 2024	04.00 PM

Special resolutions passed in the previous three AGMs:

Year	Subject Matter of Special Resolution	Date of AGM
2021-22	1. Approval under Section 180(1)(c) of the Companies Act, 2013 to borrow in excess of the aggregate of the paid-up capital and free reserves of the Company. 2. Approval under Section 180(1)(a) of the Companies Act, 2013 to secure the borrowing by creating charges / mortgages over the properties of the Company.	29 th June 2022
2022-23	-	17 th July 2023
2023-24	-	7 th August 2024

Special resolutions passed the Extra-ordinary General Meetings (EGMs) during the Financial Year:

Date	Place	Subject Matter of Special Resolution
10 th May 2024	Registered Office	Approval of Restated Articles of Association of the Company
25 th June 2024	Registered Office	1. Approval for issue of equity shares on a private placement basis 2. Approval under Section 180(1)(c) of the Companies Act, 2013 to borrow in excess of the aggregate of the paid-up capital and free reserves of the Company 3. Approval under Section 180(1)(a) of the Companies Act, 2013 to secure the borrowing by creating charges / mortgages over the properties of the Company 4. Reappointment of Mr. R Gopalan as Independent Director of the Company
23 rd September 2024	Registered Office	1. Reappointment of Mr. B Sriram as Independent Director of the Company 2. Appointment of Dr. Deepali Pant Joshi as Independent Director of the company 3. Appointment of Mr. T C Suseel Kumar as Independent Director of the company

Date	Place	Subject Matter of Special Resolution
11 th November 2024	Registered Office	Approval of "TVS Credit Employee Stock Option Plan 2024" ("ESOP 2024"/ "Plan")
27 th December 2024	Registered Office	1. Appointment of Mr. Ashish Sapra as Director and CEO of the Company 2. Appointment of Mr. Sanjiv Chadha as Non-executive Non-Independent Director

There was no resolution passed through postal ballot and no special resolution is proposed to be conducted through postal ballot as of the date of this report.

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 Exchanges, where the Company's securities are listed.

Quarterly results:

The Company's quarterly/half-yearly/annual financial results were sent to the Stock Exchanges 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	:	30 th July 2025 at 4.00 P.M.
Financial year	:	1 st April to 31 st March
Financial calendar	:	2025-26
Financial reporting for the quarter ending	:	Financial calendar
30 th June 2025	:	Before 14 th August 2025
30 th September 2025	:	Before 14 th November 2025
31 st December 2025	:	Before 14 th February 2026
31 st March 2026	:	Before 30 th May 2026

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 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 2025	1. INE729N08030 8. INE729N08097 2. INE729N08048 9. INE729N07057 3. INE729N08055 10. INE729N08105 4. INE729N08063 11. INE729N08113 5. INE729N08071 12. INE729N07065 6. INE729N08089 13. INE729N07073 7. INE729N07032 14. INE729N07081

(Note: Annual listing fees and custodial charges for the year 2024-25 were duly paid to the National Stock Exchange 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 Shares of the Company are not listed.

viii) Suspension of Securities from trading: During FY 2024-25, none of the securities of the Company were suspended from trading.

ix) Share Transfer Agents and Share Transfer System:

In terms of Regulation 7 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, 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	5*	26.31	50.00	0.00
5001-10000	1	5.26	8,516.00	0.00
10001-20000	1	5.26	17,032.00	0.01
20001-50000	2	10.53	68,126.00	0.03
50001-100000	2	10.53	1,02,190.00	0.04
100001 & above	8	42.11	23,60,76,792.00	99.92
Total	19	100	23,62,72,706.00	100.00

*The shares are held by 5 individual 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 shares in dematerialised form and as on 31st March 2025, 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 except 1,83,84,684, 0.00 1% 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 ₹73 lakhs to the Statutory Auditors for all services received by the listed entity 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 2024-25 are as under:

No. of Complaints received	1
No. of Complaints resolved	1
No. of Complaints pending	-

In terms of the provisions of Sexual Harassment of women at Workplace (Prevention, Prohibition and Redressal) Act, 2013, an Internal Committee (IC) 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. Sudarshan Venu and Mr. Venu Srinivasan, Non-Executive Director as on 31st March 2025, are liable to retire by rotation as per the provisions of the Companies Act, 2013.

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 SEBI guidelines for fund raising by issuance of debt securities by large corporate:

The Company qualifies as a Large Corporate under Chapter XII of the SEBI Master Circular dated 22nd May 2024, on the issuance and listing of Non-Convertible Securities, Securitised Debt Instruments, Security Receipts, Municipal Debt Securities, and Commercial Paper. In accordance with these guidelines, the Company is required to raise at least 25% of its incremental borrowings during a financial year through the issuance of debt securities. This requirement must be fulfilled within a contiguous block of three years.

During the year under review, the Company's incremental eligible borrowings stood at ₹10,650 crore. Accordingly, it was required to raise ₹2,663 crore through issuance of debt securities. Of this, the company raised ₹1,675 crore in FY24-25. The balance ₹988 crore will be raised within the prescribed timeline of three contiguous years i.e. 31st March 2027, to ensure compliance with the SEBI circular.

Other Disclosures

a. Materially significant related party transactions:

All transactions entered into with related parties (RPTs), as defined under the Act and the Listing Regulations, during the financial year 2024-25 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 potential 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 SEBI 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-à-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 'material subsidiary' shall mean a subsidiary, whose turnover or net worth exceeds ten percent 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.

xviii) **Branch Locations:**

The Company has a presence in 28 states and 4 Union Territories in India and in 159 locations through its offices.

xix) **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 Ltd 'Subramanian Building', No. 1, Club House Road, Chennai – 600 002
For non-receipt of annual report	:	Equity- corpserv@integratedindia.in Debt- investor1@cameoindia.com
For investors' grievance & general correspondence	:	Equity- corpserv@integratedindia.in Debt- 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 Bazargate, Mumbai, India - 400001 E-mail: teamolive@idbitrustee.com

xx) Pursuant to the guidelines on 'Fair Practices Code' issued by RBI, the Company has adopted a Fair Practice Code which is posted on the website of the Company and a regular review on the implementation of the same is conducted by the Committee members.

xxi) The Company has adopted a Code of Conduct for employees of the Company and due care is taken that the employees adhere to it.

xxii) 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 limits 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 & Credit policies as approved by the Board of Directors.

xxiii) The Board of Directors of the Company reviews, records and adopts the minutes of the meetings of various Committees constituted by the Company.

xxiv) 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 & CEO is fixed by the Board and are within the limits approved by the Shareholders in terms of the relevant provisions of the Act read with Regulation 17 of the Listing Regulations.

Particulars of remuneration to Executive Director for the financial year 2024-25 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 the Board and Committee thereof attended by them, which is within the limits, prescribed under the Act.

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 28th April 2025 approved the payment of commission of ₹20,00,000/- to the Non-Executive Independent Directors of the Company for the year ended 31st March 2025. The amount of commission for every financial year is decided by the Board, in terms of the approval of Shareholders at Annual 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.

xxv) 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. Sitting fees and Commission paid to NEDs for the meetings held during 2024-25 are as follows –

S.No.	Name of the directors (M/s.)	Sitting Fees (Amount in ₹)	Commission (Amount in ₹)
1	Sudarshan Venu	-	NA
2	Venu Srinivasan	40,000	NA
3	K N Radhakrishnan	3,10,000	NA
4	Sanjiv Chadha	-	NA
5	R Gopalan	3,20,000	20,00,000

S.No.	Name of the directors (M/s.)	Sitting Fees (Amount in ₹)	Commission (Amount in ₹)
6	B Sriram	4,60,000	20,00,000
7	Kalpana Unadkat	4,00,000	20,00,000
8	Dr. Deepali Pant Joshi	1,00,000	13,04,110*
9	T. C. Suseel Kumar	60,000	13,04,110*

*Paid on pro-rata basis from their date of appointment

No other amounts were paid to any of the NEDs of the Company other than payments in the nature of reimbursement of expenses .

xxvi) **Detailed reasons for the resignation of an Independent Director who resigns before the expiry of his tenure:**

There was no resignation of Independent Director during the year.

xxvii) **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.

xxviii) **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>

xxix) **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.

xxx) **Breach of covenant:**

There have been no instances of breach of covenant of loan availed or debt securities issued.

xxxi) **Divergence in Asset Classification and Provisioning:**

As per the last available RBI Supervisory Report for the Financial Year 2022-23, there is no divergence in asset classification and provisioning assessed by RBI.

xxxii) 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.

xxxiii) In terms of Corporate Governance, the Company has complied with the applicable requirements stipulated under Regulations 17 to 27 read with Schedule V, Regulation 62 and Chapter VA of the SEBI Listing Regulations.

For further clarification / information, stakeholders are requested to visit the Company's website at <https://www.tvscredit.com/>

Annexure - VI to Directors' Report to the Shareholders**SECRETARIAL AUDIT REPORT****FOR THE FINANCIAL YEAR ENDED 31st MARCH, 2025**

[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
"Chaitanya", No.12, Khader Nawaz Khan Road,
Nungambakkam,
Chennai - 600 006

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, 2025 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, 2025 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 (Debenture 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 subject to the following observation.

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.

We further report that during the period of audit, the Company made issue of equity as well as Debt securities.

Name of the Company Secretary: B Chandra

Membership No. ACS 20879

Certificate of Practice No. 7859

UDIN: A020879G000212103

PEER REVIEW NUMBER 1711/2022

Place : Chennai

Date : 28th April 2025

To
The Members
TVS CREDIT SERVICES LIMITED
"Chaitanya", No.12, Khader Nawaz Khan Road,
Nungambakkam,
Chennai - 600 006

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.

Name of the Company Secretary: B Chandra
Membership No. ACS 20879
Certificate of Practice No. 7859
UDIN: A020879G000212103
PEER REVIEW NUMBER 1711/2022

Place : Chennai
Date : 28th April 2025

Annexure VII to Directors' Report to the Shareholders

Statement of Disclosure relating to Employees Stock Option Scheme in accordance with Rule 12(9) of the Companies (Share Capital and Debentures) Rules, 2014

(a)	Options granted	1,55,400
(b)	Options vested	Nil
(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	1,55,400
(j)	Employee-wise details of options granted to:	
	(i) key managerial personnel	1,55,400
	(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 2025, 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 2025, and its Standalone profit and total comprehensive income, Standalone changes in equity and its Standalone 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. The following are the Key Audit Matters.

Key Audit matters	How our audit addressed the Key matters
Impairment Loss Allowance 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 Ind AS 109 implementation process, internal rating model, impairment allowance policy and ECL modelling methodology. We assessed the design and implementation and tested the operating effectiveness of controls over the modelling process including governance over monitoring of the model and approval of key assumptions. We also verified the key judgements and assumptions relating to the macro-economic scenarios including the impact of Covid 19 Pandemic and the associated probability weights.

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. These judgements required the models to be reassessed including the impact of Covid-19 Pandemic to measure the ECL. 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.	We also assessed the approach of the Company for categorization of the loans in various stages reflecting the inherent risk in the respective loans. For a sample of financial assets, we tested the correctness of Staging, reasonableness of PD, accuracy of LGD and ECL computation. We have also verified the compliance of circulars issued by Reserve Bank of India from time to time during the year on this subject. As a result of the above audit procedures no material differences were noted. We confirm the adequacy of disclosures made in the financial statements
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.	We tested a sample of key controls operating over the information technology in relation to financial accounting and reporting systems, including system access and system change management, program development and computer operations. We tested the design and operating effectiveness of key controls over user access management which includes granting access right, new user creation, removal of user rights and preventative controls designed to enforce segregation of duties. We have focused on user access management, change management, segregation of duties, system reconciliation controls and system application controls over key financial accounting and reporting systems. Reliance was also placed on the System Audit report of the Company. 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 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, 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 2024. The comparative standalone financial statements for the year ended 31st March 2024 were audited by the previous joint statutory auditors whose report dated 8th May 2024 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, 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 including the 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 2025 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March 2025 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";

- (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.44.
- 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 it's 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 softwares 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 **CNGSN & Associates LLP**
Chartered Accountants
Firm Regn. No. 004915S

C.N.Gangadaran
Partner
Membership No. 011205

Date: 28.4.2025
Place: Chennai

UDIN: 25011205BMIJBH5242

For **Suri & Co.,**
Chartered Accountants
Firm Regn. No. 004283S

Sanjeev Aditya.M
Partner
Membership No. 229694

Date: 28.4.2025
Place: Chennai

UDIN: 25229694BMIIHE1916

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 2025, 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 ₹5 crore 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.
- (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 loans amounting to ₹3,448.76 crore for which repayment of principal and payments of interest are not regular.

Bucket	Amount (₹ in crore)
1-90 DPD	2,665.78
More than 90 DPD#	782.98

Includes contracts restructured based on June 2019 circular classified as stage-III with DPD less than 91 days and Contracts with less than 91 DPD classified as Stage-III owing to Customer level Staging.

- d) The amounts overdue for more than 90 days aggregating principal repayment and interest payments is ₹782.98 crore. 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, 2025 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 crore)	Period to which the amount relates	Forum where the dispute is pending
Goods and Service Act, 2017	Goods and Service Act Dues	0.74	2017-18	Commissioner (Appeals)
Goods and Service Act, 2017	Goods and Service Act Dues	1.55	2018-19	Commissioner (Appeals)
Goods and Service Act, 2017	Goods and Service Act Dues	0.26	2019-20	Commissioner (Appeals)
Goods and Service Act, 2017	Goods and Service Act Dues	1.39	2020-21	Commissioner (Appeals)
Goods and Service Act, 2017	Goods and Service Act Dues	0.39	2020-21	Joint Commissioner
Goods and Service Act, 2017	Goods and Service Act Dues	0.31	2020-21	State Tax Officer
Goods and Service Act, 2017	Goods and Service Act Dues	0.01	2020-21	Deputy Commissioner of State Tax
Goods and Service Act, 2017	Goods and Service Act Dues	0.00	2021-22	Commissioner (Appeals)
Finance Act, 1994	Service Tax Dues	4.08	2011-12 to 2014-15	Customs Excise and Service Tax Appellate Tribunal

Name of Statute	Nature of dues	Amount disputed (Rs. In crore)	Period to which the amount relates	Forum where the dispute is pending
Finance Act, 1994	Service Tax Dues	1.45	2015-16	Customs Excise and Service Tax Appellate Tribunal
Finance Act, 1994	Service Tax Dues	0.24	2016-17	Customs Excise and Service Tax Appellate Tribunal
Finance Act, 1994	Service Tax Dues	0.84	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)
Income Tax Act, 1961	Income Tax Dues	3.00	2021-22	CIT (Appeals)

- (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.
- 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) The company did not receive any whistle-blower complaints during the year.
- (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) The company has conducted Non-banking financial activities with valid Certificate of Registration from Reserve Bank of India.
- 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 **CNGSN & Associates LLP**

Chartered Accountants
Firm Regn. No. 004915S

C.N.Gangadaran

Partner
Membership No. 011205

Date: 28.4.2025

Place: Chennai

UDIN: 25011205BMIJBH5242

For **Suri & Co.,**

Chartered Accountants
Firm Regn. No. 004283S

Sanjeev Aditya.M

Partner
Membership No. 229694

Date: 28.4.2025

Place: Chennai

UDIN: 25229694BMMIHE1916

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 2025 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 2025, 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 **CNGSN & Associates LLP**
Chartered Accountants
Firm Regn. No. 004915S

C.N.Gangadaran
Partner
Membership No. 011205

Date: 28.4.2025
Place: Chennai

UDIN: 25011205BMIJBH5242

For **Suri & Co.,**
Chartered Accountants
Firm Regn. No. 004283S

Sanjeev Aditya.M
Partner
Membership No. 229694

Date: 28.4.2025
Place: Chennai

UDIN: 25229694BMIIHE1916

STANDALONE BALANCE SHEET AS ON 31ST MARCH 2025



(All amounts in ₹ crore unless otherwise stated)

S.No.	Particulars	Note No.	As at 31 st March 2025	As at 31 st March 2024
1	ASSETS			
	Financial assets			
(a)	Cash and cash equivalents	4	3,583.40	1,745.97
(b)	Bank balances other than (a) above	5	5.95	5.90
(c)	Derivative financial instruments	6	-	90.67
(d)	Receivables			
i)	Trade receivables	7	152.21	117.20
(e)	Loans	8	26,298.84	25,470.24
(f)	Investments	9	299.75	109.71
(g)	Other financial assets	10	28.28	25.05
	Total		30,368.43	27,564.74
2	Non-financial assets			
(a)	Current tax assets (net)	11	11.03	19.80
(b)	Deferred tax assets (net)	12	408.64	337.96
(c)	Investment property	13	85.16	85.16
(d)	Property, plant and equipment	14	45.07	35.92
(e)	Right-to-use asset	14	65.19	26.58
(f)	Capital work-in-progress	14	2.40	2.73
(g)	Intangible assets under development	14	10.96	3.18
(h)	Other intangible assets	14	2.53	2.94
(i)	Other non-financial assets	15	53.05	58.54
	Total		684.03	572.81
	Total assets		31,052.46	28,137.55
	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	9.35	14.19
iii)	Total outstanding dues of creditors other than micro enterprises and small enterprises	16	1,081.98	1,035.09
(c)	Debt securities	17	2,625.39	1,510.99
(d)	Borrowings (other than debt securities)	18	19,792.47	19,043.77
(e)	Subordinated liabilities	19	2,269.31	2,212.96
(f)	Other financial liabilities	20	221.35	334.63
	Total		26,002.09	24,151.63
2	Non-financial liabilities			
(a)	Provisions	21	59.58	67.59
(b)	Other non-financial liabilities	22	42.87	52.85
	Total		102.45	120.44
3	Equity			
(a)	Equity share capital	23	236.27	228.22
(b)	Instruments entirely equity in nature	23	18.38	18.38
(c)	Other equity	24	4,693.27	3,618.88
	Total		4,947.92	3,865.48
	Total liabilities and equity		31,052.46	28,137.55
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		44		

As per our report of even date

For and on behalf of the Board of Directors of
TVS Credit Services Limited

For CNGSN & Associates LLP
Chartered Accountants
ICAI Regn No. FRN 004915S

C.N. Gangadaran
Partner
Membership No. 011205

Place : Chennai
Date : 28th April 2025

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 : Chennai
Date : 28th April 2025

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 2025



(All amounts in ₹ crore unless otherwise stated)

S. No.	Particulars	Note No.	Year ended 31 st March 2025	Year ended 31 st March 2024
	Revenue from operations			
i)	Interest income	25	5,797.32	5,112.58
ii)	Fees and commission income	26	736.46	592.05
iii)	Net gain on fair value changes on financial instruments	27	92.32	-
iv)	Other operating income	28	-	85.09
I)	Total revenue from operations		6,626.10	5,789.72
II)	Other income	29	3.93	5.47
III)	Total income (I + II)		6,630.03	5,795.19
	Expenses			
i)	Finance costs	30	1,863.32	1,653.64
ii)	Fees and commission expenses		527.16	429.87
iii)	Impairment on financial instruments (net)	31	1,295.36	1,127.05
iv)	Employee benefits expenses	32	1,135.58	1,200.78
v)	Depreciation and amortization expenses	14	46.20	27.39
vi)	Other expenses (IV)	33	736.97	594.52
IV)	Total expenses (IV)		5,604.59	5,033.25
V)	Profit before exceptional items and tax (III-IV)		1,025.44	761.94
VI)	Exceptional items		-	-
VII)	Profit before tax (V-VI)		1,025.44	761.94
VIII)	Tax expense	34		
	(1) Current tax		323.80	307.64
	(2) Deferred tax		(65.61)	(117.53)
IX)	Profit for the year		767.25	571.83
X)	Other Comprehensive Income	35		
A.	(i) Items that will not be reclassified to profit or loss			
	- Remeasurement of the defined benefit plans		(10.64)	(9.72)
	(ii) Income tax relating to items that will not be reclassified to profit or loss		2.68	2.46
	Subtotal (A)		(7.96)	(7.26)
B.	(i) Items that will be reclassified to profit or loss			
	- Fair value change on cash flow hedge		(8.89)	(17.95)
	- Fair value gain/(loss) on financial instruments through other comprehensive income		(0.62)	-
	(ii) Income tax relating to items that will be reclassified to profit or loss		2.39	4.52
	Subtotal (B)		(7.12)	(13.42)
	Other comprehensive income (A+B)		(15.08)	(20.69)
XI)	Total comprehensive income for the year (Comprising Profit/(Loss) and other comprehensive income for the year)		752.17	551.14
XII)	Earnings per equity share (Face value of ₹ 10/- each)	36		
	Basic (₹)		30.36	23.90
	Diluted (₹)		30.36	23.90
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		44		

As per our report of even date

For and on behalf of the Board of Directors of
TVS Credit Services Limited

For CNGSN & Associates LLP
Chartered Accountants
ICAI Regn No. FRN 004915S

C.N. Gangadaran
Partner
Membership No. 011205

Place : Chennai
Date : 28th April 2025

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 : Chennai
Date : 28th April 2025

Ashish Sapra
Director and Chief Executive Officer
DIN-09805893

Chetan Nage
Company Secretary

STANDALONE STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31ST MARCH 2025



(All amounts in ₹ crore unless otherwise stated)

Particulars	Year ended 31 st March 2025	Year ended 31 st March 2024
Cash flows from operating activities		
Profit before tax	1,025.44	761.94
Adjustment for:-		
Depreciation and amortization	46.20	27.39
Impairment of financial instruments	(56.00)	219.39
Profit on disposal of property, plant and equipment	(0.20)	(0.47)
Finance costs	1,863.32	1,653.64
Unwinding of discount on security deposits	(0.97)	(0.95)
Remeasurement of defined benefit plans	(10.64)	(9.72)
Share-based payment expenses	0.27	-
Cash outflow towards finance costs	(1,858.87)	(1,653.00)
Cash generated from operations before working capital changes	(16.89)	236.28
Changes in working capital		
(Increase)/Decrease in Trade receivables	(36.21)	(55.22)
(Increase)/Decrease in Loans	(771.40)	(5,142.17)
(Increase)/Decrease in Other financial assets and other bank balances	(3.53)	(1.44)
(Increase)/Decrease in Other non-financial sssets	5.49	(14.79)
Increase/(Decrease) in Trade payables	42.06	413.58
Increase/(Decrease) in Other financial liabilities	(153.35)	99.49
Increase/(Decrease) in Provisions and other non-financial liabilities	(17.98)	36.38
Net cash used in operating activities before income tax	73.63	(3,665.95)
Income taxes paid (net of refund)	(315.03)	(337.04)
Net cash used in operating activities (I)	(241.40)	(4,002.99)
Cash flows from investing activities		
Investment in Property, plant and equipment	(34.12)	(26.89)
Proceeds from sale of Property, plant and equipment	0.23	0.57
Investment in Capital work-in-progress	0.33	(2.32)
Investment in Intangible assets under development	(7.78)	(2.01)
Investment in Government securities	(188.66)	(93.46)
Investment in Compulsory convertible debentures	-	(0.25)
Investment in Alternate investment fund	(2.00)	(4.00)
Net cash used in investing activities (II)	(232.00)	(128.36)
Cash flows from financing activities		
Proceeds from issue of Equity shares	330.00	-
Proceeds from issue of Compulsorily convertible preference shares	-	558.00
Proceeds from Issue/(Repayment) of Debt securities (net)	1,114.40	(1,147.81)
Proceeds/(Repayment) of Borrowings other than debt securities (net)	834.47	4,538.80
Proceeds/(Repayment) of Subordinated liabilities (net)	56.35	413.89
Payments of Lease liabilities	(24.33)	(10.66)
Net cash generated from financing activities (III)	2,310.89	4,352.22
Net increase/(decrease) in cash and cash equivalents	1,837.49	220.87
Cash and cash equivalents at the beginning of the year	1,745.88	1,525.01
Cash and cash equivalents at the end of the year	3,583.37	1,745.88

Components of cash and cash equivalents for the purpose of Statement of Cash Flows:

Description	As at 31 st March 2025	As at 31 st March 2024
Cash and cash equivalents as per Balance Sheet	3,583.40	1,745.97
Less: Overdrafts utilised	0.03	0.09
(Grouped under Borrowings (other than debt securities) - Note 18)		
Cash and cash Equivalents for the purpose of Statement of Cash Flows	3,583.37	1,745.88

As per our report of even date

For and on behalf of the Board of Directors of
TVS Credit Services Limited

For CNGSN & Associates LLP
Chartered Accountants
ICAI Regn No. FRN 004915S

C.N. Gangadaran
Partner
Membership No. 011205

Place : Chennai
Date : 28th April 2025

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 : Chennai
Date : 28th April 2025

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 2025



(All amounts in ₹ crore unless otherwise stated)

I) Equity share capital

	Notes	Amounts
Balance as at 1st April 2023		228.22
Changes in equity share capital during the year	23	-
Balance as at 31st March 2024		228.22
Changes in equity share capital during the year	23	8.05
Balance as at 31st March 2025		236.27

II) Instruments entirely equity in nature

	Notes	Amounts
Balance as at 1st April 2023		-
Changes in equity share capital during the year	23	18.38
Balance as at 31st March 2024		18.38
Changes in equity share capital during the year	23	-
Balance as at 31st March 2025		18.38

III) Other equity

	Notes	Reserves and surplus					Total
		Securities premium account	Statutory reserve	Share based payment reserve	Retained earnings	Other reserves - Hedging reserve	
Balance as at 1st April 2023		1,336.35	242.03	-	932.20	19.31	2,529.89
Profit for the year	24	-	-	-	571.83	-	571.83
Other comprehensive income	24	-	-	-	(7.26)	(13.42)	(20.68)
<u>Transaction in the capacity as owners</u>							
Transfer to Statutory reserve	24	-	114.37	-	(114.37)	-	-
Issuance of equity shares	24	537.84	-	-	-	-	537.84
Balance as at 31st March 2024		1,874.19	356.40	-	1,382.40	5.89	3,618.88
Profit for the year	24	-	-	-	767.25	-	767.25
Other comprehensive income	24	-	-	-	(7.96)	(7.12)	(15.08)
<u>Transaction in the capacity as owners</u>							
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	(1.23)	4,693.27

As per our report of even date

For and on behalf of the Board of Directors of
TVS Credit Services Limited

For CNGSN & Associates LLP
Chartered Accountants
ICAI Regn No. FRN 004915S

C.N. Gangadaran
Partner
Membership No. 011205

Place : Chennai
Date : 28th April 2025

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 : Chennai
Date : 28th April 2025

Ashish Sapra
Director and Chief Executive Officer
DIN-09805893

Chetan Nage
Company Secretary

(All amounts in ₹ crore unless otherwise stated)

1 Corporate information

TVS Credit Services Limited ('the Company') (CIN U65920TN2008PLC069758) 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 – 600006, Tamil Nadu, 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 Financial Company, as defined under Section 45-IA of Reserve Bank of India (RBI) Act, 1934. The Company is engaged in providing automobile finance, Consumer Durable Loans and Small Business Loans. The Company is categorised as "NBFC - Investment and Credit Company (NBFC-ICC)" vide RBI circular DNBR (PD) CC.No.097/03.10.001/2018-19 dated 22nd February, 2019. Effective 1st October, 2022, the Company has been categorised as NBFC-Middle Layer under the RBI Scale Based Regulation dated 22nd October, 2021.

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) along with other relevant provisions of the Act, the updated Master Direction – Reserve Bank of India (Non-Banking Financial Company – Scale Based Regulation) Directions, 2023 as amended from time to time and other applicable RBI circulars/notifications, notification for Implementation of Indian Accounting Standards issued by RBI vide circular RBI/2019-20/170 DOR(NBFC).CC.PD.No.109/22.10.106/2019-20 dated 13th March 2020 ('RBI notification for Implementation of Ind AS') and other applicable RBI circulars/notifications.

The financial statements have been prepared in accordance with Division III of Schedule III of Companies Act 2013 notified by MCA on 11th October, 2018. Further, the Company follows application guidance, clarifications, circulars and directions issued by the Reserve Bank of India (RBI) for Non-Banking Financial Companies (NBFC) 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 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.

2.2 Presentation of financial statements

Financial assets and financial liabilities are generally reported on a gross basis in the balance sheet. They are only offset and reported net when, in addition to having an unconditional legally enforceable right to offset the recognised amounts without being contingent on a future event, the parties also intend to settle on a net basis in all the following circumstances:

- The normal course of business
- The event of default
- The event of insolvency or bankruptcy of the Company and/or its counterparties

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.

(All amounts in ₹ crore unless otherwise stated)

The areas involving critical estimates are:

- (a) Business model assessment - Refer Note 3.5.1A
- (b) Fair value of financial instruments - Refer Note 38
- (c) Impairment of financial asset - Refer Note 39
- (d) Provisions & Other Contingent Liabilities - Refer Note 21
- (e) Estimation of defined benefit obligation - Refer Note 37

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 or 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 estimated useful lives of the assets. 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 except in the case of mobile phone and tablet (Office equipment), on which depreciation is considered as 2 years based on the technical evaluation and leased vehicles (vehicles) have been depreciated over lease period.

Useful life as used by the Company and as indicated in Schedule II are listed below:

Nature of asset	Useful life as per Schedule II	Useful life adopted by the Company
Computers	3 years	3 years
Computer software	3 years	3 years
Furniture and fixtures	10 years	10 years
Leasehold improvements (Furniture and fixtures)	10 years	As per lease tenure
Office equipments	5 years	5 years
Office equipments (Mobile phones and tablet)	5 years	2 years
Vehicles(Motor cycle)	10 years	10 years
Vehicles (Motor car)	8 years	8 years

Depreciation on PPE individually costing ₹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 or 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.

(All amounts in ₹ crore unless otherwise stated)

3.3 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.

3.4 Intangible assets

Intangible assets acquired are recorded at their acquisition cost and are amortized on straight line basis over its useful life. Software is amortized over 3 years period or the license period whichever is lower on straight line basis.

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 (FVTOCI), 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.

(All amounts in ₹ crore unless otherwise stated)

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 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. 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.

vi. 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.

vii. Investment in Compulsory convertible debenture

Investment in Compulsory convertible debentures are classified and measured in the financial statements at fair value through other comprehensive income.

viii. Investment in Alternate investment fund

Investment in Alternate 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

(All amounts in ₹ crore unless otherwise stated)

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 2024.

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 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.

(All amounts in ₹ crore unless otherwise stated)

- (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 govt 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 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) Other operating income:

The Company recognises proceeds from sale of written off & stressed financial asset.

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	Up to 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

(All amounts in ₹ crore unless otherwise stated)

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;
- 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 considered credit impaired are the loans which are past due for more than 90 days and has not been completely regularised to zero DPD & includes restructured contracts under Prudential Framework for Resolution of Stressed Assets vide circular RBI/2018-19/203 DBR.No.BP.BC.45/21.04.048/2018-19 dated 7th June, 2019 irrespective of days past due on the reporting date. Loan accounts where principal and/or interest are past due for more than 90 days along with all other loans of such customer, continue to be classified as stage 3, till overdue across all loan accounts are cleared. The Company records an allowance for life time ECL.

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: 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.

(All amounts in ₹ crore unless otherwise stated)

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 probability of default (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.

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.

(All amounts in ₹ crore unless otherwise stated)

3.5.7 Derivatives

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.

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.

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 or 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 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 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:-

- the use of an identified asset,
- the right to obtain substantially all the economic benefits from use of the identified asset,
- 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.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2025



(All amounts in ₹ crore unless otherwise stated)

NOTE 4 Cash and cash equivalents

S.No.	Description	As at 31 st March 2025	As at 31 st March 2024
a)	Cash on hand*	0.33	4.91
b)	Balance with banks - Current accounts	3,583.07	1,741.06
	Total	3,583.40	1,745.97

* 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 2025	As at 31 st March 2024
a)	Bank balance other than cash and cash equivalents	5.95	5.90
	Total	5.95	5.90

* 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 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

S.No.	Description	As at 31 st March 2024		
		Notional amounts	Fair value - Assets	Fair value - Liabilities
a)	Part I - Currency derivatives- Cross currency interest rate swaps	751.50	90.67	-
	Part II - Derivatives included in above are derivatives held for hedging and risk management purposes as cash flow hedges	751.50	90.67	-
	Total	751.50	90.67	-

The Company has a Board approved policy for entering into derivative transactions. Derivative transactions comprises of cross currency interest rate swaps (CCIRS). The Company undertakes such transactions for hedging interest/foreign exchange risk on borrowings. The Asset Liability Management Committee (ALCO) periodically monitors and reviews the risks involved.

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 39 for foreign currency risk management and interest rate sensitivity on derivative financial instruments respectively.

NOTE 7 Trade receivables

S.No.	Particulars	As at 31 st March 2025	As at 31 st March 2024
(i)	Receivables considered good - secured	-	-
(ii)	Receivables considered good - unsecured	153.94	118.95
(iii)	Receivables which have significant increase in credit risk	-	-
(iv)	Receivables - credit impaired	-	-
	Total (A)	153.94	118.95
	Less: Allowance for impairment loss (B)	1.73	1.75
	Net (C) = (A-B)	152.21	117.20

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.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2025



(All amounts in ₹ crore unless otherwise stated)

NOTE 7 Trade receivables (Ageing schedule)

S.No.	Particulars	Outstanding for following periods from due date of payment as at 31 st March 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	152.21	1.60	0.13	-	-	153.94
(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	-	-	-	-	-	-
	Total (A)	152.21	1.60	0.13	-	-	153.94
	Less: Allowance for impairment loss (B)	-	1.60	0.13	-	-	1.73
	Net (C) = (A-B)	152.21	-	-	-	-	152.21

S.No.	Particulars	Outstanding for following periods from due date of payment as at 31 st March 2024					
		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	118.95	-	-	-	-	118.95
(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	-	-	-	-	-	-
	Total (A)	118.95	-	-	-	-	118.95
	Less: Allowance for impairment loss (B)	1.75	-	-	-	-	1.75
	Net (C) = (A-B)	117.20	-	-	-	-	117.20

NOTE 8 Loans

S.No.	Description	As at 31 st March 2025	As at 31 st March 2024
(A) Term loans		Amortised cost	
	i) Automobile financing	18,130.65	18,339.55
	ii) Consumer lending	8,428.23	7,384.29
	iii) Small business lending	620.54	682.47
	Total loans - Gross	27,179.42	26,406.31
	Less: Impairment loss allowance	880.58	936.07
	Total loans - Net	26,298.84	25,470.24
(B) Nature	a) Secured by tangible assets	21,918.72	20,897.00
	b) Unsecured loans	5,260.70	5,509.31
	Total loans - Gross (a) + (b)	27,179.42	26,406.31
	d) Less: Impairment loss allowance	880.58	936.07
	Total loans - Net (c) - (d)	26,298.84	25,470.24

(All amounts in ₹ crore unless otherwise stated)

NOTE 8 Loans (Contd.)

S.No.	Description	As at 31 st March 2025	As at 31 st March 2024
i)	Loans in India		
	Public sector	-	-
	Others	27,179.42	26,406.31
	Total loans - Gross	27,179.42	26,406.31
	Less: Impairment loss allowance	880.58	936.07
	Total loans - Net	26,298.84	25,470.24
ii)	Loans outside India	-	-
iii)	Total loans (i) + (ii)	26,298.84	25,470.24

- 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 6,266 nos repossessed vehicles as at Balance Sheet date. (31st March 2024: 5,863 nos).
- The term loans include loans given to related parties (refer note 42) 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.
- There is no divergence in asset classification and provisioning in the financial statement in the previous year assessed by RBI.
- Percentage (%) of gold loan to total assets as on 31st March 2025 is 0.07%. (31st March 2024: 0.00%)
- Refer note 44 for additional disclosures.

NOTE 9 Investments

S.No.	Description	As at 31 st March 2025	As at 31 st March 2024
A	At cost:		
a)	Investment in equity instruments of subsidiaries:		
i)	TVS Housing Finance Private Limited (1,20,00,000 (31 st March 2024: 1,20,00,000) shares of ₹ 10 each fully paid up)	12.00	12.00
ii)	Harita Two Wheeler Mall Private Ltd (2,500 (31 st March 2024: 2,500) shares of ₹ 10 each fully paid up)	0.00	0.00
iii)	Harita ARC Private Limited (2,500 (31 st March 2024: 2,500) shares of ₹ 10 each fully paid up)	0.00	0.00
B	At amortised cost:		
a)	Investment in Government securities	282.12	93.46
C	At fair value through other comprehensive income:		
a)	Investment in Alternative instrument fund:		
	60,000 units of Eight Innovate fund II (31 st March 2024: 40,000)	5.38	4.00
b)	Investment in Compulsory convertible debentures:		
	25 (31 st March 2024 : 25) 0.001% compulsorily convertible debentures of ₹1,00,000 each in Hyper Grocers Private Limited	0.25	0.25
	Total – Gross (A)	299.75	109.71
	(i) Investments outside India	-	-
	(ii) Investments in India	299.75	109.71
	Total	299.75	109.71
	Less: Allowance for impairment loss (B)	-	-
	Total - Net = (A) - (B)	299.75	109.71

(All amounts in ₹ crore unless otherwise stated)

NOTE 10 Other financial assets

S.No.	Description	As at 31 st March 2025	As at 31 st March 2024
	At amortised cost:		
a)	Employees related receivables	18.06	14.00
b)	Security deposit for leased premises	13.29	11.17
c)	Other financial assets - Related parties	0.03	0.02
d)	Other financial assets - Non related parties	5.34	6.04
e)	Deposit with service providers	2.12	2.66
	Total - Gross	38.84	33.88
	Less: Impairment loss allowance	10.56	8.84
	Total - Net	28.28	25.05

NOTE 11 Current tax assets (Net)

S.No.	Description	As at 31 st March 2025	As at 31 st March 2024
a)	Opening balance	19.80	(9.60)
b)	Add: Taxes paid	315.03	337.04
c)	Less: Taxes payable	(323.80)	(307.64)
	Total - Net	11.03	19.80

NOTE 12 Deferred tax assets/(liabilities)

The balance comprises temporary differences attributable to:

S.No.	Description	As at 31 st March 2023	Charge/ (Credit) to profit and loss	Charge/ (Credit) to OCI	As at 31 st March 2024	Charge/ (Credit) to profit and loss	Charge/ (Credit) to OCI	As at 31 st March 2025
	Deferred tax assets/(liabilities) on account of :							
a)	Impairment allowance for financial instruments	175.16	48.82	-	223.98	16.90	-	240.88
b)	Difference between depreciation as per books of account and the Income Tax Act, 1961	4.84	0.04	-	4.88	1.44	-	6.32
c)	Provision for compensated absences and gratuity	11.81	1.13	2.27	15.21	(5.92)	2.48	11.77
d)	Provision for pension	2.46	0.18	0.19	2.83	0.20	0.20	3.23
e)	Expenses disallowed under Sec 40 (a) (ia)	22.50	24.16	-	46.66	16.87	-	63.53
f)	Impact of effective interest rate adjustment on financial assets	4.90	43.52	-	48.42	35.84	-	84.26
g)	Mark to market on derivatives	(6.50)	-	4.52	(1.98)	-	2.39	0.41
h)	Impact of effective interest rate adjustment on financial liabilities	(2.82)	(0.42)	-	(3.24)	(0.09)	-	(3.33)
i)	Impact of lease accounting as per Ind AS 116	1.10	0.10	-	1.20	0.37	-	1.57
	Total deferred tax assets/(liabilities)	213.45	117.53	6.98	337.96	65.61	5.07	408.64

(All amounts in ₹ crore unless otherwise stated)

NOTE 13 Investment property

Description	Land	Building	Total
As at 31st March 2025			
Gross carrying amount as at 1st April 2024	85.16	-	85.16
Additions	-	-	-
Sub-total	85.16	-	85.16
Disposals	-	-	-
Closing gross carrying amount (A)	85.16	-	85.16
Depreciation and amortisation			
Opening accumulated depreciation	-	-	-
Depreciation/amortisation charge for the year	-	-	-
Sub-total	-	-	-
Disposals	-	-	-
Closing accumulated depreciation and amortisation(B)	-	-	-
Net carrying value as at 31st March 2025 (A)-(B)	85.16	-	85.16
Net carrying value as at 31st March 2024	85.16	-	85.16

Description	Land	Building	Total
As at 31st March 2024			
Gross carrying amount as at 1st April 2023	85.16	-	85.16
Additions	-	-	-
Sub-total	85.16	-	85.16
Disposals	-	-	-
Closing gross carrying amount (A)	85.16	-	85.16
Depreciation and amortisation			
Opening accumulated depreciation	-	-	-
Depreciation/amortisation charge for the year	-	-	-
Sub-total	-	-	-
Disposals	-	-	-
Closing accumulated depreciation and amortisation(B)	-	-	-
Net carrying value as at 31st March 2024 (A)-(B)	85.16	-	85.16

(i) Fair value

	As at 31 st March 2025	As at 31 st March 2024
Investment properties	422.11	411.15

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	Valuation Technique	Significant unobservable inputs	Range (Weighted Avg)	Sensitivity of the input to fair value	Fair Value (Rs. In crore)	Sensitivity (Rs. In crore)
Investment property as at 31 st March 2025	Professional valuer	Per/Acre	15,40,00,000 per acre	5%	15.40	21.11
Investment property as at 31 st March 2024	Professional valuer	Per/Acre	15,00,00,000 per acre	5%	15.00	20.56

(All amounts in ₹ crore unless otherwise stated)

NOTE 14 (A) Property, plant and equipment and intangible assets

Description	Property, plant and equipment						Right-to-use Asset	Intangible assets (Computer software)
	Computers	Furniture & fixtures	Office equipments	Vehicles	Leasehold improvements	Total		
As at 31st March 2025								
Gross carrying amount as at 1st April 2024	48.49	19.82	16.49	1.49	-	86.29	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	60.49	23.40	27.74	1.49	6.00	119.12	122.44	21.80
Disposals	0.26	0.20	2.24	-	-	2.70	-	-
Closing gross carrying amount (A)	60.23	23.20	25.50	1.49	6.00	116.42	122.44	21.80
Depreciation and amortisation								
Opening accumulated depreciation	27.95	10.84	11.29	0.29	-	50.37	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	42.67	13.43	16.64	0.48	0.78	74.00	57.25	19.27
Disposals	0.25	0.19	2.22	-	-	2.66	-	-
Closing accumulated depreciation and amortisation (B)	42.42	13.24	14.42	0.48	0.78	71.34	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
Net carrying value as at 31st March 2024	20.54	8.98	5.20	1.20	-	35.92	26.58	2.94

Description	Property, plant and equipment						Right-to-use Asset	Intangible assets (Computer software)
	Computers	Furniture & fixtures	Office equipments	Vehicles	Leasehold improvements	Total		
As at 31st March 2024								
Gross carrying amount as at 1st April 2023	43.10	13.26	15.45	1.49	-	73.30	56.86	18.37
Additions and adjustments on account of modification	14.05	7.52	3.19	-	-	24.75	6.10	2.14
Adjustment due to revaluation and acquisitions through business combinations	-	-	-	-	-	-	-	-
Sub-total	57.15	20.78	18.64	1.49	-	98.05	62.96	20.51
Disposals	8.66	0.96	2.15	-	-	11.77	-	-
Closing gross carrying amount (A)	48.49	19.82	16.49	1.49	-	86.28	62.96	20.51
Depreciation and amortisation								
Opening accumulated depreciation	23.32	9.77	10.87	0.10	-	44.06	28.13	16.42
Depreciation/amortisation charge for the year	13.27	1.97	2.56	0.19	-	17.99	8.25	1.15
Sub-total	36.59	11.74	13.43	0.29	-	62.05	36.38	17.57
Disposals	8.64	0.90	2.14	-	-	11.69	-	-
Closing accumulated depreciation and amortisation(B)	27.95	10.84	11.29	0.29	-	50.36	36.38	17.57
Net carrying value as at 31st March 2024 (A)-(B)	20.54	8.98	5.20	1.20	-	35.92	26.58	2.94

The Company follows cost model as per Ind AS 16 and the company has not revalued its PPE (including right-to-use asset).

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 ₹ crore unless otherwise stated)

NOTE 14 (B) 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 2025	As at 31 st March 2024
Opening balance	2.73	0.41
Additions	6.93	3.55
Deductions	7.26	1.23
Closing balance	2.40	2.73

Aging for capital work-in-progress

Particulars	As at	Amount in CWIP for a period of				
		Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Projects in progress	31 st March 2025	2.40	-	-	-	2.40
Projects in progress	31 st March 2024	2.73	-	-	-	2.73

There are no projects temporarily suspended or projects whose completion is overdue or has exceeded its cost compared to its original plan.

Intangible assets under development

Particulars	As at 31 st March 2025	As at 31 st March 2024
Opening balance	3.18	1.17
Additions	8.32	5.70
Deductions	0.54	3.69
Closing balance	10.96	3.18

Aging for intangible assets under development

Particulars	As at	Amount for a period of				
		Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Projects in progress	31 st March 2025	8.04	2.92	-	-	10.96
Projects in progress	31 st March 2024	3.18	-	-	-	3.18

There are no projects temporarily suspended or projects whose completion is overdue or has exceeded its cost compared to its original plan.

(All amounts in ₹ crore unless otherwise stated)

NOTE 15 Other non-financial assets

S.No.	Description	As at 31 st March 2025	As at 31 st March 2024
a)	Advances to dealers	0.17	0.31
b)	Prepaid expenses	33.00	22.43
c)	Vendor advances	12.92	28.04
d)	Balances with GST/ Service tax department	6.96	7.76
	Total	53.05	58.54

Impairment loss allowance recognised on other non-financial assets is Nil (31st March 2024: Nil).

NOTE 16 Trade payables

S.No.	Description	As at 31 st March 2025	As at 31 st March 2024
(a)	Total outstanding dues of micro enterprises and small enterprises	9.35	14.19
(b)	Total outstanding dues of creditors other than micro enterprises and small enterprises	1,081.98	1,035.09
	Total	1,091.33	1,049.28

NOTE 16.1 Trade payables (Ageing schedule)

The following schedules reflect ageing of trade payables with respect to the date of transactions

S.No.	Descriptions	Outstanding for following periods from due date of payment as at 31 st March 2025				
		<1 year	1-2 years	2-3 years	More than 3 years	Total
(i)	Undisputed dues – MSME*	9.35	-	-	-	9.35
(ii)	Undisputed dues – Others	1,081.81	0.09	0.08	-	1,081.98
(iii)	Disputed dues – MSME*	-	-	-	-	-
(iv)	Disputed dues – Others	-	-	-	-	-
	Total	1,091.16	0.09	0.08	-	1,091.33

S.No.	Descriptions	Outstanding for following periods from due date of payment as at 31 st March 2024				
		<1 year	1-2 years	2-3 years	More than 3 years	Total
(i)	Undisputed dues – MSME*	14.19	-	-	-	14.19
(ii)	Undisputed dues – Others	1,034.99	0.10	-	-	1,035.09
(iii)	Disputed dues – MSME*	-	-	-	-	-
(iv)	Disputed dues – Others	-	-	-	-	-
	Total	1,049.18	0.10	-	-	1,049.28

* 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.

NOTE 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:

(All amounts in ₹ crore unless otherwise stated)

NOTE 16 Trade payables (Contd.)

Particulars	As at 31 st March 2025	As at 31 st March 2024
The principal amount and the interest due thereon (to be shown separately) remaining unpaid to any supplier as at the end of each accounting period:		
- Principal	9.35	14.19
- Interest	-	-
The amount of interest paid by the buyer in terms of section 16 of the Micro, Small and Medium Enterprises Development Act, 2006, along with the amount of the payment made to the supplier beyond the appointed day during each accounting year;	-	-
The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the Micro, Small and Medium Enterprises Development Act, 2006;	-	-
The amount of interest accrued and remaining unpaid at the end of each accounting year; and	-	-
The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprise, for the purpose of disallowance of a deductible expenditure under section 23 of the Micro, Small and Medium Enterprises Development Act, 2006.	-	-

NOTE 17 Debt securities

Description	As at 31 st March 2025	As at 31 st March 2024
At amortised cost		
Commercial paper (Unsecured)	-	-
Non-convertible debentures (Secured)	2,625.39	1,510.99
Total (A)	2,625.39	1,510.99
Debt securities in India	2,625.39	1,510.99
Debt securities outside India	-	-
Total (B)	2,625.39	1,510.99

NOTE 18 Borrowings (Other than debt securities)

Description	As at 31 st March 2025	As at 31 st March 2024
At amortised cost		
(a) Term loans (Secured)		
i) from banks	16,757.81	13,559.32
ii) from other parties	943.06	842.55
iii) External commercial borrowings	299.22	838.01
(b) Loans repayable on demand		
i) cash credit from banks (Secured)	0.03	0.09
ii) working capital demand loan (Secured)	1,792.35	3,376.84
iii) working capital demand loan (Unsecured)	-	426.96
Total (A)	19,792.47	19,043.77
Borrowings in India	19,493.25	18,205.76
Borrowings outside India	299.22	838.01
Total (B)	19,792.47	19,043.77

Period and amount of default: NIL (31st March 2024: NIL)

(All amounts in ₹ crore unless otherwise stated)

NOTE 19 Subordinated liabilities

Description	As at 31 st March 2025	As at 31 st March 2024
At amortised cost - Unsecured		
(a) Perpetual debt instruments to the extent that do not qualify as equity	103.57	103.57
(b) Other subordinated liabilities		
From banks	-	-
From others	2,165.74	2,109.39
Total (A)	2,269.31	2,212.96
Subordinated liabilities in India	2,269.31	2,212.96
Subordinated liabilities outside India	-	-
Total (B)	2,269.31	2,212.96

Period and amount of default: NIL (31st March 2024: NIL)

- 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.
- There are no unhedged foreign currency exposures.
- The Company has not breached any covenant of loan availed or debt securities issued.
- Change in liabilities arising from financing activities

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

Particulars	As at 1 st April 2023	Cash flows	Exchange differences	Other	As at 31 st March 2024
Debt securities	2,658.80	(1,175.00)	-	27.19	1,510.99
Borrowings other than debt securities	14,568.48	4,537.97	(62.06)	(0.63)	19,043.77
Subordinated liabilities	1,798.27	400.38	-	14.33	2,212.96
Total	19,025.55	3,763.35	(62.06)	40.89	22,767.72

- * (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 STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2025



(All amounts in ₹ crore unless otherwise stated)

Annexure

Terms of the debt securities, borrowings and subordinated liabilities as at 31st March 2025

Institution	Amount outstanding as at 31 st March 2025	Type of security	Interest rate	Total instalment	No. of instalments 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	28-07-2026
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

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2025



(All amounts in ₹ crore unless otherwise stated)

Institution	Amount outstanding as at 31 st March 2025	Type of security	Interest rate	Total instalment	No. of instalments remaining	Frequency	Repayable from	Repayable to
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
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

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2025



(All amounts in ₹ crore unless otherwise stated)

Institution	Amount outstanding as at 31 st March 2025	Type of security	Interest rate	Total instalment	No. of instalments remaining	Frequency	Repayable from	Repayable to
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
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
Total	18,000.09							
Subordinated liabilities								
Perpetual debt	103.57	Unsecured	11.50%	1	1	Bullet	25-11-2027	25-11-2027
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

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2025



(All amounts in ₹ crore unless otherwise stated)

Institution	Amount outstanding as at 31 st March 2025	Type of security	Interest rate	Total instalment	No. of instalments remaining	Frequency	Repayable from	Repayable to
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							

Institution	Amount outstanding as at 31 st March 2024	Type of security	Interest rate	Total instalment	No. of instalments remaining	Frequency	Repayable from	Repayable to
Debt securities								
Non Convertible Debentures	834.02	Secured	8.30%	2	2	Bullet	14-08-2025	12-09-2025
Non Convertible Debentures	439.05	Secured	8.15%	2	2	Bullet	19-09-2024	18-10-2024
Non Convertible Debentures	237.92	Secured	8.40%	1	1	Bullet	26-06-2026	26-06-2026
	1,510.99							
Loan repayable on demand	3,376.93	Secured	7.70% - 8.71%	Repayable on demand				
	426.96	Unsecured						
	3,803.89							
Term loan								
Bank	62.48	Secured	6.30%	8	2	Quarterly	31-12-2022	30-09-2024
Bank	124.99	Secured	6.30%	8	4	Quarterly	31-05-2023	28-02-2025
Bank	299.96	Secured	7.00%	10	6	Quarterly	30-04-2023	30-07-2025
Bank	489.04	Secured	7.59%	10	7	Quarterly	30-09-2023	31-12-2025
Bank	746.04	Secured	8.34%	15	14	Quarterly	31-03-2024	01-10-2027
Bank	99.22	Secured	7.70%	39	39	Monthly	31-07-2024	30-09-2027
Bank	499.91	Secured	8.25%	11	11	Quarterly	01-10-2024	01-04-2027
Bank	281.26	Secured	8.30%	16	15	Quarterly	29-03-2024	29-12-2027
Bank	125.01	Secured	7.94%	4	2	Quarterly	30-11-2023	31-08-2024
Bank	299.95	Secured	8.35%	14	14	Quarterly	31-08-2024	30-11-2027
Bank	200.14	Secured	7.00%	1	1	Bullet	27-10-2024	27-10-2024
Bank	400.32	Secured	8.10%	1	1	Bullet	29-05-2026	29-05-2026
Bank	124.99	Secured	8.26%	5	5	Half Yearly	29-02-2024	31-08-2026
Bank	42.03	Secured	7.75%	36	3	Monthly	25-07-2021	24-06-2024
Bank	83.94	Secured	7.50%	36	6	Monthly	28-10-2021	27-09-2024
Bank	63.02	Secured	8.27%	36	9	Monthly	31-01-2022	30-12-2024

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2025



(All amounts in ₹ crore unless otherwise stated)

Institution	Amount outstanding as at 31 st March 2024	Type of security	Interest rate	Total instalment	No. of instalments remaining	Frequency	Repayable from	Repayable to
Bank	176.46	Secured	5.60%	37	13	Monthly	30-04-2022	29-04-2025
Bank	326.12	Secured	6.35%	37	16	Monthly	29-07-2022	28-07-2025
Bank	293.14	Secured	7.25%	12	7	Quarterly	23-03-2023	21-01-2026
Bank	59.72	Secured	7.60%	37	22	Monthly	02-02-2023	21-01-2026
Bank	40.26	Secured	7.75%	12	8	Quarterly	20-05-2023	21-03-2026
Bank	58.77	Secured	7.75%	37	24	Monthly	20-03-2023	21-03-2026
Bank	251.06	Secured	7.25%	12	8	Quarterly	30-06-2023	28-04-2026
Bank	459.37	Secured	7.10%	16	13	Quarterly	30-09-2023	29-06-2027
Bank	152.58	Secured	7.10%	16	13	Quarterly	30-09-2023	29-06-2027
Bank	337.83	Secured	7.10%	16	14	Quarterly	27-12-2023	26-09-2027
Bank	101.29	Secured	7.54%	16	14	Quarterly	27-12-2023	26-09-2027
Bank	376.84	Secured	7.15%	16	15	Quarterly	29-02-2024	30-11-2027
Bank	94.23	Secured	7.15%	16	15	Quarterly	26-03-2024	27-12-2027
Bank	749.41	Secured	7.10%	13	13	Quarterly	30-12-2024	30-09-2026
Bank	249.95	Secured	8.25%	1	1	Bullet	29-09-2025	29-09-2025
Bank	249.90	Secured	8.25%	1	1	Bullet	30-06-2026	30-06-2026
Bank	60.48	Secured	8.50%	10	6	Quarterly	29-06-2023	29-09-2025
Bank	302.10	Secured	8.50%	10	6	Quarterly	01-07-2023	01-10-2025
Bank	241.73	Secured	8.50%	10	6	Quarterly	01-07-2023	01-10-2025
Bank	100.01	Secured	7.28%	10	5	Quarterly	31-01-2023	30-04-2025
Bank	249.96	Secured	8.08%	10	10	Quarterly	29-04-2024	29-07-2026
Bank	249.96	Secured	8.20%	10	10	Quarterly	20-07-2024	20-10-2026
Bank	99.99	Secured	7.10%	13	13	Quarterly	30-06-2024	30-06-2027
Bank	299.97	Secured	8.15%	8	8	Quarterly	11-03-2025	08-12-2026
Bank	119.96	Secured	8.03%	10	6	Quarterly	31-07-2023	31-10-2025
Bank	210.03	Secured	8.03%	10	7	Quarterly	31-07-2023	31-10-2025
Bank	349.99	Secured	8.65%	10	7	Quarterly	30-09-2023	30-12-2025
Bank	719.94	Secured	8.35%	10	9	Quarterly	31-03-2024	30-06-2026
Bank	200.03	Secured	8.35%	10	10	Quarterly	30-04-2024	31-07-2026
Bank	458.30	Secured	8.35%	12	11	Quarterly	29-02-2024	30-11-2026
Bank	49.94	Secured	8.30%	12	12	Quarterly	30-06-2024	31-03-2027
Bank	125.89	Secured	8.40%	8	4	Quarterly	23-06-2023	23-03-2025
Bank	157.44	Secured	8.40%	8	5	Quarterly	20-07-2023	20-04-2025
Bank	335.58	Secured	8.40%	12	8	Quarterly	10-05-2023	10-02-2026
Bank	1,006.73	Secured	8.25%	12	12	Quarterly	27-06-2024	27-03-2027
Bank	301.83	Secured	8.25%	1	1	Bullet	27-03-2025	27-03-2025

(All amounts in ₹ crore unless otherwise stated)

Institution	Amount outstanding as at 31 st March 2024	Type of security	Interest rate	Total instalment	No. of instalments remaining	Frequency	Repayable from	Repayable to
Others	301.58	Secured	8.00%	43	43	Monthly	10-06-2024	10-12-2027
Others	500.97	Secured	8.25%	12	12	Quarterly	10-06-2024	10-03-2027
Others	40.23	Secured	7.85%	5	1	Quarterly	05-05-2023	30-04-2024
Bank-ECB	838.01	Secured	6.92%	1	1	Bullet	02-12-2024	02-12-2024
Total	15,239.88							
Subordinated liabilities								
Perpetual debt	103.57	Unsecured	11.50%	1	1	Bullet	25-11-2027	25-11-2027
Other subordinated liabilities:								
Others	101.75	Unsecured	10.90%	1	1	Bullet	07-08-2024	07-08-2024
Others	152.95	Unsecured	9.40%	1	1	Bullet	10-06-2026	10-06-2026
Others	150.26	Unsecured	9.40%	1	1	Bullet	26-08-2026	26-08-2026
Others	101.92	Unsecured	8.85%	1	1	Bullet	02-06-2027	02-06-2027
Others	359.56	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	324.79	Unsecured	9.50%	1	1	Bullet	31-01-2028	31-01-2028
Others	201.89	Unsecured	9.35%	1	1	Bullet	29-08-2028	29-08-2028
Others	512.57	Unsecured	9.30%	1	1	Bullet	27-06-2029	27-06-2029
Others	102.24	Unsecured	10.00%	1	1	Bullet	01-07-2026	01-07-2026
Total	2,109.39							
Subordinated liabilities total	2,212.96							

Details of security

- Non convertible debentures of ₹ 2,625 crore inclusive of current and non-current dues (As at 31st March 2024 ₹ 1,511 crore) is fully secured by exclusive floating charge against hypothecation of receivables under the financing activity of the Company.
- Term loan received from banks and other parties of ₹ 18,000 crore inclusive of current and non-current dues (As at 31st March 2024 ₹ 15,240 crore) is fully secured by exclusive floating charge against hypothecation of receivables under the financing activity of the Company.
- Working capital demand loan and cash credit of ₹ 1,792 crore (As at 31st March 2024 ₹ 3,377 crore) is fully secured by exclusive floating charge against hypothecation of receivables under the financing activity of the Company.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2025



(All amounts in ₹ crore unless otherwise stated)

NOTE 20 Other financial liabilities

S.No.	Description	As at 31 st March 2025	As at 31 st March 2024
a)	Employee related liabilities	134.41	166.04
b)	Security deposit	15.51	137.23
c)	Lease liability (refer note 41)	71.43	31.36
	Total	221.35	334.63

NOTE 21 Provisions

S.No.	Description	As at 31 st March 2025	As at 31 st March 2024
a)	Pension (refer note 37)	12.70	11.23
b)	Gratuity (refer note 37)	3.60	0.57
c)	Compensated absences (refer note 37)	43.28	55.79
	Total	59.58	67.59

NOTE 22 Other non-financial liabilities

S.No.	Description	As at 31 st March 2025	As at 31 st March 2024
a)	Statutory dues	42.87	52.84
	Total	42.87	52.84

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 ₹ 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 ₹ 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.

S.No.	Description	As at 31 st March 2025	As at 31 st March 2024
c)	Authorised share capital:		
	300,000,000 (As at 31 st March 2024 : 300,000,000) equity shares of ₹10 each	300.00	300.00
	20,000,000 (As at 31 st March 2024 : 20,000,000) 0.001% Compulsorily convertible preference shares of ₹10 each	20.00	20.00
	Total	320.00	320.00
d)	Issued, subscribed and paid-up:		
	Equity share:		
	236,272,706 (As at 31 st March 2024 : 228,223,926) equity shares of ₹10 each	236.27	228.22
	Total	236.27	228.22
	Instruments entirely equity in nature:		
	18,384,684 (As at 31 st March 2024: 18,384,684) 0.001% Compulsorily convertible preference shares of ₹10 each	18.38	18.38
	Total	18.38	18.38

(All amounts in ₹ crore unless otherwise stated)

NOTE 23 Equity share capital (Contd.)

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 2025		As at 31 st March 2024	
	No. of shares	Amount	No. of shares	Amount
At the beginning of the year	22,82,23,926	228.22	22,82,23,926	228.22
Add: Issued during the year*	80,48,780	8.05	-	-
At the end of the year	23,62,72,706	236.27	22,82,23,926	228.22

* On 28th June 2024, the Company through preferential issue on private placement basis allotted 80,48,780 equity shares to eligible buyers at a price of ₹410 per equity share of ₹10 face value (inclusive of premium of ₹400 per share) aggregating to approximately ₹330 crore.

0.001% Compulsorily convertible preference shares:

Particulars	As at 31 st March 2025		As at 31 st March 2024	
	No. of shares	Amount	No. of shares	Amount
At the beginning of the year	1,83,84,684	18.38	-	-
Add: Issued during the year	-	-	1,83,84,684	18.38
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 31 st March 2025	As at 31 st March 2024
Equity shares:		
TVS Motor Company Limited	20,23,19,089	19,54,24,754
0.001% Compulsorily convertible preference shares:		
TVS Motor Company Limited	31,69,773	31,69,773

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 2025		As at 31 st March 2024	
	No. of shares	% of holding	No. of shares	% of holding
Equity shares:				
TVS Motor Company Limited	20,23,19,089	85.63%	19,54,24,754	85.63%
PI Opportunities Fund I Scheme II	1,22,72,143	5.19%	1,14,03,378	5.00%
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

Promoter Name	No. of shares	% of total shares	% change during the year
Equity share:			
TVS Motor Company Limited	20,23,19,089	85.63%	0.00%
0.001% Compulsorily convertible preference shares:			
TVS Motor Company Limited	31,69,773	17.24%	0.00%

(All amounts in ₹ crore unless otherwise stated)

NOTE 24 Other equity

Description	As at 31 st March 2025	As at 31 st March 2024
a) Securities premium	2,196.14	1,874.19
b) Statutory reserves	509.85	356.40
c) Share based payment reserve	0.27	-
d) Retained earnings	1,988.24	1,382.40
e) Other reserves-Hedging reserve	(1.23)	5.89
Total reserves and surplus	4,693.27	3,618.88

Description	As at 31 st March 2025	As at 31 st March 2024
a) Securities premium		
Opening balance	1,874.19	1,336.35
Additions during the year	321.95	537.84
Closing balance	2,196.14	1,874.19

Description	As at 31 st March 2025	As at 31 st March 2024
b) Statutory reserves		
Opening balance	356.40	242.03
Transfer from retained earnings	153.45	114.37
Closing balance	509.85	356.40

Description	As at 31 st March 2025	As at 31 st March 2024
c) Share based payment reserve		
Opening balance	-	-
Transfer from retained earnings	0.27	-
Closing balance	0.27	-

Description	As at 31 st March 2025	As at 31 st March 2024
d) Retained earnings		
Opening balance	1,382.40	932.20
Net profit for the Year	767.25	571.83
Items of other comprehensive income recognised directly in retained earnings:		
- Remeasurements of post-employment benefit obligation net off tax	(7.96)	(7.26)
Transfer to statutory reserve	(153.45)	(114.37)
Closing balance	1,988.24	1,382.40

Description	As at 31 st March 2025	As at 31 st March 2024
e) Other reserves - Hedging reserve		
Opening balance	5.89	19.31
Add: Change in fair value of hedging instruments, net off tax	(6.65)	(13.42)
Add: Fair value gain/(loss) on financial instruments through other comprehensive income	(0.47)	-
Closing balance	(1.23)	5.89

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.

(All amounts in ₹ crore unless otherwise stated)

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 reserve-Hedging reserve

It represents the cumulative gains/(losses) arising on revaluation of the derivative instruments designated as cash flow hedges through OCI.

NOTE 25 Interest income

Description	Year ended 31 st March 2025	Year ended 31 st March 2024
On financial assets measured at amortised cost:		
Interest on loans	5,774.29	5,048.52
Interest on deposits with bank	16.24	64.01
Interest on Government securities	6.79	0.05
Total	5,797.32	5,112.58

NOTE 26 Fees and commission income

Description	Year ended 31 st March 2025	Year ended 31 st March 2024
Fee-based income	525.12	408.18
Service income	211.34	183.87
Total	736.46	592.05

NOTE 27 Net gain on fair value changes

Description	Year ended 31 st March 2025	Year ended 31 st March 2024
Net gain on fair value changes on FVTPL - Realised	92.32	-
Total	92.32	-

NOTE 28 Other operating income

Description	Year ended 31 st March 2025	Year ended 31 st March 2024
Realisation on sale of written off and stressed loans	-	85.09
Total	-	85.09

NOTE 29 Other income

Description	Year ended 31 st March 2025	Year ended 31 st March 2024
Unwinding of discount on security deposits and receivable for investments	0.97	0.95
Other non-operating income	0.44	3.88
Interest on income tax refund	2.52	0.64
Total	3.93	5.47

(All amounts in ₹ crore unless otherwise stated)

NOTE 30 Finance costs

Description	Year ended 31 st March 2025	Year ended 31 st March 2024
Interest expense on financial liabilities measured at amortised cost:		
- Interest on borrowings (other than debt securities)	1,476.13	1,253.76
- Interest on debt securities	169.54	216.98
- Interest on subordinated liabilities	203.74	172.23
Other interest expense:		
- Interest on lease liabilities	6.12	2.82
- Others	7.79	7.85
Total	1,863.32	1,653.64

NOTE 31 Impairment on financial instruments

Description	Year ended 31 st March 2025	Year ended 31 st March 2024
On financial instruments measured at amortised cost		
Bad debts written off (net)	940.98	633.57
Net loss on sale of repossessed assets	410.38	274.09
Impairment provision on loans	(57.20)	217.01
Impairment provision on trade receivables and other financial assets	1.20	2.38
Total	1,295.36	1,127.05

NOTE 32 Employee benefit expenses

Description	Year ended 31 st March 2025	Year ended 31 st March 2024
Salaries and wages	1,019.56	1,051.73
Contribution to provident and other funds	56.86	53.91
Gratuity expenses (refer note 37)	6.87	5.10
Share based payments to employees	0.27	-
Staff welfare expenses	52.02	90.04
Total	1,135.58	1,200.78

NOTE 33 Other expenses

Description	Year ended 31 st March 2025	Year ended 31 st March 2024
Rent, taxes and energy costs (Refer note 41d))	39.71	34.31
Repairs and maintenance	18.31	17.26
Communication costs	97.21	128.83
Printing and stationery	1.59	6.05
Travelling and conveyance	46.13	81.01
Directors sitting fees & commission expenses	1.03	0.81
Legal and professional charges	92.49	140.59
Insurance expenses	0.90	0.39
Information technology expenses	106.16	88.97
Manpower support expenses	274.49	49.45
Brand royalty fees	24.96	15.60
Auditors fees and expenses*	0.73	0.67
Corporate social responsibility **	10.00	10.00
Donation	20.00	13.70
Others	3.26	6.88
Total	736.97	594.52

(All amounts in ₹ crore unless otherwise stated)

***Auditors fees and expenses**

Description	Year ended 31 st March 2025	Year ended 31 st March 2024
Statutory audit	0.42	0.39
Limited review	0.13	0.12
Tax audit	0.08	0.08
Certification	0.05	0.04
Reimbursement of expenses	0.05	0.04
Auditors fees and expenses	0.73	0.67

**** Expenditure incurred on corporate social responsibility activities:**

Particulars	Year ended 31 st March 2025	Year ended 31 st March 2024
(i) Amount required to be spent by the Company during the year	9.53	5.12
(ii) Amount of expenditure incurred	10.00	10.00
(iii) Shortfall at the end of the year	-	-
(iv) Total of previous years shortfall	-	-
(v) Reason for shortfall	NA	NA
(vi) Nature of CSR activities		
a. Expenses incurred through Trusts	10.00	10.00
Total	10.00	10.00

NOTE 34 Income tax expenses

Description	Year ended 31 st March 2025	Year ended 31 st March 2024
(a) Income tax expense:		
Current tax on profits for the year	323.80	307.64
Tax profits relating to prior period	-	-
Total current tax expense	323.80	307.64
Deferred tax		
Decrease/(Increase) in deferred tax assets	(65.61)	(117.53)
(Decrease)/Increase in deferred tax liabilities	-	-
Total deferred tax expense/(benefit)	(65.61)	(117.53)
Income tax expense for the year	258.19	190.11
(b) Reconciliation of tax expense and the accounting profit multiplied by India's tax rate:		
Profit before income tax expense	1,025.44	761.94
Tax at the Indian tax rate of 25.168% (31st March 2024: 25.168%)	258.08	191.76
Tax effect of amounts which are permanent differences in nature in calculation of taxable income	0.11	(1.65)
Income tax expense	258.19	190.11

(All amounts in ₹ crore unless otherwise stated)

NOTE 35 Other comprehensive income

Description	Year ended 31 st March 2025	Year ended 31 st March 2024
Items that will not be reclassified to profit or loss		
Remeasurement of the defined benefit plans	(10.64)	(9.72)
Income tax relating to these items	2.68	2.46
Items that will be reclassified to profit or loss		
Fair value change on cash flow hedge	(8.89)	(17.95)
Income tax relating to these items	2.24	4.52
Fair value gain/(loss) on financial instruments through other comprehensive income	(0.62)	-
Income tax relating to these items	0.16	-
Other comprehensive income	(15.08)	(20.69)

NOTE 36 Earnings per equity share (EPS)

Description	Year ended 31 st March 2025	Year ended 31 st March 2024
(a) Basic earnings per share		
Basic earnings per share attributable to the equity holders of the Company	30.36	23.90
(b) Diluted earnings per share		
Diluted earnings per share attributable to the equity holders of the Company	30.36	23.90
(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	767.25	571.83
Diluted earnings per share:		
Profit attributable to equity holders of the Company used in calculating diluted earnings per share	767.25	571.83
(d) Weighted average number of equity shares used as the denominator in calculating basic earnings per share	25,27,16,862	23,92,28,062
Effect of dilution:		
Employee stock options	2,782	-
(e) Weighted average number of equity shares used as the denominator in calculating diluted earnings per share	25,27,19,644	23,92,28,062

(All amounts in ₹ crore unless otherwise stated)

NOTE 37 Employee benefit obligations

Defined benefit obligation

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			Compensated Absences		
	Present value of obligation	Fair value of plan assets	Total	Present value of obligation	Fair value of plan assets	Total	Present value of obligation	Fair value of plan assets	Total
As at 1st April 2023	33.85	(36.16)	(2.31)	9.77	-	9.77	42.88	-	42.88
Current service cost	5.38	-	5.38	-	-	-	-	-	-
Interest expense/(income)	2.54	(2.82)	(0.28)	0.74	-	0.74	3.28	-	3.28
Return on plan assets, excluding amounts included in interest expense/(income)	-	-	-	-	-	-	-	-	-
(Gain)/loss from change in financial assumptions	-	-	-	-	-	-	0.18	-	0.18
Experience (gains)/losses	-	-	-	-	-	-	9.45	-	9.45
Total amount recognised in profit or loss	7.92	(2.82)	5.10	0.74	-	0.74	12.91	-	12.91
Remeasurements									
Return on plan assets, excluding amounts included in interest expense/(income)	-	0.74	0.74	-	-	-	-	-	-
(Gain)/loss from change in financial assumptions	0.16	-	0.16	0.22	-	0.22	-	-	-
Experience (gains)/losses	8.10	-	8.10	0.50	-	0.50	-	-	-
Total amount recognised in other comprehensive (income)/losses	8.26	0.74	9.00	0.72	-	0.72	-	-	-
Employer contributions	-	(11.22)	(11.22)	-	-	-	-	-	-
Benefit payments	(5.51)	5.51	-	-	-	-	-	-	-
As at 31st March 2024	44.52	(43.95)	0.57	11.23	-	11.23	55.79	-	55.79
As at 1st April 2024	44.52	(43.95)	0.57	11.23	-	11.23	55.79	-	55.79
Current service cost	7.07	-	7.07	-	-	-	-	-	-
Interest expense/(income)	3.12	(3.32)	(0.20)	0.79	-	0.79	3.81	-	3.81
Return on plan assets, excluding amounts included in interest expense/(income)	-	-	-	-	-	-	-	-	-
(Gain)/loss from change in financial assumptions	-	-	-	-	-	-	0.65	-	0.65
Experience (gains)/losses	-	-	-	-	-	-	(16.98)	-	(16.98)
Total amount recognised in profit or loss	10.19	(3.32)	6.87	0.79	-	0.79	(12.51)	-	(12.51)
Remeasurements									
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	43.28	-	43.28

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2025



(All amounts in ₹ crore unless otherwise stated)

NOTE 37 Employee benefit obligations (Contd.)

Details	Gratuity		Pension		Compensated Absences	
	31 st March 2025	31 st March 2024	31 st March 2025	31 st March 2024	31 st March 2025	31 st March 2024
Discount rate	6.34%	6.95%	6.44%	6.95%	6.34%	6.95%
Salary growth rate	6.00%	6.00%	5.50%	5.50%	6.00%	6.00%
Attrition rate	36.00%	36.00%	0.00%	0.00%	36.00%	36.00%
Retirement age	58	58	60	60	58	58
Mortality inclusive of provision for disability	100% of Indian assured lives mortality (IALM)					

(i) Sensitivity analysis

FY 2024-25

Particulars	Gratuity			Pension			Compensated absences		
	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	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	0.50%	42.83	43.74
Salary growth rate	0.50%	57.74	56.43	1.00%	14.26	11.38	0.50%	43.73	42.82
Mortality	5.00%	57.08	57.08	5.00%	12.60	12.81	5.00%	43.28	43.28
Attrition	5.00%	56.68	57.49	5.00%	12.70	12.70	5.00%	43.29	43.26
₹10,00,000 benefit ceiling	-	55.33	-	-	-	-	-	-	-
No benefit ceiling	-	-	57.86	-	-	-	-	-	-

FY 2023-24

Particulars	Gratuity			Pension			Compensated absences		
	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	Change in assumption	Due to increase in assumption	Due to decrease in assumption
Discount rate	0.50%	44.00	45.03	1.00%	10.07	12.62	0.50%	55.22	56.37
Salary growth rate	0.50%	45.02	44.00	1.00%	12.69	10.00	0.50%	56.37	55.22
Mortality	5.00%	44.51	44.51	5.00%	11.15	11.32	5.00%	55.79	55.79

(ii) Projected plan cash flow

Maturity profile	Amount (Rs. in crs)
Expected benefits for year 1	35.56
Expected benefits for year 2	26.70
Expected benefits for year 3	19.94
Expected benefits for year 4	14.43
Expected benefits for year 5	10.54
Expected benefits for year 6 and above	24.16
Total	131.33

(iii) Risk exposure:

Through its defined benefit plans, the Company is exposed to a number of risks, the most significant of which are detailed below:

Asset volatility

The plan liabilities are calculated using a discount rate set with reference to bond yield;

Changes in bond yields

A decrease in bond yields will increase plan liabilities, although this will be partially offset by an increase in the value of the plans' bond holdings

(iv) Defined contribution plans:

The Company's contribution to defined contribution plan viz. provident fund and ESI, of ₹ 55.80 crore (As at 31st March 2024: ₹ 52.65 crore) has been recognised in the Statement of Profit and Loss.

(v) Category of plan assets

100% in insurer managed funds

(All amounts in ₹ crore unless otherwise stated)

NOTE 38 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.

Financial assets and financial liabilities measured at amortised cost, including their levels in the fair value hierarchy.

Particulars	Carrying amount		Fair value hierarchy	Fair value	
	31 st March 2025	31 st March 2024		31 st March 2025	31 st March 2024
Financial assets:					
Cash and cash equivalents	3,583.40	1,745.97	Level 3	3,583.40	1,745.97
Other bank balances	5.95	5.90	Level 3	5.95	5.90
Trade receivables	152.21	117.20	Level 3	152.21	117.20
Loans	26,298.84	25,470.24	Level 3	26,298.84	25,470.24
Investment in subsidiaries	12.01	12.01	Level 3	12.01	12.01
Investment in Government securities	282.12	93.46	Level 1	282.12	93.46
Investment in Compulsory convertible debentures	0.25	0.25	Level 3	0.25	0.25
Other financial assets					
Employees related receivables	12.84	10.49	Level 3	12.84	10.49
Security deposit for leased premises	13.29	11.17	Level 3	13.29	11.17
Other financial assets - Related parties	0.03	0.02	Level 3	0.03	0.02
Other financial assets - Non related parties	-	0.71	Level 3	-	0.71
Deposit with service providers	2.12	2.65	Level 3	2.12	2.65
Total	30,363.06	27,470.07		30,363.06	27,470.07

Financial liabilities carried at amortised cost

Trade payables	1,091.33	1,049.27	Level 3	1,091.33	1,049.27
Debt securities	2,625.39	1,510.99	Level 2	2,625.39	1,510.99
Borrowings other than debt securities	19,792.47	19,043.77	Level 3	19,792.47	19,043.77
Subordinated liabilities	2,269.31	2,212.96	Level 2	2,269.31	2,212.96
Other financial liabilities	221.35	334.63	Level 3	221.35	334.63
Total	25,999.85	24,151.62		25,999.85	24,151.62

Financial assets and financial liabilities measured at fair value:

Particulars	Fair value hierarchy	31 st March 2025	31 st March 2024
Financial assets			
Derivative financial instruments	Level 2	-	90.67
Investment in Alternate investment fund	Level 3	5.38	4.00
Investment in Compulsory convertible debentures	Level 3	0.25	0.25
Total financial assets		5.63	94.92
Financial liabilities			
Derivative financial instruments	Level 2	2.24	-
Total financial liabilities		2.24	-

There were no transfers between any levels during the year.

(All amounts in ₹ crore unless otherwise stated)

(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

(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 have been considered as the carrying value of these investments since these investments have been made in the subsidiaries of the Company.
- 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 39 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, debentures and commercial papers.

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.

(All amounts in ₹ crore unless otherwise stated)

NOTE 39 Financial risk management (Contd.)

Particulars	31 st March 2025	31 st March 2024
Gross Carrying value of loans		
Stage 1 (Up to 30 days)	25,066.77	24,357.57
Stage 2 (31-90 days) [#]	1,329.68	1,305.94
Stage 3 (More than 90 days) [*]	782.97	742.80
Total Gross carrying value as of year end	27,179.42	26,406.31

[#] Includes restructured contracts under one time resolution framework vide RBI circular dated August 6, 2020 and RBI/2 021- 22/31/DOR. STR.REC.11 /21.04.048/2021-22 dated 5th May, 2021 even though days past due is less than and equal to 30 days on the reporting date.

^{*} Includes restructured contracts under Prudential Framework for Resolution of Stressed Assets vide circular RBI/2018-19/203 DBR. No.BP.BC.45/21.04.048/2018-19 dated 7th June 2019 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 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 is taken through follow ups and legal recourse.

Inputs considered in the ECL model

In assessing the impairment of loans 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 categories 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 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.

(All amounts in ₹ crore unless otherwise stated)

NOTE 39 Financial risk management (Contd.)

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.

In accordance with the board approved moratorium policy read with the Reserve Bank of India (RBI) guidelines dated 27th March, 2020 and 17th April, 2020 relating to 'COVID-19 – Regulatory Package', the Company has offered moratorium upto six months on the payment of installments falling due between 1st March, 2020 and 31st August, 2020 to all eligible borrowers. The Company has extended One-Time Resolution framework as for COVID-19-related Stress to eligible customers as per applicable RBI guidelines and as per the policy of the Company. The Company has classified all restructured accounts done under Prudential Framework for Resolution of Stressed Assets vide circular RBI/2018-19/203 DBR.No.BP.BC.45/21.04.048/2018-19 dated 7th June 2019 in Stage 3 and with regard to restructured contracts done under one time resolution framework vide RBI circular dated 6th August, 2020 and RBI/2 021- 22/31/DOR.STR. REC.11 /21.04.048/2021-22 dated 5th May, 2021 in stage 2 irrespective of days past due status on the reporting date.

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.

Impairment loss

The expected credit loss allowance provision is determined as follows:

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%

FY 23-24	Stage 1	Stage 2	Stage 3	Grand total
Gross carrying value	24,357.57	1,305.94	742.80	26,406.31
Allowance for ECL	289.48	253.54	393.05	936.07
ECL coverage ratio	1.19%	19.41%	52.91%	3.54%

Reconciliation of expected credit loss

Particulars	Stage 1	Stage 2	Stage 3	Grand total
Balance as at 1st April 2024	264.74	138.78	306.54	710.06
Transfer from stage 1	(15.17)	8.74	6.43	-
Transfer from stage 2	13.19	(55.32)	42.13	-
Transfer from stage 3	8.78	4.45	(13.23)	-
Loans that have derecognised during the period	(39.36)	(48.00)	(116.07)	(203.43)
New loans originated during the year	114.54	59.15	49.21	222.90
Net remeasurement of loss allowance	(57.24)	145.74	118.04	206.54
Balance as at 31st March 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)	(224.55)
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

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:

(All amounts in ₹ crore unless otherwise stated)

NOTE 39 Financial risk management (Contd.)

	31 st March 2025	31 st March 2024
Carrying value		
Concentration by geographical region in India		
South	11,173.70	10,636.43
West	6,927.67	7,256.11
East	4,736.87	4,252.84
North	4,341.18	4,260.93
Total loans as at reporting period	27,179.42	26,406.31

(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 ascertain 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:

	31 st March 2025	31 st March 2024
Floating rate		
Expiring within one year	4,820	1,950
Expiring beyond one year	-	-
	4,820	1,950

(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 carrying amount
As at 31st March 2025						
Financial assets:						
Cash and cash equivalents	3,583.40	-	-	-	-	3,583.40
Fixed deposits	-	-	5.95	-	-	5.95
Trade receivables	38.64	38.13	75.44	-	-	152.21
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	10,544.29	4,915.51	7,771.05	14,021.53	24.21	37,276.59
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	245.39	-	-	1,091.33
Other financial liabilities	7.82	6.99	144.00	51.39	10.90	221.10
Total	3,142.88	3,777.68	7,631.23	14,133.46	161.48	28,846.73

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2025



(All amounts in ₹ crore unless otherwise stated)

NOTE 39 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 carrying amount
As at 31st March 2024						
Financial assets:						
Cash and cash equivalents	1,745.97	-	-	-	-	1,745.97
Fixed deposits	-	-	5.90	-	-	5.90
Derivative financial instruments	-	-	90.67	-	-	90.67
Trade receivables	29.51	29.31	58.38	-	-	117.20
Loans	6,440.74	4,432.37	7,119.02	15,218.23	10.23	33,220.59
Investments	-	-	100.25	-	16.25	116.50
Other financial assets	3.09	1.88	7.60	12.48	-	25.05
Total	8,219.31	4,463.56	7,381.82	15,230.71	26.48	35,321.88
Financial liabilities:						
Borrowings	1,944.17	2,156.42	8,884.91	11,991.57	523.22	25,500.29
Security deposit	23.21	15.47	98.55	-	-	137.23
Trade payables	614.43	247.99	185.68	1.18	-	1,049.28
Other financial liabilities	4.02	2.45	168.74	17.16	11.82	204.19
Total non-derivative liabilities	2,585.83	2,422.33	9,337.88	12,009.91	535.04	26,890.99

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 carrying amount
As at 31st March 2025						
Financial assets:						
Cash and cash equivalents	3,583.40	-	-	-	-	3,583.40
Fixed deposits	-	-	5.95	-	-	5.95
Trade receivables	38.64	38.13	75.44	-	-	152.21
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	9,618.78	3,839.71	6,163.26	11,604.12	23.14	31,249.01
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	245.39	-	-	1,091.33
Other financial liabilities	6.49	5.66	141.35	42.49	9.85	205.84
Total	2,678.38	3,366.30	6,973.71	12,823.85	159.85	26,002.09

Particulars	Less than 3 months	3 to 6 months	6 months to 1 year	Between 1 and 5 years	More than 5 years	Total carrying amount
As at 31st March 2024						
Cash and cash equivalents	1,745.97	-	-	-	-	1,745.97
Fixed deposits	-	-	5.90	-	-	5.90
Derivative financial instruments	-	-	90.67	-	-	90.67
Trade receivables	29.51	29.31	58.38	-	-	117.20
Loans	5,229.47	3,333.03	5,339.72	12,495.10	8.99	26,406.31
Investments	-	-	93.46	-	16.25	109.71
Other financial assets	3.09	1.88	7.60	12.48	-	25.05
Total	7,008.04	3,364.22	5,595.73	12,507.58	25.24	28,500.81
Financial liabilities:						
Borrowings	1,596.16	1,779.51	8,090.76	10,801.26	500.03	22,767.72
Security deposit	23.21	15.47	98.55	-	-	137.23
Trade payables	614.43	247.99	185.68	1.18	-	1,049.28
Other financial liabilities	3.42	1.85	167.50	13.48	11.15	197.40
Total non-derivative liabilities	2,237.22	2,044.82	8,542.49	10,815.92	511.18	24,151.63

(All amounts in ₹ crore unless otherwise stated)

NOTE 39 Financial risk management (Contd.)

(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 2025	31 st March 2024
Financial liabilities		
Variable Foreign Currency Borrowings (USD 35 million) (Year ended 31st March 2024 : USD 100 million)	300.13	751.50
Derivative liabilities		
Hedged through forward contracts and CCS	300.13	751.50
Net exposure to foreign currency risk (liabilities)	-	-

(b) Sensitivity analysis:

The Company has hedged all its foreign currency exposures by entering into CCS/ forwards 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 2025	31 st March 2024
INR/USD Increases by 5%	-	-
INR/USD Decreases by 5%	-	-

(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 year ended 31st March 2025 and 31st March 2024, 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	31 st March 2025	31 st March 2024
Variable rate borrowings	17,493.01	13,871.00
Total borrowings	24,687.17	22,767.72

As at the end of the reporting period, the Company had the following variable rate borrowings outstanding:

Particulars	31 st March 2025		
	Weighted average interest rate	Balance	% of total loans
Cash credits, bank loans etc.	7.93%	17,493.01	70.86%

Particulars	31 st March 2024		
	Weighted average interest rate	Balance	% of total loans
Cash credits, bank loans etc.	8.15%	13,871.00	61.41%

An analysis by maturities is provided in note 39 B (ii) above.

(All amounts in ₹ crore unless otherwise stated)

NOTE 39 Financial risk management (Contd.)

(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 2025	31 st March 2024
Interest rates – increase by 50 basis points (50 bps) *	(65.45)	(51.90)
Interest rates – decrease by 50 basis points (50 bps) *	65.45	51.90

* Holding all other variables constant

NOTE 40 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	31 st March 2025	31 st March 2024
Net debt (total borrowings, less cash and cash equivalents)	21,103.76	21,021.76
Total equity (as shown in the balance sheet)	4,947.92	3,865.48
Net debt to equity ratio	4.27	5.44

(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 44 17.2 A)
- 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.

(All amounts in ₹ crore unless otherwise stated)

NOTE 41 Leases

a) Lease disclosures pertaining to right-to-use asset

Particulars	31 st March 2025	31 st March 2024
Opening balance	26.58	28.73
Add: Adjustments on account of modification	35.95	-
Add: Additions during the year	23.53	6.10
Less: Deletions during the year	-	-
Less: Depreciation during the year	(20.87)	(8.25)
Closing balance	65.19	26.58

b) Lease liability movement

Particulars	31 st March 2025	31 st March 2024
Opening balance	31.36	33.11
Add: Adjustments on account of modification	34.72	-
Add: Additions during the year	23.53	6.10
Add: Interest accrued during the year	6.12	2.82
Less: Interest paid during the year	(6.12)	(2.82)
Less: Deletions during the year	-	-
Less: Principal repayment during the year	(18.20)	(7.84)
Closing balance	71.41	31.36

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 non-cancellable 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 and Loss

Particulars	31 st March 2025	31 st March 2024
Finance charges		
Interest expense	6.12	2.82
Depreciation		
Amortisation of right to use assets	20.87	8.25
Other expenses		
<u>Rent expenses</u>		
Expense relating to short-term leases (included in other expenses)	6.68	17.70
Expense relating to leases of low-value assets that are not short-term leases (included in other expenses)	-	-
Expense relating to variable lease payments not included in the measurement of lease liabilities	-	-
Total	33.67	28.77

f) Additional disclosures in cash flow statement

Particulars	31 st March 2025	31 st March 2024
Cash flow financing activities		
Principal repayments related to lease liabilities	18.20	7.84
Interest payments related to lease liabilities	6.12	2.82

g) Contractual maturities of lease liabilities outstanding

Particulars	31 st March 2025	31 st March 2024
Less than one year	19.07	9.12
One to five years	42.49	17.16
More than five years	9.85	5.08
Total	71.41	31.36

(All amounts in ₹ crore unless otherwise stated)

42. 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 (with effect from 16th September 2024) Drive X Mobility Millennial Solutions Private Limited (ceased to be associate of holding company and became fellow subsidiary with effect from 23rd December, 2024)
Enterprise under common control	Sundaram-Clayton Limited Srinivasan Services Trust
Associate of holding company	Scienaptic Systems Private Limited (upto 27th December 2024) TVS Training And Services Ltd
Non-executive directors	Mr. Venu Srinivasan Mr. Sudarshan Venu Mr. K.N. Radhakrishnan Mr. Sanjiv Chadha (with effect from 22nd November 2024)
Independent directors	Mr. R. Gopalan Mr. B. Sriram Ms. Kalpana Unadkat Ms. Deepali Pant Joshi (with effect from 6th August 2024) Mr. T. C. Suseel Kumar (with effect from 6th August 2024)
Director and CEO	Mr. Ashish Sapra, Director and Chief Executive Officer (Directorship with effect from 22nd November 2024)
Key managerial personnel	Ms. Roopa Sampath Kumar, Chief Financial Officer Mr. Sreejith P, Company Secretary (upto 20th January, 2025) Mr. Chetan Nage, Company Secretary (with effect from 27th January 2025)

Transactions with related parties and balance outstanding as at the end of the year:

S.No.	Name of the related party	Nature of Transactions	31 st March 2025	31 st March 2024
1	TVS Motor Company Limited	Contribution towards issuance of equity shares	282.67	-
		Contribution towards Issuance of compulsory convertible preference share	-	200.00
		Receipt of subvention income	10.11	1.35
		Reimbursement of IT expense	2.46	6.40
		Payment towards business support service	3.70	1.58
		Balance outstanding [Dr/(Cr)]	(0.94)	(6.45)

(All amounts in ₹ crore unless otherwise stated)

42. Related party disclosure (Contd.)

S.No.	Name of the related party	Nature of Transactions	31 st March 2025	31 st March 2024
2	TVS Holdings Limited	Payment towards brand royalty fees	22.87	15.55
		Payment towards business support service	2.82	2.88
		Balance outstanding [Dr/(Cr)]	(0.72)	(6.61)
3	TVS Housing Finance Private Limited	Reimbursement of expenses	0.17	0.14
		Balance outstanding [Dr/(Cr)]	-	-
4	Harita ARC Private Limited**	Pre-operative expenses	0.00	0.00
		Balance outstanding [Dr/(Cr)]	0.02	0.01
5	Harita Two Wheeler Mall Private Limited**	Pre-operative expenses	0.00	0.00
		Balance outstanding [Dr/(Cr)]	0.02	0.01
6	TVS Digital Pte. Limited	Payment towards software license fees	1.97	2.55
		Payment towards digital advertisement	-	0.06
		Payment towards business support service	0.01	-
		Balance outstanding [Dr/(Cr)]	(0.18)	(0.75)
7	TVS Digital Ltd	Payment towards business support service	0.36	-
		Balance outstanding [Dr/(Cr)]	(0.16)	-
8	Drive X Mobility Millennial Solutions Private Limited	Receipt towards sale of repossessed vehicles	7.87	29.34
		Balance outstanding [Dr/(Cr)]	-	-
9	Sundaram Clayton Limited	Payment towards business support service	1.27	0.31
		Balance outstanding [Dr/(Cr)]	(0.18)	(0.17)
10	Srinivasan Services Trust	Contribution towards corporate social responsibility	10.00	10.00
		Balance outstanding [Dr/(Cr)]	-	-
11	Scienaptic Systems Private Limited	Payment towards business support service	0.89	0.68
		Balance outstanding [Dr/(Cr)]	(0.17)	-
12	TVS Training and Services Limited	Interest on loan received	0.02	0.02
		Loan recovered	0.06	0.05
		Disbursal of loan	-	0.13
		Balance outstanding [Dr/(Cr)]	0.12	0.18

Remuneration to Key Managerial Personnel*

Particulars	2024-25	2023-24
Short term benefits	8.69	6.60
Post retirement benefits	0.28	0.23
Share based payment	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 ₹ crore unless otherwise stated)

42. Related party disclosure (Contd.)

Directors' sitting fees and commission

Sl. No.	Name of the Director	Nature	2024-25	2023-24
1	Mr. Venu Srinivasan	Sitting fees*	0.00	0.01
		Commission	-	-
2	Mr. K.N. Radhakrishnan	Sitting fees	0.03	0.02
		Commission	-	-
3	Mr. B.Sriram	Sitting fees	0.05	0.02
		Commission	0.20	0.20
4	Mr. R.Gopalan	Sitting fees	0.03	0.02
		Commission	0.20	0.20
5	Ms. Kalpana Unadkat	Sitting fees	0.04	0.02
		Commission	0.20	0.20
6	Mr. V Srinivasa Rangan	Sitting fees	-	0.01
		Commission	-	0.12
7	Ms. Deepali Pant Joshi	Sitting fees	0.01	-
		Commission	0.13	-
8	Mr. T.C. Suseel Kumar	Sitting fees	0.01	-
		Commission	0.13	-
TOTAL			1.03	0.81

- * The sitting fees paid during year ended 31st March 2025 are below the rounding off norms of the company.
- Transaction values are excluding taxes and duties

(All amounts in ₹ crore unless otherwise stated)

42. Related party disclosure (Contd.)

Related party disclosure pursuant to Scale Based Regulation (SBR) disclosure requirements vide notification no. RBI/DoR/2023-24/106DoR.FIN.REC.No.45/03.10.119/2023-24:

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	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	-	-	-	-	0.12	0.18	-	-	-	-	-	-	-	-	0.12	0.18
Maximum outstanding during the year	-	-	-	-	0.18	0.22	-	-	-	-	-	-	-	-	0.18	0.22
Investments:																
Outstanding at the year end	-	-	12.01	12.01	-	-	-	-	-	-	-	-	-	-	12.01	12.01
Maximum outstanding during the year	-	-	12.01	12.01	-	-	-	-	-	-	-	-	-	-	12.01	12.01

(All amounts in ₹ crore unless otherwise stated)

42. Related party disclosure (Contd.)

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*		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	282.67	-	-	-	-	-	-	-	-	-	-	-	-	-	282.67	-
Contribution towards Issuance of compulsory convertible preference share	-	200.00	-	-	-	-	-	-	-	-	-	-	-	-	-	200.00
Receipt of subvention income	10.11	1.35	-	-	-	-	-	-	-	-	-	-	-	-	10.11	1.35
Reimbursement of IT expense	2.46	6.40	-	-	-	-	-	-	-	-	-	-	-	-	2.46	6.40
Payment towards business support service	6.52	4.46	-	-	0.89	0.68	1.27	0.31	-	-	-	-	0.36	-	9.04	5.45
Payment towards brand royalty fees	22.87	15.55	-	-	-	-	-	-	-	-	-	-	-	-	22.87	15.55
Reimbursement of expenses	-	-	0.17	0.14	-	-	-	-	-	-	-	-	-	-	0.17	0.14
Pre-operative expenses	-	-	0.01	-	-	-	-	-	-	-	-	-	-	-	0.01	-
Payment towards software license fees	-	-	-	-	-	-	-	-	-	-	-	-	1.97	2.55	1.97	2.55
Payment towards digital advertisement	-	-	-	-	-	-	-	-	-	-	-	-	-	0.06	-	0.06
Receipt towards sale of repossessed vehicles	-	-	-	-	-	-	-	-	-	-	-	-	7.87	29.34	7.87	29.34
Contribution towards corporate social responsibility	-	-	-	-	-	-	10.00	10.00	-	-	-	-	-	-	10.00	10.00
Disbursal of loan	-	-	-	-	-	0.13	-	-	-	-	-	-	-	-	-	0.13
Loan recovered	-	-	-	-	0.06	0.05	-	-	-	-	-	-	-	-	0.06	0.05
Interest on loan received	-	-	-	-	0.02	0.02	-	-	-	-	-	-	-	-	0.02	0.02

* There is no transaction with directors and relatives of directors.

(All amounts in ₹ crore unless otherwise stated)

43. 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 ESOP granted during the year is as follows:

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

(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	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%

* 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 2025, the Company has accounted expense of ₹0.27 crore as employee benefits expense (Note no. 32) on the aforementioned employee stock option plan (31st March 2024: Nil)

(C) Movement in ESOP

Particulars	As at 31st March 2025		As at 31st March 2024	
	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	-	-	-	-
Granted during the year	1,55,400	178.45	-	-
Forfeited/ cancelled during the year	-	-	-	-
Exercised during the year	-	-	-	-
Outstanding at the end of the year	1,55,400	178.45	-	-
Exercisable at the end of the year	-	-	-	-

Particulars	As at 31st March 2025 (In days)	As at 31st March 2024 (In days)
Weighted average remaining contractual life of options outstanding as at year end	1,321	-

(All amounts in ₹ crore unless otherwise stated)

44. Additional notes forming part of standalone financial statements for the year ended 31st March 2025

1. Capital commitments

Description	31 st March 2025	31 st March 2024
Estimated amount of contracts remaining to be executed on capital account not provided for	13.38	4.47

2. Other commitments

Description	31 st March 2025	31 st March 2024
Undrawn Loans sanctioned to borrowers	41.29	63.47

3. Contingent liabilities not provided for

Claims against the Company not acknowledged as debts

Description	31 st March 2025	31 st March 2024
Disputed Service Tax and GST demand inclusive of penalty (Pre-deposit of ₹ 0.63 crore)	10.65	9.46
Legal cases filed by borrowers against the Company	13.15	6.15

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 gold loan auction for the Company during FY 24-25 was zero.
5. Pursuant to para 2 of general instructions for preparation of financial statements of a 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 have been no significant events after the reporting date that require disclosure in the financial statements.
11. Prior period figures have been regrouped, wherever necessary, to confirm to the current period presentation.

(All amounts in ₹ crore unless otherwise stated)

44. Additional notes forming part of standalone financial statements for the year ended 31st March 2025 (Contd.)

12. Disclosure of ratios:

S.No.	Particulars	31 st March 2025	31 st March 2024
a.	Current ratio	NA	NA
b.	Total borrowings	24,687.17	22,767.72
	Shareholder's equity	4,947.92	3,865.48
	Debt-equity ratio	4.99	5.89
	[Total borrowings/shareholder's equity]		
c.	Debt service coverage ratio	NA	NA
d.	Return on equity ratio	17.41%	17.27%
e.	Inventory turnover ratio	NA	NA
f.	Trade receivable turnover ratio	NA	NA
g.	Trade payable turnover ratio	NA	NA
h.	Net capital turnover ratio	NA	NA
i.	Net profit ratio	11.57%	9.87%
j.	Return on capital employed ratio	NA	NA
k.	Return on investment ratio	NA	NA
l.	Capital to risk-weighted assets ratio (CRAR) (Calculated as per RBI guidelines)	20.30%	18.59%
m.	Tier I CRAR (Calculated as per RBI guidelines)	15.84%	12.84%
n.	Tier II CRAR (Calculated as per RBI guidelines)*	4.46%	5.75%
o.	Liquidity Coverage Ratio (LCR) (Calculated as per RBI guidelines)#	288%	236%

* The Company has issued subordinated debenture of ₹150 crore during the year ended 31st March 2025

Refer disclosure on Liquidity coverage ratio (Note 17.23 (vii))

Notes:

- Certain ratios/line items marked with remark "N/A" are not applicable since the Company is a Non-banking Financial Company registered with the Reserve Bank of India
 - Return on Equity Ratio = Profit after tax/Average Network
 - Net profit ratio (%) = Profit after tax / Total income
- 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 (43 of 1961) during the year.
 - The Company has not traded or invested in crypto currency or virtual currency during the financial year.

(All amounts in ₹ crore unless otherwise stated)

44. Additional notes forming part of standalone financial statements for the year ended 31st March 2025 (Contd.)

17.1 Schedule to the Balance Sheet of a non-deposit taking Non-Banking Financial company (as required in Scale Based Regulation vide notification no. RBI/DoR/2023-24/106 DoR.FIN.REC.No.45/03.10.119/2023-24):

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 (other than falling within the meaning of public deposits and including subordinated debt)	2,167.10	-
B	Deferred credits	-	-
C	Term loans (including subordinated debt)	18,102.30	-
D	Inter-corporate loans and borrowings	-	-
E	Commercial paper	-	-
F	Other loans:	-	-
	i. Cash credit & WCDL	1,792.38	-
	ii. Securitised trust borrowing	-	-
	Total	24,687.17	-

S.No.	Description	Amount outstanding	Amount overdue
		As at 31 st March 2024	
	Liabilities		
(1)	Loans and advances availed by the NBFCs inclusive of interest accrued thereon but not paid:		
A	Debentures	-	-
	- Secured	1,510.99	-
	- Unsecured (other than falling within the meaning of public deposits and including subordinated debt)	2,110.72	-
B	Deferred credits	-	-
C	Term loans (including subordinated debt)	15,342.12	-
D	Inter-corporate loans and borrowings	-	-
E	Commercial paper	-	-
F	Other loans:	-	-
	i. Cash credit & WCDL	3,803.89	-
	ii. Securitised trust borrowing	-	-
	Total	22,767.72	-

(All amounts in ₹ crore unless otherwise stated)

44. Additional notes forming part of standalone financial statements for the year ended 31st March 2025 (Contd.)

S.No.	Description	Amount outstanding as at 31 st March 2025	Amount outstanding as at 31 st March 2024
	Assets		
(2)	Break-up of loans and advances including bills receivable (other than those included in (4) below) :		
(a)	Secured	21,918.72	20,897.00
(b)	Unsecured considered good	5,260.70	5,509.31
(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	27,179.42	26,406.31

S.No.	Description	Amount outstanding	Amount overdue
		As at 31 st 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	282.12	93.46
	(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 ₹ crore unless otherwise stated)

44. Additional notes forming part of standalone financial statements for the year ended 31st March 2025 (Contd.)

S.No.	Description	Amount outstanding	Amount overdue
		As at 31 st March 2025	
	2. Unquoted:		
	(i) Shares: (a) Equity	12.00	12.00
	(b) Preference	-	-
	(ii) Debentures and Bonds	0.25	0.25
	(iii) Units of Mutual Funds	-	-
	(iv) Government Securities	-	-
	(v) Others (Alternate investment fund)	5.38	4.00
	Total	299.75	109.71

(5)	Borrower group-wise classification of assets financed as in (2) and (3) above			
	Category	Amount (Net of provisions for non-performing assets)		
		Secured	Unsecured	Total
	1. Related Parties			
	(a) Subsidiaries	-	-	-
	(b) Companies in the same group	2.22	-	2.22
	(c) Other related parties	-	-	-
	2. Other than related parties	21,448.38	5,153.48	26,601.86
	Total	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/ Breakup of fair value of NAV	Book value (Net of provisions)	
1	Related parties			
	(a) Subsidiaries	12.00		12.00
	(b) Companies in the same group	-		-
	(c) Other related parties	-		-
2	Other than related parties	287.75		97.71
	Total	299.75		109.71

(7)	Other Information	Amount
(i)	Gross non-performing assets	
	(a) Related Parties	-
	(b) Other than related parties	1,338.63
(ii)	Net Non-performing assets	-
	(a) Related Parties	-
	(b) Other than related parties	763.29
(iii)	Assets acquired in satisfaction of debt	-

(All amounts in ₹ crore unless otherwise stated)

44. Additional notes forming part of standalone financial statements for the year ended 31st March 2025 (Contd.)

17.2 Disclosures required in terms of Scale Based Regulation vide notification no. RBI/DoR/2023-24/106 DoR.FIN.REC. No.45/03.10.119/2023-24).

(A) Capital adequacy ratio

Description	2024-25	2023-24
Tier I capital	4,592.73	3,596.18
Tier II capital	1,293.60	1,611.84
Total capital	5,886.33	5,208.02
Total risk weighted assets	28,986.83	28,013.47
Amount of subordinated debt as Tier II capital (Discounted value)	1,089.60	1,329.40
Capital ratios		
Tier I capital as a percentage of total risk weighted assets (%)	15.84%	12.84%
Tier II capital as a percentage of total risk weighted assets (%)	4.46%	5.75%
Total (%)	20.30%	18.59%
Amount of perpetual debt raised and qualifying as Tier I capital during the year	-	-
Amount of subordinated debt raised and qualifying as Tier II capital during the year	150.00	500.00

(B) Investment

S.No.	Description	2024-25	2023-24
1.	Value of investments		
	i) Gross value of investments		
	a) In India	299.75	109.71
	b) Outside India	-	-
	ii) Provision for depreciation		
	a) In India	-	-
	b) Outside India	-	-
	iii) Net value of investments		
	a) In India	299.75	109.71
	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	-	-

(C) Derivative

The Company has fully hedged all its foreign currency borrowing at the time of drawal of each loan.

(All amounts in ₹ crore unless otherwise stated)

44. Additional notes forming part of standalone financial statements for the year ended 31st March 2025 (Contd.)

(D) Exposure to Real estate sector, both direct and indirect

Description	31 st March 2025	31 st March 2024
(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	2.88	2.55
(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.).	1.86	2.80
(c) Investments in Mortgage backed securities (MBS) and other securitised exposures-		
a. Residential	-	-
b. 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	4.74	5.35

(E) Exposure to capital market

S.No.	Description	31 st March 2025	31 st March 2024
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 purpose where shares or convertible bonds or convertible debentures or units of equity oriented mutual funds are taken as a primary security.	-	-
iv	Advances for any other purpose 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.	-	-
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	All exposures to Venture Capital Funds (both registered and unregistered)	-	-
ix	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	-	-
x	Financing to stockbrokers for margin trading	-	-
xi	All exposures to Alternative investment funds:		
	(i) Category I	6.00	4.00
	(ii) Category II	-	-
	(iii) Category III	-	-
	Total exposure to capital market	6.25	4.25

(All amounts in ₹ crore unless otherwise stated)

44. Additional notes forming part of standalone financial statements for the year ended 31st March 2025 (Contd.)

(F) Disclosure on sectoral exposures

S.No.	Sector	2024-25			2023-24		
		Total Exposure (includes on balance sheet and off-balance sheet exposure)	Gross NPA	Percentage of Gross NPAs to total exposure in that sector	Total Exposure (includes on balance sheet and off-balance sheet exposure)	Gross NPA	Percentage of Gross NPAs to total exposure in that sector
1	Agriculture and allied activities	4,726.15	560.49	11.86%	5,817.28	700.62	12.04%
2	Industry						
	i. MSME	2,186.66	58.85	2.69%	1,216.86	1.84	0.15%
	ii. Other	147.01	6.04	4.11%	214.85	11.89	5.53%
	Total	2,333.67	64.89	2.78%	1,431.71	13.73	0.96%
3	Services	-	-	-	-	-	-
4	Personal loans	4,616.42	177.29	3.84%	4,803.36	179.40	3.73%
5	Others						
	i. Vehicles	11,608.62	460.63	3.97%	11,641.22	371.33	3.19%
	ii. Consumer durable	3,689.42	74.71	2.02%	2,488.52	35.15	1.41%
	iii. Advance to dealers	184.25	0.68	0.37%	223.57	4.75	2.13%
	iv. Other	20.89	-	-	0.65	-	-
	Total	15,503.18	536.02	3.46%	14,353.96	411.23	2.86%
	Grand total	27,179.42	1,338.69	4.93%	26,406.31	1,304.98	4.94%

(G) Disclosure on intra-group exposures

Description	2024-25	2023-24
Total amount of intra-group exposures	2.22	2.31
Total amount of top 20 intra-group exposures	2.22	2.31
Percentage of intra-group exposures to total exposure of the NBFC on borrower/customers	0.01%	0.01%

The above disclosure in notes 44.17.2C to 44.17.2G also covers disclosure pursuant to Scale Based Regulation (SBR) disclosure requirements vide notification no. RBI/DoR/2023-24/106 DoR.FIN.REC.No.45/03.10.119/2023-24.

(H) Asset liability management maturity pattern of certain items of assets and liabilities

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 years	Over 3 years up to 5 years	Over 5 years
Deposits	-	-	-	-	-	-	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
Investments	-	-	-	-	-	-	282.12	-	-	17.63
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
Foreign currency assets	-	-	-	-	-	-	-	-	-	-
Foreign currency liabilities	-	-	-	-	-	-	-	299.22	-	-

(All amounts in ₹ crore unless otherwise stated)

44. Additional notes forming part of standalone financial statements for the year ended 31st March 2025 (Contd.)

As at 31 st March 2024										
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 years	Over 3 years up to 5 years	Over 5 years
Deposits	-	-	-	-	-	-	5.90	-	-	-
Advances	781.41	520.94	558.15	1,433.43	1,608.64	3,163.49	5,065.92	10,643.51	2,379.45	251.37
Investments	-	-	-	-	-	-	93.46	-	-	16.25
Borrowings	0.09	-	468.90	280.43	846.75	1,779.51	7,252.75	9,034.07	1,767.18	500.03
Foreign currency assets	-	-	-	-	-	-	-	-	-	-
Foreign currency liabilities	-	-	-	-	-	-	838.01	-	-	-

(I) Category-wise classification of frauds reported during the year vide DNBS.PPD.01/66.15.001/2016-17 dated 29th September, 2016

There were 20 cases of frauds amounting to ₹ 0.47 crore reported during the year. (Previous year 7 cases amounting to ₹ 0.93 crore).

17.3 Disclosure-relating securitisation

(a) Outstanding amount of securitised assets of as per books of SPVs

S.No.	Description	2024-25	2023-24
1.	No. of SPVs sponsored by the NBFC for securitisation transactions	-	-
2.	Total amount of securitised assets as per books of the SPVs sponsored by NBFC's	-	-
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 (cash collateral term deposits with banks)	-	-
	- Second loss	-	-
	- Others	-	-
4.	Amount of exposures to securitisation transactions other than MRR		
	a) Off-balance sheet exposures		
	i) Exposure to own securitisations		
	- First loss	-	-
	- Loss	-	-
	ii) Exposure to third-party securitisations		
	- First loss	-	-
	- Others	-	-
	b) On-balance sheet exposures		
	i) Exposure to own securitisations		
	- First loss	-	-
	- Others	-	-
	ii) Exposure to third-party securitisations		
	- First loss	-	-
	- Others	-	-

(All amounts in ₹ crore unless otherwise stated)

44. Additional notes forming part of standalone financial statements for the year ended 31st March 2025 (Contd.)

(b) The value of "excess interest spread receivable" and "unrealized gain" on securitization transactions undertaken in terms of guidelines on securitization transaction issued by Reserve bank of India on 21st August, 2012 are given below:

S.No.	Description	2024-25		2023-24	
		Non-Current	Current	Non-Current	Current
1	Excess interest spread receivable	-	-	-	-
2	Unrealised gain on securitisation transactions	-	-	-	-

(c) Details of financial assets sold to securitisation/reconstruction company for asset reconstruction

Description	2024-25	2023-24
No. of accounts	-	17,184.00
Aggregate value (net of provisions) of accounts sold to SC/RC	-	8.40
Aggregate consideration	-	7.66
Additional consideration realised in respect of accounts transferred in earlier years	-	-
Aggregate gain/loss over net book value	-	(0.74)

(d) Details of assignment transactions undertaken by NBFCs

Description	2024-25	2023-24
No. of accounts	-	-
Aggregate value (net of provisions) of accounts sold	-	-
Aggregate consideration	-	-
Additional consideration realised in respect of accounts transferred in earlier years	-	-
Aggregate gain/loss over net book value	-	-

17.4 (a) Disclosure pursuant to Scale Based Regulation (SBR) disclosure requirements vide notification no. RBI/DoR/2023-24/106DoR.FIN.REC.No.45/03.10.119/2023-24

S.No.	Movement of NPA	2024-25	2023-24
(I)	Net NPA to Net advances (%)	2.87%	2.89%
(II)	Movement of gross NPA*		
	a. Opening balance	1,304.98	910.02
	b. Additions during the year	1,554.26	1,411.17
	c. Reductions during the year	500.10	409.31
	d. Write off during the year	1,020.45	606.90
	e. Closing balance	1,338.69	1,304.98
(III)	Movement of net NPA		
	a. Opening balance	748.26	552.53
	b. Additions during the year	1,078.09	1,056.51
	c. Reductions during the year	42.55	253.88
	d. Write off during the year	1,020.45	606.90
	e. Closing balance	763.35	748.26
(IV)	Movement of provision for NPAs*		
	a. Opening balance	556.72	357.49
	b. Provisions made during the year	476.10	354.66
	c. Reductions/Write off during the year	457.49	155.43
	d. Closing balance	575.33	556.72

(All amounts in ₹ crore unless otherwise stated)

44. Additional notes forming part of standalone financial statements for the year ended 31st March 2025 (Contd.)

* #The Reserve Bank of India (RBI) vide its circular no. RBI/2021-2022/125 DOR.STR.REC.68/21.04.048/2021-22, dated 12th November, 2021 on "Prudential norms on Income Recognition, Asset Classification and Provisioning (IRACP) pertaining to Advances - Clarifications", had clarified / harmonized certain aspects of extant regulatory guidelines with a view to ensuring uniformity in the implementation of IRACP norms across all lending institutions. The Company has since taken necessary steps to implement the provisions of this circular under IRACP norms for regulatory purpose. The aforementioned circular has no impact on the financial results for the quarter and year ended 31st March, 2025, as the Company continues to prepare financial statements in accordance with Indian Accounting Standards ('Ind AS') notified under the Companies (Indian Accounting Standards) Rules, 2015 as amended and the RBI circular dated 13th March, 2020 on "Implementation of Indian Accounting Standards.

*NPA figures mentioned above includes Restructured contracts under Prudential Framework for Resolution of Stressed Assets vide circular RBI/2018-19/203 DBR.No.BP.BC.45/21.04.048/2018-19 dated 7th June 2019

(b) Details of resolution plan implemented under the Resolution Framework for COVID-19-related Stress as per RBI circular dated 6th August, 2020 and RBI/2 021- 22/31/DOR.STR.REC.11 /21.04.048/2021-22 dated 5th May, 2021 are given below:

	(A)	(B)	(C)	(D)	(E)
Type of Borrower	Exposure to accounts classified as standard consequent to implementation of resolution plan - position as at the end of previous half-year (A)	Of (A), aggregate debt that slipped into NPA during the half-year	Of (A), amount written off during the half-year	Of (A), amount paid by borrowers during the half-year	Exposure to accounts classified as standard consequent to implementation of resolution plan - position as at the end of this half-year (A)
Personal loans	4.36	0.26	0.01	1.73	2.36
Corporate persons	0.93	0.75	-	0.18	-
Of which, MSMEs	0.93	0.75	-	0.18	-
Others	-	-	-	-	-
Total	5.29	1.01	0.01	1.91	2.36

(c) Disclosure on restructured accounts under Prudential Framework for Resolution of Stressed Assets vide circular RBI/2018-19/203 DBR.No.BP.BC.45/21.04.048/2018-19 dated 7th June, 2019

Particulars	Amount
Restructured loans as on 1 st April 2024	Amount outstanding 14.23
	Provision thereon 5.98
Fresh restructuring during the year	Amount outstanding -
	Provision thereon -
Reductions during the year	Amount outstanding 3.50
	Provision thereon 1.77
Write-off of restructured accounts during the year	Amount outstanding 8.20
	Provision thereon 3.04
Restructured loans as on 31 st March 2025	Amount outstanding 2.53
	Provision thereon 1.17

(All amounts in ₹ crore unless otherwise stated)

44. Additional notes forming part of standalone financial statements for the year ended 31st March 2025 (Contd.)

(d) Provisions and contingencies

Break-up of 'Provisions and contingencies' shown under the head expenditure in Statement of Profit and Loss

Description	31 st March 2025	31 st March 2024
Provision for depreciation on investments	-	-
Provision/Impairment allowance towards NPA (Net)	32.11	190.23
Provision/Impairment allowance towards standard assets	(87.60)	26.78
Provision/Impairment allowance on trade receivables & other financial assets	1.20	2.38
Provision made towards income tax	323.80	307.64
Total	269.51	527.03

**17.5 Disclosure as required by DOR (NBFC).CC.PD.No.109/22.10.106/2019-20
Comparison between ECL as per books and RBI provision
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 109	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
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	0.00	0.01	0.00	0.00
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	0.00	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
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

*Includes restructured contracts under Prudential Framework for Resolution of Stressed Assets vide circular RBI/2018-19/203 DBR.No.BP.BC.45/21.04.048/2018-19 dated 7th June 2019 irrespective of days past due on the reporting date.

(All amounts in ₹ crore unless otherwise stated)

44. Additional notes forming part of standalone financial statements for the year ended 31st March 2025 (Contd.)

As at 31st March 2024

Asset classification as per RBI Norms	Asset classification as per Ind AS 109	Gross carrying amount as per Ind AS 109	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
Performing assets						
Standard	Stage 1	24,276.24	282.43	23,993.81	97.10	185.33
Standard	Stage 2	825.09	96.91	728.18	3.30	93.61
Subtotal for standard		25,101.33	379.34	24,721.99	100.40	278.94
Non-performing assets (NPA)						
Substandard	Stage 1	70.76	6.08	64.68	9.61	(3.53)
Substandard	Stage 2	426.60	139.46	287.14	65.46	74.00
Substandard	Stage 3	564.76	302.36	262.40	105.62	196.74
Subtotal for substandard		1,062.12	447.90	614.22	180.69	267.21
Doubtful 1- up to 1 year	Stage 1	10.58	0.96	9.62	2.81	(1.85)
Doubtful 1- up to 1 year	Stage 2	54.24	17.17	37.07	16.37	0.80
Doubtful 1- up to 1 year	Stage 3	176.01	89.30	86.71	57.43	31.87
Doubtful 2- 1 to 3 years	Stage 3	1.77	1.28	0.49	0.84	0.44
Doubtful 3- More than 3 years	Stage 3	0.26	0.12	0.14	0.16	(0.04)
Subtotal for doubtful		242.86	108.83	134.03	77.61	31.22
Loss	Stage 3	-	-	-	-	-
Subtotal for NPA		1,304.98	556.73	748.25	258.30	298.43
Total	Stage 1	24,357.58	289.47	24,068.11	109.52	179.95
	Stage 2	1,305.93	253.54	1,052.39	85.13	168.41
	Stage 3	742.80	393.06	349.74	164.05	229.01
	Total	26,406.31	936.07	25,470.24	358.70	577.37

In terms of the above notification on Implementation of Indian Accounting Standards, Non-Banking Financial Companies (NBFCs) are required to create an impairment reserve for any shortfall in impairment allowances under Ind AS 109 and Income Recognition, Asset Classification and Provisioning (IRACP) norms (including provision on standard assets). The impairment allowances under Ind AS 109 made by the Company exceeds the total provision required under IRACP (including standard asset provisioning), as at 31st March 2025 and as at 31st March 2024 and accordingly, no amount is required to be transferred to Impairment reserve.

17.6 Concentration of advances, exposures & NPAs

(a) Concentration of advances

Description	2024-25	2023-24
Total advances to twenty largest borrowers	121.15	108.18
Percentage of advances to twenty largest borrowers to total advances	0.45%	0.41%

(b) Concentration of exposures

Description	2024-25	2023-24
Total exposures to twenty largest borrowers/customers	121.15	108.18
Percentage of exposures to twenty largest borrowers to total exposures	0.45%	0.41%

(c) Concentration of NPAs

Description	2024-25	2023-24
Total exposure to top four NPA accounts	7.34	7.68

(All amounts in ₹ crore unless otherwise stated)

44. Additional notes forming part of standalone financial statements for the year ended 31st March 2025 (Contd.)

17.7 a. Summary information on complaints received by the NBFCs from customers

Description	2024-25	2023-24
No. of complaints pending at the beginning of the year	109	156
No. of complaints received during the year	4,505	3,960
No. of complaints disposed during the year	4,482	4,007
of which No. of complaints rejected by the NBFC	79	45
No. of complaints pending at the end of the year	132	109

b. Maintainable complaints received by the NBFCs from offices of Ombudsman

Description	2024-25	2023-24
No. of complaints received by the NBFC from the office of Ombudsman	416	369
No. of complaints resolved in favour of the NBFC by office of Ombudsman	406	362
No. of complaints resolved after passing of awards by office of Ombudsman against the NBFC	-	-
No. of complaints resolved through conciliation/mediation/advisories issued by office of Ombudsman	10	7
Number of awards unimplemented within the stipulated time (other than those appealed)	-	-

c. Details of awards unimplemented within the stipulated time

Description	2024-25	2023-24
No. of awards unimplemented within the stipulated time (other than those appealed)	-	-

d. 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
2024-25					
(a) Staff interaction related	22	851	4%	21	-
(b) Sourcing Related	14	44	(85%)	1	-
(c) Levy of charges related	1	161	(14%)	2	1
(d) SMS calls related	3	228	73%	4	-
(e) Loan Application related	-	-	(100%)	-	-
(f) Others	69	3,221	30%	104	-
2023-24					
(a) Staff interaction related	19	816	63%	22	-
(b) Sourcing Related	20	299	(15%)	14	-
(c) Levy of charges related	8	187	(63%)	1	-
(d) SMS calls related	9	132	(61%)	3	-
(e) Loan Application related	6	47	(85%)	-	-
(f) Others	94	2,479	0%	69	10

The above disclosure in note 44.17.7 also covers disclosure pursuant to Scale Based Regulation (SBR) disclosure requirements vide notification no. RBI/DoR/2023-24/106 DoR.FIN.REC.No.45/03.10.119/2023-24.

(All amounts in ₹ crore unless otherwise stated)

44. Additional notes forming part of standalone financial statements for the year ended 31st March 2025 (Contd.)

17.8 Disclosure pursuant to RBI Master Directions-Reserve Bank of India (Transfer of Loan Exposure) Directions 2021 RBI/DOR/2021-22/86 DOR.STR.REC.51/21.04.048/2021-22 dated 24th September, 2021:

Details of stressed loans transferred during the year ended 31st March 2025:

Particulars	To Asset Reconstruction Companies (ARC)		To permitted transferees		To other transferees	
	NPA	SMA	NPA	SMA	NPA	SMA
Number of accounts	-	-	-	-	-	-
Aggregate principal outstanding of loans transferred (₹ in crore)	-	-	-	-	-	-
Weighted average residual tenor of the loans transferred (in years)	-	-	-	-	-	-
Net book value of loans transferred (at the time of transfer) (₹ in crore)	-	-	-	-	-	-
Aggregate consideration (₹ in crore)	-	-	-	-	-	-
Additional consideration realized in respect of accounts transferred in earlier years	-	-	-	-	-	-
Excess provisions reversed to the profit and loss account on account of sale	-	-	-	-	-	-

Details of stressed loans transferred during the year ended 31st March 2024:

Particulars	To Asset Reconstruction Companies (ARC)		To permitted transferees		To other transferees	
	NPA	SMA	NPA	SMA	NPA	SMA
Number of accounts	17,184.00	-	-	-	-	-
Aggregate principal outstanding of loans transferred (₹ in crore)	54.85	-	-	-	-	-
Weighted average residual tenor of the loans transferred (in years)	0.82	-	-	-	-	-
Net book value of loans transferred (at the time of transfer) (₹ in crore)	6.21	-	-	-	-	-
Aggregate consideration (₹ in crore)	6.58	-	-	-	-	-
Additional consideration realized in respect of accounts transferred in earlier years	-	-	-	-	-	-
Excess provisions reversed to the profit and loss account on account of sale	55.43	-	-	-	-	-

In addition to above the Company has transferred written off loans amounting to ₹ 654.00 crore for consideration of ₹ 78.48 crore in FY 23-24.

Details of stressed loans acquired*:

Description	2024-25	2023-24
No. of accounts	-	448
Aggregate outstanding	-	15.5
Aggregate consideration received	-	15.5

*The above disclosures pertain to loan acquired from State Bank Of India (Scheduled Commercial Bank).

(All amounts in ₹ crore unless otherwise stated)

44. Additional notes forming part of standalone financial statements for the year ended 31st March 2025 (Contd.)

17.9 Registration under other regulators

S.No.	Regulator	Registration No.
1	Ministry of Company Affairs	CIN:U65920TN2008PLC069758
2	Reserve Bank of India	Certificate of Registration dt 13/04/2010 No. 07-00783

17.10 Disclosure of penalties imposed by RBI and other regulators

No penalties have been imposed by RBI and other regulators during the year ended 31st March 2025 and 31st March 2024

17.11 Details of financing of parent company products

During the year the Company has financed 6,20,637 nos. of two wheelers and 5,360 nos. of three wheelers of TVS Motor Company Limited as against 6,22,101 nos. of two wheelers and 1,657 nos. of three wheelers during the year ended 31st March, 2024.

17.12 Ratings assigned by credit rating agencies

Rating agency	Facility	2024-25	2023-24
Care Ratings	Long term bank facilities	CARE AA+ /(Stable)	-
	Non-convertible debentures	CARE AA+ /(Stable)	-
ICRA	Long term bank facilities	ICRA AA+ /(Stable)	ICRA AA /(Stable)
	Short-term bank facilities	ICRA A1+	ICRA A1+
	Subordinated debt	ICRA AA+ /(Stable)	ICRA AA /(Stable)
	Perpetual debt (Tier I)	ICRA AA /(Stable)	ICRA AA- /(Stable)
	Commercial paper	ICRA A1+	ICRA A1+
CRISIL*	Long term rating - bank loan facilities	CRISIL AA+ /(Stable)	CRISIL AA /(Stable)
	Short term rating - bank loan facilities	CRISIL A1+	CRISIL A1+
	Non-convertible debentures	CRISIL AA+ /(Stable)	CRISIL AA /(Stable)
	Tier II Bond	CRISIL AA+ /(Stable)	CRISIL AA /(Stable)
	Perpetual bonds (Tier I)	CRISIL AA /(Stable)	CRISIL AA- /(Stable)
	Commercial paper	CRISIL A1+	CRISIL A1+
Brickwork Ratings	Subordinated debt (Tier II)	BWR AA+ /(Stable)	BWR AA /(Stable)

* CRISIL has upgraded the rating vide its rationale dated 9th April 2025.

17.13 Details of single borrower limits (SBL)/group borrower limits (GBL) exceeded

The Company has not exceeded the single borrower limit and group borrower limit as set by Reserve Bank of India for the year ended 31st March 2025.

17.14 Advance against intangible securities

The Company has not given any loans against intangible securities.

17.15 Unsecured advances

Gross loans and advances includes unsecured advances of ₹ 5,260.70 crore (31st March 2024 : ₹ 5,509.31 crore). There are no advances secured against intangible assets.

17.16 Related Party Transactions

Refer Note 42 to Ind AS financial statements.

(All amounts in ₹ crore unless otherwise stated)

44. Additional notes forming part of standalone financial statements for the year ended 31st March 2025 (Contd.)

17.17 Derivatives

1. Forward rate agreement/Interest rate swap

S.No.	Description	2024-25	2023-24
(i)	The notional principal of swap agreements	300.13	751.50
(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	297.89	842.17

2. Exchange traded interest rate (IR) derivatives

S.No.	Description	Amount
(i)	Notional principal amount of exchange traded IR derivatives undertaken during the year (instrument wise)	-
(ii)	Notional principal amount of exchange traded IR derivatives outstanding as on 31st March, 2024 (instrument wise)	-
(iii)	Notional principal amount of exchange traded IR derivatives outstanding and not "highly effective" (instrument wise)	-
(iv)	Mark-to-market value of exchange traded IR derivatives outstanding and not "highly effective" (instrument -wise)	-

3. 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.

S.No.	Description	31 st March 2025	31 st March 2024
i)	Outstanding derivatives For hedging (Currency/Interest rate derivatives)	297.89	842.17
ii)	Marked to market positions		
	a) Asset (+)	-	90.67
	b) Liability (-)	2.24	-
iii)	Credit exposure	300.13	751.50
iv)	Unhedged exposures	-	-

17.18 Overseas assets (for those with JV and Subsidiaries abroad)

There are no overseas assets owned by the Company during the year ended 31st March 2025 and 31st March 2024

17.19 Drawdown from Reserves

No draw down from reserves existed for the year ended 31st March 2025 and 31st March 2024.

17.20 Off balance sheet SPV sponsored

There are no SPVs which are required to be consolidated by the Company during the year ended 31st March 2025 and 31st March 2024.

17.21 There are no prior period items accounted during the year.

17.22 There are no circumstances in which revenue recognition postponed pending the resolution of significant uncertainties.

(All amounts in ₹ crore unless otherwise stated)

44. Additional notes forming part of standalone financial statements for the year ended 31st March 2025 (Contd.)

17.23 Disclosures as required for liquidity risk pursuant Scale Based Regulation (SBR) disclosure requirements vide notification no. RBI/DoR/2023-24/106 DoR.FIN.REC.No.45/03.10.119/2023-24

(i) Funding concentration based on significant counterparty (both deposits and borrowings)

Particulars	As at 31 st March 2025	As at 31 st March 2024
Number of significant counter parties*	19	19
Amount (₹ in Cr)	23,212.04	20,041.90
Percentage of funding concentration to total deposits	NA	NA
Percentage of funding concentration to total liabilities**	88.92%	82.57%

* 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	As at 31 st March 2025	As at 31 st March 2024
Total amount of top 10 borrowings	19,092.77	16,677.05
Percentage of amount of top 10 borrowings to total borrowings	77.34%	73.25%

(iv) Funding concentration based on significant instrument/product*

Particulars	As at 31 st March 2025	Percentage of total liabilities	As at 31 st March 2024	Percentage of total liabilities
Term loans from banks	16,757.81	64.20%	13,559.32	55.86%
Term loan from financial institution	943.06	3.61%	842.55	3.47%
External commercial borrowings	299.22	1.15%	838.01	3.45%
Sub-ordinated debts	2,165.74	8.30%	2,109.39	8.69%
Non-convertible debentures	2,625.39	10.06%	1,510.99	6.23%
Working capital demand loan	1,792.35	6.87%	3,803.80	15.67%

* A "Significant instrument/product" is defined as a single instrument/product of group of similar instruments/products which in aggregate amount to more than 1% of the NBFC's total liabilities.

(All amounts in ₹ crore unless otherwise stated)

44. Additional notes forming part of standalone financial statements for the year ended 31st March 2025 (Contd.)

(v) Stock Ratios

S.No.	Particulars	As at 31 st March 2025	As at 31 st March 2024
1.	Commercial papers as a % of total public funds	0.00%	0.00%
2.	Commercial papers as a % of total liabilities	0.00%	0.00%
3.	Commercial papers as a % of total assets	0.00%	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	53.00%	56.67%
8.	Other short- term Liabilities as a % of total liabilities	50.12%	53.15%
9.	Other short- term Liabilities as a % of total assets	42.14%	45.85%

* Other Short-term Liabilities is computed as current maturities of long-term debt, short-term bank borrowings including outstanding CC/WCDL and other short-term liabilities has been considered, but excludes commercial paper and Non-convertible debentures (original maturity of less than one year).

* Public funds are as defined in Master Direction - Non-Banking Financial Company – Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Direction, 2016.

(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.

(vii) 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 honor its commitments. Additionally, the Company has unutilized sanctioned lines of credits from banks to meet liquidity needs.

The key drivers for computing the LCR are as follows. Cash outflows under secured wholesale funding and unsecured wholesale funding include contractual obligations payable under various secured and unsecured borrowings respectively within the next 30 days. Inflows from fully performing exposures include the collection from performing advances in the next 30 days. Other Cash inflows include inflows from investments in fixed deposits, mutual funds and other cash inflows not covered under other line items. The LCR has been consistently maintained above 100% through the year which is well over the regulatory threshold of 100% (85 % upto 30th November, 2024).

(All amounts in ₹ crore unless otherwise stated)

44. Additional notes forming part of standalone financial statements for the year ended 31st March 2025 (Contd.)

S.No.	Particulars	Q1 FY25		Q2 FY25		Q3 FY25		Q4 FY25	
		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)	675.03	675.03	730.32	730.32	923.32	923.32	1,210.05	1,210.05
	Cash outflows								
2	Deposits (for deposit taking companies)	-	-	-	-	-	-	-	-
3	Unsecured wholesale funding (iii)	-	-	138.59	159.38	252.72	290.63	216.67	249.17
4	Secured wholesale funding (iv)	498.20	572.93	670.38	770.93	877.86	1,009.54	714.61	821.80
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	388.04	446.25	451.23	518.91	455.82	524.19	432.00	496.80
7	Other contingent funding obligations	69.18	79.55	80.11	92.13	83.37	95.88	100.00	115.00
8	Total cash outflows	955.42	1,098.73	1,340.31	1,541.35	1,669.77	1,920.23	1,463.28	1,682.77
	Cash inflows								
9	Secured lending	-	-	-	-	-	-	-	-
10	Inflows from fully performing exposures	1,619.63	1,214.72	1,522.87	1,142.15	1,741.62	1,306.21	1,700.01	1,275.01
11	Other cash inflows	920.05	690.04	1,513.59	1,135.19	1,597.28	1,197.96	2,313.33	1,735.00
12	Total cash inflows	2,539.68	1,904.76	3,036.46	2,277.34	3,338.90	2,504.17	4,013.34	3,010.01

		Q1 FY25 Total adjusted value	Q2 FY25 Total adjusted value	Q3 FY25 Total adjusted value	Q4 FY25 Total adjusted value
	TOTAL HQLA	675.03	730.32	923.32	1,210.05
	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))	274.68	385.34	480.06	420.69
	LIQUIDITY COVERAGE RATIO (%)	246%	190%	192%	288%

(All amounts in ₹ crore unless otherwise stated)

44. Additional notes forming part of standalone financial statements for the year ended 31st March 2025 (Contd.)

S.No.	High quality liquid assets (HQLA)	Q1 FY25		Q2 FY25		Q3 FY25		Q4 FY25	
		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)
1	Assets to be included as HQLA without any haircut	675.03	675.03	730.32	730.32	923.32	923.32	1,210.05	1,210.05
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	675.03	675.03	730.32	730.32	923.32	923.32	1,210.05	1,210.05

- (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 ₹ 281.82 crore made on 27th March 2025 (Last year investment of ₹ 93.41 crore matured on 27th March 2025) and accordingly it has been included in HQLA computation.

17.24 Summary of total borrowings, receivables and provision

Category-wise breakup	31 st March 2025	31 st March 2024
Secured:		
Term loan from banks	18,000.09	15,239.88
Working capital demand loan	1,792.38	3,376.93
Non-convertible debentures	2,625.39	1,510.99
Securitized trust borrowing	-	-
Unsecured:		
Term loan from banks	-	-
Working capital demand loan	-	426.96
Commercial paper	-	-
Subordinated debts	2,165.74	2,109.39
Perpetual debt	103.57	103.57
Total	24,687.17	22,767.72

Total loans

Description	31 st March 2025	31 st March 2024
Category-wise breakup		
Secured loans	21,918.72	20,897.00
Unsecured loans	5,260.70	5,509.31
Total loans	27,179.42	26,406.31
Less: Impairment loss allowance	880.58	936.07
Net loans	26,298.84	25,470.24

(All amounts in ₹ crore unless otherwise stated)

44. Additional notes forming part of standalone financial statements for the year ended 31st March 2025 (Contd.)

Total assets provisions

Description	31 st March 2025	31 st March 2024
Provision/Impairment allowance towards NPA	575.33	556.72
Provision/Impairment allowance towards standard assets	305.25	379.35
Provision/Impairment allowance for trade receivables and other financial assets	9.74	9.75
Total	890.32	945.82

18. Disclosure pursuant to Scale Based Regulation (SBR) disclosure requirements vide notification no. RBI/DoR/2023-24/106 DoR.FIN.REC.No.45/03.10.119/2023-24

Particulars	31 st March 2025	31 st March 2024
Fund raised through PDI during the year	-	-
Outstanding at the end of the financial year	103.57	103.57
Percentage of PDI to Tier I capital	2.3%	2.9%
Financial year in which interest for PDI not paid	NA	NA

19. Disclosure pursuant to Scale Based Regulation (SBR) disclosure requirements vide notification no. RBI/DoR/2023-24/106 DoR.FIN.REC.No.45/03.10.119/2023-24:

Loans to Directors, Senior Officers and relatives of Directors:

Particulars	2024-25	2023-24
Directors and their relatives	-	-
Entities associated with directors and their relatives	-	-
Senior Officers and their relatives	-	-

The above notification is applicable w.e.f. 1st October, 2022 and accordingly the transactions have been disclosed.

20. Disclosure under SEBI circular – “Ease of doing business and development of corporate bond markets – revision in the framework for fund raising by issuance of debt securities by Large Corporates (LCs)” dated 19th October, 2023 :

The Company qualifies as a Large Corporate under Chapter XII of the SEBI Master Circular dated 22nd May, 2024, on the issuance and listing of Non-Convertible Securities, Securitised Debt Instruments, Security Receipts, Municipal Debt Securities, and Commercial Paper. In accordance with these guidelines, the Company is required to raise at least 25% of its incremental borrowings during a financial year through the issuance of debt securities. This requirement must be fulfilled within a contiguous block of three years.

During the year under review, the Company's incremental eligible borrowings stood at ₹10,650 crore. Accordingly, it was required to raise ₹2,663 crore through issuance of debt securities. Of this, the company raised ₹1,675 crore in FY25. The balance ₹988 crore will be raised within the prescribed timeline of three contiguous years i.e. 31st March, 2027, to ensure compliance with the SEBI circular.

S. No.	Type of Restructuring	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	-	-	-	-	50.00	4.00	33.00	-	87.00	782.00	434.00	1,383.00	-	2,599.00	832.00	438.00	1,416.00	-	2,686.00	
		Amount outstanding	-	-	-	-	2.33	0.20	1.15	-	3.68	7.35	4.90	16.59	-	28.83	9.68	5.10	17.74	-	32.51	
		Provision thereon	-	-	-	-	-	0.11	0.06	0.15	-	0.33	0.47	1.87	6.95	-	9.29	0.58	1.93	7.10	-	9.62
2	Fresh restructuring during the year	No. of borrowers	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
		Amount outstanding	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
		Provision thereon	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
3	Upgradations to restructured standard category during the FY	No. of borrowers	-	-	-	-	-	-	-	-	-	48.00	2.00	(46.00)	-	-	48.00	2.00	(46.00)	-	-	
		Amount outstanding	-	-	-	-	-	-	-	-	-	0.58	0.00	(0.58)	-	-	0.58	(0.00)	(0.58)	-	-	
		Provision thereon	-	-	-	-	-	-	-	-	-	0.21	(0.01)	(0.39)	-	(0.19)	0.21	(0.01)	(0.39)	-	(0.19)	
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	-	-	-	-	(9.00)	9.00	-	-	-	(59.00)	59.00	-	-	-	(68.00)	68.00	-	-	-	
		Amount outstanding	-	-	-	-	(0.79)	0.79	-	-	-	(0.42)	0.42	-	-	-	(1.22)	1.22	-	-	-	
		Provision thereon	-	-	-	-	(0.09)	0.25	-	-	0.16	(0.04)	0.17	-	-	0.13	(0.13)	0.42	-	-	0.29	
6	Write-offs of restructured accounts during the FY	No. of borrowers	-	-	-	-	-	1.00	17.00	-	18.00	52.00	193.00	494.00	-	739.00	52.00	194.00	511.00	-	757.00	
		Amount outstanding	-	-	-	-	-	-	0.11	0.17	-	0.27	0.08	3.37	7.50	-	10.95	0.08	3.47	7.67	-	11.22
		Provision thereon	-	-	-	-	-	-	0.03	0.05	-	0.08	0.01	1.33	3.21	-	4.54	0.01	1.36	3.26	-	4.63
7	Collection	No. of borrowers	-	-	-	-	30.00	(4.00)	15.00	-	41.00	522.00	6.00	722.00	-	1,250.00	552.00	2.00	737.00	-	1,291.00	
		Amount outstanding	-	-	-	-	1.41	(0.39)	0.98	-	2.01	5.21	(0.62)	7.41	-	12.01	6.62	(1.00)	8.40	-	14.01	
		Provision thereon	-	-	-	-	-	0.02	(0.15)	0.13	-	0.01	0.28	(0.40)	3.11	-	2.99	0.31	(0.55)	3.24	-	3.00
8	Restructured accounts as on 1st April of the FY (closing figures*)	No. of borrowers	-	-	-	-	11.00	16.00	1.00	-	28.00	197.00	292.00	121.00	-	610.00	208.00	308.00	122.00	-	638.00	
		Amount outstanding	-	-	-	-	0.13	1.27	-	-	1.40	2.22	2.57	1.09	-	5.87	2.34	3.84	1.09	-	7.27	
		Provision thereon	-	-	-	-	-	0.00	0.44	(0.03)	-	0.41	0.34	1.11	0.24	-	1.69	0.34	1.55	0.21	-	2.10

22. Disclosure pursuant to Scale Based Regulation (SBR) disclosure requirements vide notification no. RBI/DoR/2023-24/106 DoR.FIN.REC.No.45/03.10.119/2023-24:

The statutory auditors have not expressed any modified opinion on the financial statement for the year ended 31st March 2025.

As per our report of even date

For CNGSN & Associates LLP
Chartered Accountants
ICAI Regn No. FRN 004915S

C.N. Gangadaran
Partner
Membership No. 011205

Place : Chennai
Date : 28th April 2025

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 : Chennai
Date : 28th April 2025

For and on behalf of the Board of Directors of
TVS Credit Services Limited

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") 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 2025, 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") and other accounting principles generally accepted in India, of the state of affairs of the Group as at 31st March 2025, 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. The following are the Key Audit Matters.

Key Audit matters	How our audit addressed the Key matters
Impairment Loss Allowance Management's judgements in the calculation of impairment allowances have significant impact on the Consolidated 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 Ind AS 109 implementation process, internal rating model, impairment allowance policy and ECL modelling methodology. We assessed the design and implementation and tested the operating effectiveness of controls over the modelling process including governance over monitoring of the model and approval of key assumptions. We also verified the key judgements and assumptions relating to the macro-economic scenarios including the impact of Covid 19 Pandemic and the associated probability weights.

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. These judgements required the models to be reassessed including the impact of Covid-19 Pandemic to measure the ECL. 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.	We also assessed the approach of the Group for categorization of the loans in various stages reflecting the inherent risk in the respective loans. For a sample of financial assets, we tested the correctness of Staging, reasonableness of PD, accuracy of LGD and ECL computation. We have also verified the compliance of circulars issued by Reserve Bank of India from time to time during the year on this subject. As a result of the above audit procedures no material differences were noted. We confirm the adequacy of disclosures made in the financial statements
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.	We tested a sample of key controls operating over the information technology in relation to financial accounting and reporting systems, including system access and system change management, program development and computer operations. We tested the design and operating effectiveness of key controls over user access management which includes granting access right, new user creation, removal of user rights and preventative controls designed to enforce segregation of duties. We have focused on user access management, change management, segregation of duties, system reconciliation controls and system application controls over key financial accounting and reporting systems. Reliance was also placed on the System Audit report of the Company. 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, 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 financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the Consolidated Financial Statements by the Directors of the Parent Company, as aforesaid.

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.

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.

- 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.

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 ₹16.31 crore as of 31st March 2025, total revenues of ₹1.08 crore and net cash inflows amounting to ₹0.62 crore 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 2024. The comparative consolidated financial statements for the year ended 31st March 2024 were audited by the previous joint statutory auditors whose report dated 8th May 2024 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

- 1) 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 Accounting Standards specified under including 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 2025 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March 2025 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.44.
 - 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 it's 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 has used multiple accounting softwares 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 **CNGSN & Associates LLP**
Chartered Accountants
Firm Regn. No. 004915S

C.N.Gangadaran
Partner
Membership No. 011205

Date: 28.4.2025
Place: Chennai

UDIN: 25011205BMIIJB15928

For **Suri & Co.,**
Chartered Accountants
Firm Regn. No. 004283S

Sanjeev Aditya.M
Partner
Membership No. 229694

Date: 28.4.2025
Place: Chennai

UDIN: 25229694BMIIHF1398

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 Company") and its three subsidiaries which are companies incorporated in India, as of 31st March 2025 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 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 2025, 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

The Internal Financial Control with reference to Financial Statements for the subsidiaries in the Group is not applicable since its turnover as per last audited financial statements is less than ₹50 crore and its borrowings from banks and financial institutions at any time during the year is less than ₹25 crore and accordingly, the subsidiaries are exempted from getting an audit opinion with respect to the adequacy of the internal financial controls with reference to the Financial Statements and the operating effectiveness of such controls vide Notification dated 13th June, 2017.

Our opinion is not modified in respect of the above matter.

For **CNGSN & Associates LLP**
Chartered Accountants
Firm Regn. No. 004915S

C.N.Gangadaran
Partner
Membership No. 011205

Date: 28.4.2025
Place: Chennai

UDIN: 25011205BMIJBI5928

For **Suri & Co.,**
Chartered Accountants
Firm Regn. No. 004283S

Sanjeev Aditya.M
Partner
Membership No. 229694

Date: 28.4.2025
Place: Chennai

UDIN: 25229694BMIIHF1398

CONSOLIDATED BALANCE SHEET AS ON 31ST MARCH 2025



(All amounts in ₹ crore unless otherwise stated)

S.No.	Particulars	Note No.	As at 31 st March 2025	As at 31 st March 2024
	ASSETS			
1	Financial assets			
(a)	Cash and cash equivalents	4	3,599.65	1,761.42
(b)	Bank balances other than (a) above	5	5.95	5.90
(c)	Derivative financial instruments	6	-	90.67
(d)	Receivables			
i)	Trade receivables	7	152.21	117.20
(e)	Loans	8	26,298.84	25,470.24
(f)	Investments	9	287.75	97.71
(g)	Other financial assets	10	28.25	25.02
	Total		30,372.65	27,568.16
2	Non-financial assets			
(a)	Current tax assets (net)	11	11.04	19.81
(b)	Deferred tax assets (net)	12	408.64	337.96
(c)	Investment property	13	85.16	85.16
(d)	Property, plant and equipment	14	45.07	35.92
(e)	Right-to-use asset	14	65.19	26.58
(f)	Capital work-in-progress	14	2.40	2.73
(g)	Intangible assets under development	14	10.96	3.18
(h)	Other intangible assets	14	2.53	2.94
(i)	Other non-financial assets	15	53.10	58.57
	Total		684.09	572.85
	Total assets		31,056.74	28,141.01
	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	9.35	14.19
iii)	Total outstanding dues of creditors other than micro enterprises and small enterprises	16	1,081.98	1,035.09
(c)	Debt securities	17	2,625.39	1,510.99
(d)	Borrowings (other than debt securities)	18	19,792.47	19,043.77
(e)	Subordinated liabilities	19	2,269.31	2,212.96
(f)	Other financial liabilities	20	221.35	334.63
	Total		26,002.09	24,151.63
2	Non-financial liabilities			
(a)	Provisions	21	59.58	67.59
(b)	Other non-financial liabilities	22	42.87	52.85
	Total		102.45	120.44
3	Equity			
(a)	Equity share capital	23	236.27	228.22
(b)	Instruments entirely equity in nature	23	18.38	18.38
(c)	Other equity	24	4,697.55	3,622.34
	Total		4,952.20	3,868.94
	Total liabilities and equity		31,056.74	28,141.01
	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	44		

As per our report of even date

For and on behalf of the Board of Directors of
TVS Credit Services Limited

For CNGSN & Associates LLP
Chartered Accountants
ICAI Regn No. FRN 004915S

C.N. Gangadaran
Partner
Membership No. 011205

Place : Chennai
Date : 28th April 2025

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 : Chennai
Date : 28th April 2025

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 2025



(All amounts in ₹ crore unless otherwise stated)

S. No.	Particulars	Note No.	Year ended 31 st March 2025	Year ended 31 st March 2024
	Revenue from operations			
i)	Interest income	25	5,798.41	5,113.55
ii)	Fees and commission income	26	736.46	592.05
iii)	Net gain on fair value changes on financial instruments	27	92.32	-
iv)	Other operating income	28	-	85.09
I)	Total revenue from operations		6,627.19	5,790.69
II)	Other Income	29	3.93	5.47
III)	Total income (I + II)		6,631.12	5,796.16
	Expenses			
i)	Finance costs	30	1,863.32	1,653.64
ii)	Fees and commission expense		527.16	429.87
iii)	Impairment on financial instruments (net)	31	1,295.36	1,127.05
iv)	Employee benefits expenses	32	1,135.58	1,200.78
v)	Depreciation and amortization expenses	14	46.20	27.39
vi)	Other expenses	33	736.97	594.55
IV)	Total expenses (IV)		5,604.59	5,033.28
V)	Profit before exceptional items and tax (III-IV)		1,026.53	762.88
VI)	Exceptional items		-	-
VII)	Profit before tax (V-VI)		1,026.53	762.88
VIII)	Tax expense	34		
	(1) Current tax		324.07	307.87
	(2) Deferred tax		(65.61)	(117.55)
IX)	Profit for the year		768.07	572.56
X)	Other comprehensive income	35		
A.	(i) Items that will not be reclassified to profit or loss			
	- Remeasurement of the defined benefit plans		(10.64)	(9.72)
	(ii) Income tax relating to items that will not be reclassified to profit or loss		2.68	2.45
	Subtotal (A)		(7.96)	(7.27)
B.	(i) Items that will be reclassified to profit or loss			
	- Fair value change on cash flow hedge		(8.89)	(17.95)
	- Fair value gain/(loss) on financial instruments through other comprehensive income		(0.62)	-
	(ii) Income tax relating to items that will be reclassified to profit or loss		2.39	4.52
	Subtotal (B)		(7.12)	(13.43)
	Other comprehensive income (A+B)		(15.08)	(20.70)
XI)	Total comprehensive income for the year (Comprising Profit/(Loss) and other comprehensive income for the year)		752.99	551.86
XII)	Earnings per equity share (Face value of ₹ 10/- each)	36		
	Basic (₹)		30.39	23.93
	Diluted (₹)		30.39	23.93
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		44		

As per our report of even date

For and on behalf of the Board of Directors of
TVS Credit Services Limited

For CNGSN & Associates LLP
Chartered Accountants
ICAI Regn No. FRN 004915S

C.N. Gangadaran
Partner
Membership No. 011205

Place : Chennai
Date : 28th April 2025

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 : Chennai
Date : 28th April 2025

Ashish Sapra
Director and Chief Executive Officer
DIN-09805893

Chetan Nage
Company Secretary

CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31ST MARCH 2025



(All amounts in ₹ crore unless otherwise stated)

Particulars	Year ended 31 st March 2025	Year ended 31 st March 2024
Cash flows from operating activities		
Profit before tax	1,026.53	762.88
Adjustments for:-		
Depreciation and amortization	46.20	27.39
Impairment of financial instruments	(56.00)	219.39
Profit on disposal of property, plant and equipment	(0.20)	(0.47)
Finance costs	1,863.32	1,653.64
Unwinding of discount on security deposits	(0.97)	(0.95)
Remeasurement of defined benefit plans	(10.64)	(9.72)
Share-based payment expenses	0.27	-
Cash outflow towards finance costs	(1,858.87)	(1,653.00)
Cash generated from operations before working capital changes	(16.89)	236.28
Changes in working capital		
(Increase)/Decrease in Trade receivables	(36.21)	(55.22)
(Increase)/Decrease in Loans	(771.40)	(5,142.17)
(Increase)/Decrease in Other financial assets and other bank balances	(3.53)	(1.42)
(Increase)/Decrease in Other non-financial assets	5.47	(13.24)
Increase/(Decrease) in Trade payables	42.05	413.59
Increase/(Decrease) in Other financial liabilities	(153.33)	99.53
Increase/(Decrease) in Provisions and other non-financial liabilities	(17.99)	36.35
Net cash used in operating activities before income tax	74.70	(3,663.42)
Income taxes paid (net of refund)	(315.30)	(337.27)
Net cash used in operating activities (I)	(240.60)	(4,000.69)
Cash flows from investing activities		
Investment in Property, plant and equipment	(34.12)	(26.89)
Proceeds from sale of Property, plant and equipment	0.23	0.56
Investment in Capital work-in-progress	0.33	(2.73)
Investment in Intangible assets under development	(7.78)	(3.18)
Investment in Government securities	(188.66)	(93.46)
Investment in Compulsory convertible debentures	-	(0.25)
Investment in Alternate investment fund	(2.00)	(4.00)
Net cash used in investing activities	(232.00)	(129.95)
Cash flows from financing activities		
Proceeds from issue of Equity shares	330.00	-
Proceeds from issue of Compulsorily convertible preference shares	-	558.00
Proceeds from Issue/(Repayment) of Debt securities (net)	1,114.40	(1,147.81)
Proceeds/(Repayment) of Borrowings other than debt securities (net)	834.47	4,538.80
Proceeds/(Repayment) of Subordinated liabilities (net)	56.35	413.87
Payments of Lease liabilities	(24.33)	(10.66)
Net cash generated from financing activities (III)	2,310.89	4,352.20
Net Increase/(Decrease) in cash and cash equivalents	1,838.29	221.56
Cash and cash equivalents at the beginning of the year	1,761.33	1,539.77
Cash and cash equivalents at the end of the year	3,599.62	1,761.33

Components of cash and cash equivalents for the purpose of Statement of Cash Flows:

Description	As at 31 st March 2025	As at 31 st March 2024
Cash and cash equivalents as per Balance Sheet	3,599.65	1,761.42
Less: Overdrafts utilised	0.03	0.09
(Grouped under Borrowings (other than debt securities) - Note 18)		
Cash and cash equivalents for the purpose of Statement of Cash Flows	3,599.62	1,761.33

As per our report of even date

For and on behalf of the Board of Directors of
TVS Credit Services Limited

For CNGSN & Associates LLP
Chartered Accountants
ICAI Regn No. FRN 004915S

C.N. Gangadaran
Partner
Membership No. 011205

Place : Chennai
Date : 28th April 2025

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 : Chennai
Date : 28th April 2025

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 2025



(All amounts in ₹ crore unless otherwise stated)

I) Equity share capital

	Notes	Amounts
Balance as at 1st April 2023		228.22
Changes in equity share capital during the year	23	-
Balance as at 31st March 2024		228.22
Changes in equity share capital during the year	23	8.06
Balance as at 31st March 2025		236.27

II) Instruments entirely equity in nature

	Notes	Amounts
Balance as at 1st April 2023		-
Changes in equity share capital during the year	23	18.38
Balance as at 31st March 2024		18.38
Changes in equity share capital during the year	23	-
Balance as at 31st March 2025		18.38

III) Other Equity

	Notes	Reserves and Surplus					Total
		Securities premium account	Statutory reserve	Share based payment reserve	Retained earnings	Other reserves - Hedging reserve	
Balance as at 1st April 2023		1,336.35	242.03	-	934.95	19.32	2,532.65
Profit for the year	24	-	-	-	572.56	-	572.56
Other comprehensive income	24	-	-	-	(7.28)	(13.43)	(20.71)
<u>Transaction in the capacity as owners</u>							
Transfer to Statutory reserve	24	-	114.37	-	(114.37)	-	-
Issuance of equity shares	24	537.84	-	-	-	-	537.84
Balance as at 31st March 2024		1,874.19	356.40	-	1,385.86	5.89	3,622.34
Profit for the year	24	-	-	-	768.07	-	768.07
Other comprehensive income	24	-	-	-	(7.96)	(7.12)	(15.08)
<u>Transaction in the capacity as owners</u>							
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	(1.23)	4,697.55

As per our report of even date

For and on behalf of the Board of Directors of
TVS Credit Services Limited

For CNGSN & Associates LLP
Chartered Accountants
ICAI Regn No. FRN 004915S

C.N. Gangadaran
Partner
Membership No. 011205

Place : Chennai
Date : 28th April 2025

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 : Chennai
Date : 28th April 2025

Ashish Sapra
Director and Chief Executive Officer
DIN-09805893

Chetan Nage
Company Secretary

(All amounts in ₹ crore unless otherwise stated)

1 Corporate information

TVS Credit Services Limited ('the Parent Company') (CIN U65920TN2008PLC069758) 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 – 600006, Tamil Nadu, 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 Financial Company, as defined under Section 45-IA of Reserve Bank of India (RBI) Act, 1934. The Parent Company is engaged in providing automobile finance, consumer durable loans and small business loans. The Parent Company is categorised as "NBFC - Investment and Credit Company (NBFC-ICC)" vide RBI circular DNBR (PD) CC.No.097/03.10.001/2018-19 dated 22nd February, 2019. Effective 1st October, 2022, the Parent Company has been categorised as NBFC-Middle Layer under the RBI Scale Based Regulation dated 22nd October, 2021.

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) along with other relevant provisions of the Act, the updated Master Direction – Reserve Bank of India (Non-Banking Financial Company – Scale Based Regulation) Directions, 2023 as amended from time to time and other applicable RBI circulars/notifications, notification for Implementation of Indian Accounting Standards issued by RBI vide circular RBI/2019-20/170 DOR(NBFC).CC.PD.No.109/22.10.106/2019-20 dated 13th March, 2020 ('RBI notification for Implementation of Ind AS') and other applicable RBI circulars/notifications.

The financial statements have been prepared in accordance with Division III of Schedule III of Companies Act 2013 notified by MCA on 11th October, 2018. Further, the Group follows application guidance, clarifications, circulars and directions issued by the Reserve Bank of India (RBI) for Non-Banking Financial Companies (NBFC) 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 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.

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.

(All amounts in ₹ crore unless otherwise stated)

The subsidiary companies considered in consolidated financial statements are:

S. No.	Name of the subsidiary	Proportion of ownership (interest/voting power -%)		Reporting date
		2024-25	2023-24	
1	Harita ARC Private Limited	100%	100%	31st March 2025
2	TVS Housing Finance Private Limited	100%	100%	31st March 2025
3	Harita Two Wheeler Mall Private Limited	100%	100%	31st March 2025

All the subsidiaries are incorporated in India.

2.2 Presentation of financial statements

Financial assets and financial liabilities are generally reported on a gross basis in the balance sheet. They are only offset and reported net when, in addition to having an unconditional legally enforceable right to offset the recognised amounts without being contingent on a future event, the parties also intend to settle on a net basis in all the following circumstances:

- The normal course of business
- The event of default
- The event of insolvency or bankruptcy of the Group and/or its counterparties

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.

The areas involving critical estimates are:

- Business model assessment - Refer Note 3.5.1A
- Fair value of financial instruments - Refer Note 38
- Impairment of financial asset - Refer Note 39
- Provisions & Other Contingent Liabilities - Refer Note 21
- Estimation of defined benefit obligation - Refer Note 37

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 or 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 estimated useful lives of the assets. The useful life estimated by the Group is in line with the useful life prescribed under Part C of Schedule II of the Companies Act,

(All amounts in ₹ crore unless otherwise stated)

2013 except in the case of mobile phone and tablets (office equipment), on which depreciation is considered as 2 years based on the technical evaluation and leased vehicles (vehicles) have been depreciated over lease period.

Useful life as used by the Group and as indicated in Schedule II are listed below:

Nature of asset	Useful life as per Schedule II	Useful life adopted by the Group
Computers	3 years	3 years
Computer software	3 years	3 years
Furniture and fixtures	10 years	10 years
Leasehold improvements (Furniture and fixtures)	10 years	As per lease tenure
Office equipments	5 years	5 years
Office equipments (Mobile phones and tablet)	5 years	2 years
Vehicles(Motor cycle)	10 years	10 years
Vehicles (Motor car)	8 years	8 years

Depreciation on PPE individually costing ₹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 or 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 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.

3.4 Intangible assets

Intangible assets acquired are recorded at their acquisition cost and are amortized on straight line basis over its useful life. Software is amortized over 3 years period or the license period whichever is lower on straight line basis.

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.

(All amounts in ₹ crore unless otherwise stated)

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 (FVTOCI), 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.

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 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.

(All amounts in ₹ crore unless otherwise stated)

v. 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.

vi. Investment in Government securities:

The Parent Company also made an investment in the Government securities in order to comply with the liquidity ratio compliance as required by RBI pursuant to its master directions. The Parent Company intends to hold these assets till maturity and any sale if 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.

vii. 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.

viii. 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 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 2025 and 31st March 2024.

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.

(All amounts in ₹ crore unless otherwise stated)

- (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 govt securities is recognised as interest income in profit and 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 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) Other operating income:

The Group recognises proceeds from sale of written off & stressed financial asset.

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

(All amounts in ₹ crore unless otherwise stated)

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	Up to 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 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 considered credit impaired are the loans which are past due for more than 90 days and has not been completely regularised to zero DPD & includes restructured contracts under Prudential Framework for Resolution of Stressed Assets vide circular RBI/2018-19/203 DBR.No.BP.BC.45/21.04.048/2018-19 dated 7th June 2019 irrespective of days past due on the reporting date. Loan accounts where principal and/or interest are past due for more than 90 days along with all other loans of such customer, continue to be classified as stage 3, till overdue across all loan accounts are cleared. The Group records an allowance for life time ECL.

(All amounts in ₹ crore unless otherwise stated)

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 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.

(All amounts in ₹ crore unless otherwise stated)

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

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 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.

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.

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 or 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 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. 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 ₹ crore unless otherwise stated)

NOTE 4 Cash and cash equivalents

S.No.	Description	As at 31 st March 2025	As at 31 st March 2024
a)	Cash on hand*	0.33	4.91
b)	Balance with banks		
	- Current accounts	3,583.73	1,741.10
	- Deposit	15.59	15.91
	Total	3,599.65	1,761.42

* 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 2025	As at 31 st March 2024
a)	Bank balance other than cash and cash equivalents	5.95	5.90
	Total	5.95	5.90

* 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 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

S.No.	Description	As at 31 st March 2024		
		Notional amounts	Fair value - Assets	Fair value - Liabilities
a)	Part I - Currency derivatives- Cross currency interest rate swaps	751.50	90.67	-
	Part II - Derivatives included in above are derivatives held for hedging and risk management purposes as cash flow hedges	751.50	90.67	-
	Total	751.50	90.67	-

The Group has a Board approved policy for entering into derivative transactions. Derivative transactions comprises of cross currency interest rate swaps (CCIRS). The Group undertakes such transactions for hedging interest/foreign exchange risk on borrowings. The Asset Liability Management Committee (ALCO) periodically monitors and reviews the risks involved.

The notional amount for CCIRS represents underlying foreign currency borrowings for which the Group has entered to hedge the variable interest rate and foreign exchange risks. Refer Note 39 for foreign currency risk management and interest rate sensitivity on derivative financial instruments respectively.

NOTE 7 Trade receivables

S.No.	Particulars	As at 31 st March 2025	As at 31 st March 2024
(i)	Receivables considered good - secured	-	-
(ii)	Receivables considered good - unsecured	153.94	118.95
(iii)	Receivables which have significant increase in credit risk	-	-
(iv)	Receivables - credit impaired	-	-
	Total (A)	153.94	118.95
	Less: Allowance for impairment loss (B)	1.73	1.75
	Net (C) = (A-B)	152.21	117.20

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.

(All amounts in ₹ crore unless otherwise stated)

NOTE 7 Trade receivables (Ageing schedule)

S.No.	Particulars	Outstanding for following periods from due date of payment as at 31 st March 2025					
		Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	Total
(i)	Undisputed trade receivable – considered good	152.21	1.60	0.13	-	-	153.94
(ii)	Undisputed trade receivable – which have significant increase in credit risk	-	-	-	-	-	-
(iii)	Undisputed trade receivable – credit impaired	-	-	-	-	-	-
(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)	152.21	1.60	0.13	-	-	153.94
	Less: Allowance for impairment loss (B)	-	1.60	0.13	-	-	1.73
	Net (C) = (A-B)	152.21	-	-	-	-	152.21

S.No.	Particulars	Outstanding for following periods from due date of payment as at 31 st March 2024					
		Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	Total
(i)	Undisputed trade receivable – considered good	118.95	-	-	-	-	118.95
(ii)	Undisputed trade receivable – which have significant increase in credit risk	-	-	-	-	-	-
(iii)	Undisputed trade receivable – credit impaired	-	-	-	-	-	-
(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)	118.95	-	-	-	-	118.95
	Less: Allowance for impairment loss (B)	1.75	-	-	-	-	1.75
	Net (C) = (A-B)	117.20	-	-	-	-	117.20

NOTE 8 Loans

S.No.	Description	As at 31 st March 2025	As at 31 st March 2024
(A) Term loans		Amortised cost	
	i) Automobile financing	18,130.65	18,339.55
	ii) Consumer lending	8,428.23	7,384.29
	iii) Small business lending	620.54	682.47
	Total loans - Gross	27,179.42	26,406.31
	Less: Impairment loss allowance	880.58	936.07
	Total loans - Net (a) - (b)	26,298.84	25,470.24
(B) Nature	a) Secured by tangible assets	21,918.72	20,897.00
	b) Unsecured loans	5,260.70	5,509.31
	Total loans - Gross (a) + (b)	27,179.42	26,406.31
	d) Less: Impairment loss allowance	880.58	936.07
	Total loans - Net (c) - (d)	26,298.84	25,470.24

(All amounts in ₹ crore unless otherwise stated)

NOTE 8 Loans (Contd.)

S.No.	Description	As at 31 st March 2025	As at 31 st March 2024
i)	Loans in India		
	Public sector	-	-
	Others	27,179.42	26,406.31
	Total loans - Gross	27,179.42	26,406.31
	Less: Impairment loss allowance	880.58	936.07
	Total loans - Net	26,298.84	25,470.24
ii)	Loans outside India	-	-
iii)	Total loans (i) + (ii)	26,298.84	25,470.24

- a. Secured indicates loans secured, wholly or partly, by way of hypothecation of automobile assets and / or equitable mortgage of property and / or equipment.
- b. The stock of loan (automobile finance) includes 6,266 nos repossessed vehicles as at Balance Sheet date. (As at 31st March 2024 : 5,863 nos).
- c. The term loans include loans given to related parties (refer note 42) 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.
- d. There is no divergence in asset classification and provisioning in the financial statement in the previous year assessed by RBI.
- e. Percentage (%) of gold loan to total assets as on 31st March 2025 is 0.07%.

NOTE 9 Investments

S.No.	Description	As at 31 st March 2025	As at 31 st March 2024
A	At cost:		
a)	Investment in Government securities	282.12	93.46
B	At fair value through other comprehensive income:		
a)	Investment in Alternative instrument fund:		
	60,000 units of Eight Innovate fund II (31 st March 2024: 40,000)	5.38	4.00
b)	Investment in Compulsory convertible debenture:		
	25 (31 st March 2024 : 25) 0.001% compulsorily convertible debentures of ₹1,00,000 each in Hyper Grocers Private Limited	0.25	0.25
	Total - Gross (A)	287.75	97.71
	(i) Investments outside India	-	-
	(ii) Investments in India	287.75	97.71
	Total	287.75	97.71
	Less: Impairment loss allowance (B)	-	-
	Total - Net = (A) - (B)	287.75	97.71

(All amounts in ₹ crore unless otherwise stated)

NOTE 10 Other financial assets

S.No.	Description	As at 31 st March 2025	As at 31 st March 2024
	At amortised cost:		
a)	Employees related receivables	18.06	14.00
b)	Security deposit for leased premises	13.29	11.17
c)	Other financial assets - Non related parties	5.34	6.04
d)	Deposit with service providers	2.12	2.65
	Total - Gross	38.81	33.86
	Less: Impairment loss allowance	10.56	8.84
	Total - Net	28.25	25.02

NOTE 11 Current tax assets

S.No.	Description	As at 31 st March 2025	As at 31 st March 2024
a)	Opening balance	19.81	(9.59)
b)	Add: Taxes paid	315.30	337.27
c)	Less: Taxes payable	(324.07)	(307.87)
	Total - Net	11.04	19.81

NOTE 12 Deferred tax assets/(liabilities)

The balance comprises temporary differences attributable to:

S.No.	Description	As at 31 st March 2023	Charge/ (Credit) to profit and loss	Charge/ (Credit) to OCI	As at 31 st March 2024	Charge/ (Credit) to profit and loss	Charge/ (Credit) to OCI	As at 31 st March 2025
	Deferred tax assets/(liabilities) on account of :							
a)	Impairment allowance for financial instruments	175.16	48.82	-	223.98	16.90	-	240.88
b)	Difference between depreciation as per books of account and the Income Tax Act, 1961	4.84	0.04	-	4.88	1.44	-	6.32
c)	Provision for compensated absences and gratuity	11.81	1.13	2.27	15.21	(5.92)	2.48	11.77
d)	Provision for pension	2.46	0.18	0.19	2.83	0.20	0.20	3.23
e)	Expenses disallowed under Sec 40 (a) (ia)	22.50	24.16	-	46.66	16.87	-	63.53
f)	Impact of effective interest rate adjustment on financial assets	4.90	43.52	-	48.42	35.84	-	84.26
g)	Mark to market on derivatives	(6.50)	-	4.52	(1.98)	-	2.39	0.41
h)	Impact of effective interest rate adjustment on financial liabilities	(2.82)	(0.42)	-	(3.24)	(0.09)	-	(3.33)
i)	Impact of lease accounting as per Ind AS 116	1.10	0.10	-	1.20	0.37	-	1.57
	Total tax assets/(liabilities)	213.45	117.53	6.98	337.96	65.61	5.07	408.64

(All amounts in ₹ crore unless otherwise stated)

NOTE 13 Investment property

Description	Land	Building	Total
As at 31st March 2025			
Gross carrying amount as at 1st April 2024	85.16	-	85.16
Additions	-	-	-
Sub-total	85.16	-	85.16
Disposals	-	-	-
Closing gross carrying amount (A)	85.16	-	85.16
Depreciation and amortisation			
Opening accumulated depreciation	-	-	-
Depreciation/amortisation charge for the year	-	-	-
Sub-total	-	-	-
Disposals	-	-	-
Closing accumulated depreciation and amortisation(B)	-	-	-
Net carrying value as at 31st March 2025 (A)-(B)	85.16	-	85.16
Net carrying value as at 31st March 2024	85.16	-	85.16

Description	Land	Building	Total
As at 31st March 2024			
Gross carrying amount as at 1st April 2023	85.16	0.00	85.16
Additions	-	-	-
Sub-total	85.16	-	85.16
Disposals	-	-	-
Closing gross carrying amount (A)	85.16	-	85.16
Depreciation and amortisation			
Opening accumulated depreciation	-	-	-
Depreciation/amortisation charge for the year	-	-	-
Sub-total	-	-	-
Disposals	-	-	-
Closing accumulated depreciation and amortisation(B)	-	-	-
Net carrying value as at 31st March 2024 (A)-(B)	85.16	-	85.16

(i) Fair value

	As at 31 st March 2025	As at 31 st March 2024
Investment properties	422.11	411.15

- 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	Valuation technique	Significant unobservable inputs	Range (Weighted avg)	Sensitivity of the input to fair value	Fair Value (Rs. In crore)	Sensitivity (Rs. In crore)
Investment property as at 31st March 2025	Professional valuer	Per/Acre	15,40,00,000 per acre	5%	15.40	21.11
Investment property as at 31st March 2024	Professional valuer	Per/Acre	15,00,00,000 per acre	5%	15.00	20.56

(All amounts in ₹ crore unless otherwise stated)

NOTE 14 (A) Property, plant and equipment and intangible assets

Description	Property, plant and equipment						Right-to-use Asset	Intangible Assets (Computer Software)
	Computers	Furniture & fixtures	Office equipments	Vehicles	Leasehold improvements	Total		
As at 31st March 2025								
Gross carrying amount as at 1st April 2024	48.49	19.82	16.49	1.49	-	86.29	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	60.49	23.40	27.74	1.49	6.00	119.12	122.44	21.80
Disposals	0.26	0.20	2.24	-	-	2.70	-	-
Closing gross carrying amount (A)	60.23	23.20	25.50	1.49	6.00	116.42	122.44	21.80
Depreciation and amortisation								
Opening accumulated depreciation	27.95	10.84	11.29	0.29	-	50.37	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	42.67	13.43	16.64	0.48	0.78	74.00	57.25	19.27
Disposals	0.25	0.19	2.22	-	-	2.66	-	-
Closing accumulated depreciation and amortisation(B)	42.42	13.24	14.42	0.48	0.78	71.34	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
Net carrying value as at 31st March 2024	20.54	8.98	5.20	1.20	-	35.92	26.58	2.94

Description	Property, plant and equipment						Right-to-use Asset	Intangible Assets (Computer Software)
	Computers	Furniture & fixtures	Office equipments	Vehicles	Leasehold improvements	Total		
As at 31st March 2024								
Gross carrying Amount as at 1st April 2023	43.10	13.26	15.45	1.49	-	73.30	56.86	18.37
Additions and adjustments on account of modification	14.05	7.52	3.19	-	-	24.75	6.10	2.14
Adjustment due to revaluation and acquisitions through business combinations	-	-	-	-	-	-	-	-
Sub-total	57.15	20.78	18.64	1.49	-	98.05	62.96	20.51
Disposals	8.66	0.96	2.15	-	-	11.77	-	-
Closing gross carrying amount (A)	48.49	19.82	16.49	1.49	-	86.28	62.96	20.51
Depreciation and amortisation								
Opening accumulated depreciation	23.32	9.77	10.87	0.10	-	44.06	28.13	16.42
Depreciation/amortisation charge for the year	13.27	1.97	2.56	0.19	-	17.99	8.25	1.15
Sub-total	36.59	11.74	13.43	0.29	-	62.05	36.38	17.57
Disposals	8.64	0.90	2.14	-	-	11.69	-	-
Closing accumulated depreciation and amortisation(B)	27.95	10.84	11.29	0.29	-	50.36	36.38	17.57
Net carrying value as at 31st March 2024(A)-(B)	20.54	8.98	5.20	1.20	-	35.92	26.58	2.94

The Group follows cost model as per Ind AS 16 and the Group has not revalued its PPE (including right-to-use asset).

There are no proceedings that have been initiated or pending against the Group for holding any Benami Property under the Benami Transactions (Prohibition) Act, 1998 and rules made thereunder.

(All amounts in ₹ crore unless otherwise stated)

NOTE 14 (B) 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 2025	As at 31 st March 2024
Opening balance	2.73	0.41
Additions	6.93	3.55
Deductions	7.26	1.23
Closing balance	2.40	2.73

Aging for capital work-in-progress

Particulars	As at	Amount in CWIP for a period of				
		Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Projects in progress	31 st March 2025	2.40	-	-	-	2.40
Projects in progress	31 st March 2024	2.73	-	-	-	2.73

There are no projects temporarily suspended or projects whose completion is overdue or has exceeded its cost compared to its original plan.

Intangible assets under development

Particulars	As at 31 st March 2025	As at 31 st March 2024
Opening balance	3.18	1.17
Additions	8.32	5.70
Deductions	0.54	3.69
Closing balance	10.96	3.18

Aging for intangible assets under development

Particulars	As at	Amount for a period of				
		Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Projects in progress	31 st March 2025	8.04	2.92	-	-	10.96
Projects in progress	31 st March 2024	3.18	-	-	-	3.18

There are no projects temporarily suspended or projects whose completion is overdue or has exceeded its cost compared to its original plan.

(All amounts in ₹ crore unless otherwise stated)

NOTE 15 Other non-financial assets

S.No.	Description	As at 31 st March 2025	As at 31 st March 2024
a)	Advances to dealers	0.17	0.31
b)	Prepaid expenses	33.00	22.43
c)	Vendor advances	12.97	28.07
d)	Balances with GST/ Service tax department	6.96	7.76
	Total	53.10	58.57

NOTE 16 Trade payables

S.No.	Description	As at 31 st March 2025	As at 31 st March 2024
(a)	Total outstanding dues of micro enterprises and small enterprises	9.35	14.19
(b)	Total outstanding dues of creditors other than micro enterprises and small enterprises	1,081.98	1,035.09
	Total	1,091.33	1,049.28

NOTE 16.1 Trade payables (Ageing schedules)

The following schedules reflect ageing of trade payables with respect to the date of transactions

S.No.	Descriptions	Outstanding for following periods from due date of payment as at 31 st March 2025				
		<1 year	1-2 years	2-3 years	More than 3 years	Total
(i)	Undisputed dues – MSME*	9.35	-	-	-	9.35
(ii)	Undisputed dues – Others	1081.81	0.09	0.08	-	1,081.98
(iii)	Disputed dues – MSME*	-	-	-	-	-
(iv)	Disputed dues – Others	-	-	-	-	-
	Total	1091.16	0.09	0.08	-	1,091.33

S.No.	Descriptions	Outstanding for following periods from due date of payment as at 31 st March 2024				
		<1 year	1-2 years	2-3 years	More than 3 years	Total
(i)	Undisputed dues – MSME*	14.19	-	-	-	14.19
(ii)	Undisputed dues – Others	1,034.99	0.10	-	-	1,035.09
(iii)	Disputed dues – MSME*	-	-	-	-	-
(iv)	Disputed dues – Others	-	-	-	-	-
	Total	1,049.18	0.10	-	-	1,049.28

* 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.

NOTE 16.2 Disclosure under Micro, Small and Medium Enterprises Development Act, 2006

Under Micro, Small and Medium Enterprises Development Act, 2006, (MSMED) which came into force from 2nd October 2006, certain disclosures are required to be made relating to micro, medium and small enterprises. On the basis of the information and records available with management and confirmation sought from suppliers on registration with specified authority under MSMED, principal amount, interest accrued and remaining unpaid and interest paid during the year to such enterprise is Nil

(All amounts in ₹ crore unless otherwise stated)

NOTE 16 Trade payables (Contd.)

Particulars	As at 31 st March 2025	As at 31 st March 2024
The principal amount and the interest due thereon (to be shown separately) remaining unpaid to any supplier as at the end of each accounting period:		
- Principal	9.35	14.19
- Interest	-	-
The amount of interest paid by the buyer in terms of section 16 of the Micro, Small and Medium Enterprises Development Act, 2006, along with the amount of the payment made to the supplier beyond the appointed day during each accounting year;	-	-
The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the Micro, Small and Medium Enterprises Development Act, 2006;	-	-
The amount of interest accrued and remaining unpaid at the end of each accounting year; and	-	-
The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprise, for the purpose of disallowance of a deductible expenditure under section 23 of the Micro, Small and Medium Enterprises Development Act, 2006.	-	-

NOTE 17 Debt securities

Description	As at 31 st March 2025	As at 31 st March 2024
At amortised cost		
Commercial paper (Unsecured)	-	-
Non-Convertible debentures (Secured)	2,625.39	1,510.99
Total (A)	2,625.39	1,510.99
Debt securities in India	2,625.39	1,510.99
Debt securities outside India	-	-
Total (B)	2,625.39	1,510.99

NOTE 18 Borrowings (Other than debt securities)

Description	As at 31 st March 2025	As at 31 st March 2024
At amortised cost		
(a) Term loans (Secured)		
i) from banks	16,757.81	13,559.32
ii) from other parties	943.06	842.55
iii) external commercial borrowings	299.22	838.01
(b) Loans repayable on demand		
i) cash credit from banks (Secured)	0.03	0.09
ii) working capital demand loan (Secured)	1,792.35	3,376.84
iii) working capital demand loan (Unsecured)	-	426.96
Total (A)	19,792.47	19,043.77
Borrowings in India	19,493.25	18,205.76
Borrowings outside India	299.22	838.01
Total (B)	19,792.47	19,043.77

Period and amount of default: NIL (31st March 2024: NIL)

(All amounts in ₹ crore unless otherwise stated)

NOTE 19 Subordinated liabilities

Description	As at 31 st March 2025	As at 31 st March 2024
At amortised cost - Unsecured		
(a) Perpetual debt instruments to the extent that do not qualify as equity	103.57	103.57
(b) Other subordinated liabilities		
From banks	-	-
From others	2,165.74	2,109.39
Total (A)	2,269.31	2,212.96
Subordinated liabilities in India	2,269.31	2,212.96
Subordinated liabilities outside India	-	-
Total (B)	2,269.31	2,212.96

Period and amount of default: NIL (31st March 2024: 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.
- There are no unhedged foreign currency exposures.
- The Group has not breached any covenant of loan availed or debt securities issued.
- Change in liabilities arising from financing activities

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

Particulars	As at 1 st April 2023	Cash flows	Exchange differences	Other*	As at 31 st March 2024
Debt securities	2,658.80	(1,175.00)	-	27.19	1,510.99
Borrowings other than debt securities	14,568.48	4,537.97	(62.06)	(0.63)	19,043.77
Subordinated liabilities	1,798.27	400.38	-	14.33	2,212.96
Total	19,025.55	3,763.35	(62.06)	40.89	22,767.72

- * (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

(All amounts in ₹ crore unless otherwise stated)

Annexure

Terms of the debt securities, borrowings and subordinated liabilities as at 31st March 2025

Institution	Amount outstanding as at 31 st March 2025	Type of security	Interest rate	Total instalment	No. of instalments 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	28-07-2026
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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2025



(All amounts in ₹ crore unless otherwise stated)

Institution	Amount outstanding as at 31 st March 2025	Type of security	Interest rate	Total instalment	No. of instalments remaining	Frequency	Repayable from	Repayable to
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
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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2025



(All amounts in ₹ crore unless otherwise stated)

Institution	Amount outstanding as at 31 st March 2025	Type of security	Interest rate	Total instalment	No. of instalments remaining	Frequency	Repayable from	Repayable to
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
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
Total	18,000.09							
Subordinated liabilities								
Perpetual debt	103.57	Unsecured	11.50%	1	1	Bullet	25-11-2027	25-11-2027
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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2025



(All amounts in ₹ crore unless otherwise stated)

Institution	Amount outstanding as at 31 st March 2025	Type of security	Interest rate	Total instalment	No. of instalments remaining	Frequency	Repayable from	Repayable to
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							

Institution	Amount outstanding as at 31 st March 2024	Type of security	Interest rate	Total instalment	No. of instalments remaining	Frequency	Repayable from	Repayable to
Debt securities								
Non Convertible Debentures	834.02	Secured	8.30%	2	2	Bullet	14-08-2025	12-09-2025
Non Convertible Debentures	439.05	Secured	8.15%	2	2	Bullet	19-09-2024	18-10-2024
Non Convertible Debentures	237.92	Secured	8.40%	1	1	Bullet	26-06-2026	26-06-2026
	1,510.99							
Loan repayable on demand	3,376.93	Secured	7.70% - 8.71%	Repayable on demand				
	426.96	Unsecured						
	3,803.89							
Term loan								
Bank	62.48	Secured	6.30%	8	2	Quarterly	31-12-2022	30-09-2024
Bank	124.99	Secured	6.30%	8	4	Quarterly	31-05-2023	28-02-2025
Bank	299.96	Secured	7.00%	10	6	Quarterly	30-04-2023	30-07-2025
Bank	489.04	Secured	7.59%	10	7	Quarterly	30-09-2023	31-12-2025
Bank	746.04	Secured	8.34%	15	14	Quarterly	31-03-2024	01-10-2027
Bank	99.22	Secured	7.70%	39	39	Monthly	31-07-2024	30-09-2027
Bank	499.91	Secured	8.25%	11	11	Quarterly	01-10-2024	01-04-2027
Bank	281.26	Secured	8.30%	16	15	Quarterly	29-03-2024	29-12-2027
Bank	125.01	Secured	7.94%	4	2	Quarterly	30-11-2023	31-08-2024
Bank	299.95	Secured	8.35%	14	14	Quarterly	31-08-2024	30-11-2027
Bank	200.14	Secured	7.00%	1	1	Bullet	27-10-2024	27-10-2024
Bank	400.32	Secured	8.10%	1	1	Bullet	29-05-2026	29-05-2026
Bank	124.99	Secured	8.26%	5	5	Half Yearly	29-02-2024	31-08-2026
Bank	42.03	Secured	7.75%	36	3	Monthly	25-07-2021	24-06-2024
Bank	83.94	Secured	7.50%	36	6	Monthly	28-10-2021	27-09-2024
Bank	63.02	Secured	8.27%	36	9	Monthly	31-01-2022	30-12-2024

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2025



(All amounts in ₹ crore unless otherwise stated)

Institution	Amount outstanding as at 31 st March 2024	Type of security	Interest rate	Total instalment	No. of instalments remaining	Frequency	Repayable from	Repayable to
Bank	176.46	Secured	5.60%	37	13	Monthly	30-04-2022	29-04-2025
Bank	326.12	Secured	6.35%	37	16	Monthly	29-07-2022	28-07-2025
Bank	293.14	Secured	7.25%	12	7	Quarterly	23-03-2023	21-01-2026
Bank	59.72	Secured	7.60%	37	22	Monthly	02-02-2023	21-01-2026
Bank	40.26	Secured	7.75%	12	8	Quarterly	20-05-2023	21-03-2026
Bank	58.77	Secured	7.75%	37	24	Monthly	20-03-2023	21-03-2026
Bank	251.06	Secured	7.25%	12	8	Quarterly	30-06-2023	28-04-2026
Bank	459.37	Secured	7.10%	16	13	Quarterly	30-09-2023	29-06-2027
Bank	152.58	Secured	7.10%	16	13	Quarterly	30-09-2023	29-06-2027
Bank	337.83	Secured	7.10%	16	14	Quarterly	27-12-2023	26-09-2027
Bank	101.29	Secured	7.54%	16	14	Quarterly	27-12-2023	26-09-2027
Bank	376.84	Secured	7.15%	16	15	Quarterly	29-02-2024	30-11-2027
Bank	94.23	Secured	7.15%	16	15	Quarterly	26-03-2024	27-12-2027
Bank	749.41	Secured	7.10%	13	13	Quarterly	30-12-2024	30-09-2026
Bank	249.95	Secured	8.25%	1	1	Bullet	29-09-2025	29-09-2025
Bank	249.90	Secured	8.25%	1	1	Bullet	30-06-2026	30-06-2026
Bank	60.48	Secured	8.50%	10	6	Quarterly	29-06-2023	29-09-2025
Bank	302.10	Secured	8.50%	10	6	Quarterly	01-07-2023	01-10-2025
Bank	241.73	Secured	8.50%	10	6	Quarterly	01-07-2023	01-10-2025
Bank	100.01	Secured	7.28%	10	5	Quarterly	31-01-2023	30-04-2025
Bank	249.96	Secured	8.08%	10	10	Quarterly	29-04-2024	29-07-2026
Bank	249.96	Secured	8.20%	10	10	Quarterly	20-07-2024	20-10-2026
Bank	99.99	Secured	7.10%	13	13	Quarterly	30-06-2024	30-06-2027
Bank	299.97	Secured	8.15%	8	8	Quarterly	11-03-2025	08-12-2026
Bank	119.96	Secured	8.03%	10	6	Quarterly	31-07-2023	31-10-2025
Bank	210.03	Secured	8.03%	10	7	Quarterly	31-07-2023	31-10-2025
Bank	349.99	Secured	8.65%	10	7	Quarterly	30-09-2023	30-12-2025
Bank	719.94	Secured	8.35%	10	9	Quarterly	31-03-2024	30-06-2026
Bank	200.03	Secured	8.35%	10	10	Quarterly	30-04-2024	31-07-2026
Bank	458.30	Secured	8.35%	12	11	Quarterly	29-02-2024	30-11-2026
Bank	49.94	Secured	8.30%	12	12	Quarterly	30-06-2024	31-03-2027
Bank	125.89	Secured	8.40%	8	4	Quarterly	23-06-2023	23-03-2025
Bank	157.44	Secured	8.40%	8	5	Quarterly	20-07-2023	20-04-2025
Bank	335.58	Secured	8.40%	12	8	Quarterly	10-05-2023	10-02-2026
Bank	1,006.73	Secured	8.25%	12	12	Quarterly	27-06-2024	27-03-2027
Bank	301.83	Secured	8.25%	1	1	Bullet	27-03-2025	27-03-2025

(All amounts in ₹ crore unless otherwise stated)

Institution	Amount outstanding as at 31 st March 2024	Type of security	Interest rate	Total instalment	No. of instalments remaining	Frequency	Repayable from	Repayable to
Others	301.58	Secured	8.00%	43	43	Monthly	10-06-2024	10-12-2027
Others	500.97	Secured	8.25%	12	12	Quarterly	10-06-2024	10-03-2027
Others	40.23	Secured	7.85%	5	1	Quarterly	05-05-2023	30-04-2024
Bank-ECB	838.01	Secured	6.92%	1	1	Bullet	02-12-2024	02-12-2024
	15,239.88							
Subordinated liabilities								
Perpetual debt	103.57	Unsecured	11.50%	1	1	Bullet	25-11-2027	25-11-2027
Other subordinated liabilities:								
Others	101.75	Unsecured	10.90%	1	1	Bullet	07-08-2024	07-08-2024
Others	152.95	Unsecured	9.40%	1	1	Bullet	10-06-2026	10-06-2026
Others	150.26	Unsecured	9.40%	1	1	Bullet	26-08-2026	26-08-2026
Others	101.92	Unsecured	8.85%	1	1	Bullet	02-06-2027	02-06-2027
Others	359.56	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	324.79	Unsecured	9.50%	1	1	Bullet	31-01-2028	31-01-2028
Others	201.89	Unsecured	9.35%	1	1	Bullet	29-08-2028	29-08-2028
Others	512.57	Unsecured	9.30%	1	1	Bullet	27-06-2029	27-06-2029
Others	102.24	Unsecured	10.00%	1	1	Bullet	01-07-2026	01-07-2026
Total	2,109.39							
Subordinated liabilities total	2,212.96							

Details of security

- Non convertible debentures of ₹ 2,625 crore inclusive of current and non-current dues (As at 31st March 2024 ₹ 1,511 crore) is fully secured by exclusive floating charge against hypothecation of receivables under the financing activity of the Group.
- Term loan received from banks and other parties of ₹ 18,000 crore inclusive of current and non-current dues (As at 31st March 2024 ₹ 15,240 crore) is fully secured by exclusive floating charge against hypothecation of receivables under the financing activity of the Group.
- Working capital demand loan and cash credit of ₹ 1,792 crore (As at 31st March 2024 ₹ 3,377 crore) is fully secured by exclusive floating charge against hypothecation of receivables under the financing activity of the Group.

(All amounts in ₹ crore unless otherwise stated)

NOTE 20 Other financial liabilities

S.No.	Description	As at 31 st March 2025	As at 31 st March 2024
a)	Employee related liabilities	134.41	166.04
b)	Security deposit	15.51	137.23
c)	Lease liability (refer note 41)	71.43	31.36
	Total	221.35	334.63

NOTE 21 Provisions

S.No.	Description	As at 31 st March 2025	As at 31 st March 2024
a)	Pension (refer note 37)	12.70	11.23
b)	Gratuity (refer note 37)	3.60	0.57
c)	Compensated absences (refer note 37)	43.28	55.79
	Total	59.58	67.59

NOTE 22 Other non-financial liabilities

S.No.	Description	As at 31 st March 2025	As at 31 st March 2024
a)	Statutory dues	42.87	52.84
	Total	42.87	52.84

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 ₹ 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 ₹ 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.

S.No.	Description	As at 31 st March 2025	As at 31 st March 2024
c)	Authorised share capital:		
	300,000,000 (As at 31 st March 2024 : 300,000,000) equity shares of ₹10 each	300.00	300.00
	20,000,000 (As at 31 st March 2024 : 20,000,000) 0.001% Compulsorily convertible preference shares of ₹10 each	20.00	20.00
	Total	320.00	320.00
d)	Issued, subscribed and paid-up:		
	Equity Share:		
	236,272,706 (As at 31 st March 2024 : 228,223,926) equity shares of ₹10 each	236.27	228.22
	Total	236.27	228.22
	Instruments entirely equity in nature:		
	18,384,684 (As at 31 st March 2024: 18,384,684) 0.001% Compulsorily convertible preference shares of ₹10 each	18.38	18.38
	Total	18.38	18.38

(All amounts in ₹ crore unless otherwise stated)

NOTE 23 Equity share capital (Contd.)

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 2025		As at 31 st March 2024	
	No. of shares	Amount	No. of shares	Amount
At the beginning of the year	22,82,23,926	228.22	22,82,23,926	228.22
Add: Issued during the year*	80,48,780	8.05	-	-
At the end of the year	23,62,72,706	236.27	22,82,23,926	228.22

* On 28th June 2024, the Group through preferential issue on private placement basis allotted 80,48,780 equity shares to eligible buyers at a price of ₹410 per equity share of ₹10 face value (inclusive of premium of ₹400 per share) aggregating to approximately ₹330 crore.

0.001% Compulsorily convertible preference shares:

Particulars	As at 31 st March 2025		As at 31 st March 2024	
	No. of shares	Amount	No. of shares	Amount
At the beginning of the year	1,83,84,684	18.38	-	-
Add: Issued during the year	-	-	1,83,84,684	18.38
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 31 st March 2025	As at 31 st March 2024
Equity shares:		
TVS Motor Company Limited	20,23,19,089	19,54,24,754
0.001% Compulsorily convertible preference shares:		
TVS Motor Company Limited	31,69,773	31,69,773

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 2025		As at 31 st March 2024	
	No. of shares	% of holding	No. of shares	% of holding
Equity shares:				
TVS Motor Company Limited	20,23,19,089	85.63%	19,54,24,754	85.63%
PI Opportunities Fund I Scheme II	1,22,72,143	5.19%	1,14,03,378	5.00%
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

Promoter Name	No. of shares	% of total shares	% change during the year
Equity share:			
TVS Motor Company Limited	20,23,19,089	85.63%	0.00%
0.001% Compulsorily convertible preference shares:			
TVS Motor Company Limited	31,69,773	17.24%	0.00%

(All amounts in ₹ crore unless otherwise stated)

NOTE 24 Other equity

Description	As at 31 st March 2025	As at 31 st March 2024
a) Securities premium	2,196.14	1,874.19
b) Statutory reserves	509.85	356.40
c) Share based payment reserve	0.27	-
d) Retained earnings	1,992.52	1,385.86
e) Other reserves-Hedging reserve	(1.23)	5.89
Total reserves and surplus	4,697.55	3,622.34

Description	As at 31 st March 2025	As at 31 st March 2024
a) Securities premium		
Opening balance	1,874.19	1,336.35
Additions during the year	321.95	537.84
Deductions/Adjustments during the year	-	-
Closing balance	2,196.14	1,874.19

Description	As at 31 st March 2025	As at 31 st March 2024
b) Statutory reserves		
Opening balance	356.40	242.03
Transfer from retained earnings	153.45	114.37
Deductions/Adjustments during the year	-	-
Closing balance	509.85	356.40

Description	As at 31 st March 2025	As at 31 st March 2024
c) Share based payment reserve		
Opening balance	-	-
Share based payment expense during the year	0.27	-
Closing balance	0.27	-

Description	As at 31 st March 2025	As at 31 st March 2024
d) Retained earnings		
Opening balance	1,385.86	934.94
Net profit for the year	768.07	572.56
Items of other comprehensive income recognised directly in retained Earnings:		
- Remeasurements of post-employment benefit obligation net off tax	(7.96)	(7.28)
Transfer to statutory reserve	(153.45)	(114.37)
Closing balance	1,992.52	1,385.86

Description	As at 31 st March 2025	As at 31 st March 2024
e) Other reserves - Hedging reserve		
Opening balance	5.89	19.32
Add: Change in fair value of hedging instruments, net off tax for the year	(6.65)	(13.43)
Add: Fair value gain/(loss) on financial instruments through other comprehensive income	(0.47)	-
Closing balance	(1.23)	5.89

Securities premium

The reserve represents premium on issue of shares. It will be utilised in accordance with the provisions of the Companies Act, 2013.

(All amounts in ₹ crore unless otherwise stated)

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 reserve-Hedging reserve

It represents the cumulative gains/(losses) arising on revaluation of the derivative instruments designated as cash flow hedges through OCI.

NOTE 25 Interest income

Description	Year ended 31 st March 2025	Year ended 31 st March 2024
On financial assets measured at amortised cost:		
Interest on loans	5,774.29	5,048.52
Interest on deposits with bank	17.33	64.98
Interest on Government securities	6.79	0.05
Total	5,798.41	5,113.55

NOTE 26 Fees and commission income

Description	Year ended 31 st March 2025	Year ended 31 st March 2024
Fee-based income	525.12	408.18
Service income	211.34	183.87
Total	736.46	592.05

NOTE 27 Net gain on fair value changes on financial instruments

Description	Year ended 31 st March 2025	Year ended 31 st March 2024
Net gain on fair value changes on FVTPL - Realised	92.32	-
Net gain on fair value changes on FVTPL - Unrealised	-	-
Total	92.32	-

NOTE 28 Other operating income

Description	Year ended 31 st March 2025	Year ended 31 st March 2024
Realisation on sale of written off and stressed loans	-	85.09
Total	-	85.09

NOTE 29 Other income

Description	Year ended 31 st March 2025	Year ended 31 st March 2024
Unwinding of discount on security deposits and receivable for investments	0.97	0.95
Other non-operating income	0.44	3.88
Interest on Income tax refund	2.52	0.64
Total	3.93	5.47

(All amounts in ₹ crore unless otherwise stated)

NOTE 30 Finance costs

Description	Year ended 31 st March 2025	Year ended 31 st March 2024
Interest expense on financial liabilities measured at amortised cost:		
- Interest on borrowings (other than debt securities)	1,476.13	1,253.76
- Interest on debt securities	169.54	216.98
- Interest on subordinated liabilities	203.74	172.23
Other interest expense:		
- Interest on lease liabilities	6.12	2.82
- Others	7.79	7.85
Total	1,863.32	1,653.64

NOTE 31 Impairment of financial instruments

Description	Year ended 31 st March 2025	Year ended 31 st March 2024
On financial instruments measured at amortised cost		
Bad debts written off (net)	940.98	633.57
Net loss on sale of repossessed assets	410.38	274.09
Impairment provision on loans	(57.20)	217.01
Impairment provision on trade receivables and other financial assets	1.20	2.38
Total	1,295.36	1,127.05

NOTE 32 Employee benefit expenses

Description	Year ended 31 st March 2025	Year ended 31 st March 2024
Salaries and wages	1,019.56	1,051.73
Contribution to provident and other funds	56.86	53.91
Gratuity expenses (refer note 37)	6.87	5.10
Share based payments to employees	0.27	-
Staff welfare expenses	52.02	90.04
Total	1,135.58	1,200.78

NOTE 33 Other expenses

Description	Year ended 31 st March 2025	Year ended 31 st March 2024
Rent, taxes and energy costs (Refer note 41d))	39.71	34.31
Repairs and maintenance	18.31	17.26
Communication costs	97.21	128.83
Printing and stationery	1.59	6.05
Travelling and conveyance	46.13	81.01
Directors sitting fees & commission expenses	1.03	0.81
Legal and professional charges	92.50	140.60
Insurance expenses	0.90	0.39
Information technology expenses	106.16	88.96
Manpower support expenses	274.49	49.45
Brand royalty fees	24.96	15.60
Auditors fees and expenses*	0.74	0.67
Corporate social responsibility **	10.00	10.00
Donation	20.00	13.70
Others	3.26	6.91
Total	736.97	594.55

(All amounts in ₹ crore unless otherwise stated)

***Auditors fees and expenses**

Description	Year ended 31 st March 2025	Year ended 31 st March 2024
Statutory audit	0.43	0.39
Limited review	0.13	0.12
Tax audit	0.08	0.08
Certification	0.05	0.04
Reimbursement of expenses	0.05	0.04
Auditors fees and expenses	0.74	0.67

**** Expenditure incurred on corporate social responsibility activities:**

Particulars	Year ended 31 st March 2025	Year ended 31 st March 2024
(i) Amount required to be spent by the Group during the year	9.53	5.12
(ii) Amount of expenditure incurred	10.00	10.00
(iii) Shortfall at the end of the year	-	-
(iv) Total of previous years shortfall	-	-
(v) Reason for shortfall	NA	NA
(vi) Nature of CSR activities		
a. Expenses incurred through Trusts	10.00	10.00
Total	10.00	10.00

NOTE 34 Income tax expenses

Description	Year ended 31 st March 2025	Year ended 31 st March 2024
(a) Income tax expense:		
Current tax on profits for the year	324.07	307.87
Tax profits relating to prior period	-	-
Total current tax expense	324.07	307.87
Deferred tax		
Decrease/(increase) in deferred tax assets	(65.61)	(117.55)
(Decrease)/increase in deferred tax liabilities	-	-
Total deferred tax expense/(benefit)	(65.61)	(117.55)
Income tax expense for the year	258.46	190.32
(b) Reconciliation of tax expense and the accounting profit multiplied by India's tax rate:		
Profit before income tax expense	1,026.53	762.88
Tax at the Indian tax rate of 25.168% (Year ended 31 st March 2024: 25.168%)	258.36	192.00
Tax effect of amounts which are permanent differences in nature in calculation of taxable income	0.10	(1.68)
Income tax expense	258.46	190.32

(All amounts in ₹ crore unless otherwise stated)

NOTE 35 Other comprehensive income

Description	Year ended 31 st March 2025	Year ended 31 st March 2024
Items that will not be reclassified to profit or loss		
Remeasurement of the defined benefit plans	(10.64)	(9.72)
Income tax relating to these items	2.68	2.45
Items that will be reclassified to profit or loss		
Fair value change on cash flow hedge	(8.89)	(17.95)
Income tax relating to these items	2.24	4.52
Fair value gain/(loss) on financial instruments through other comprehensive income	(0.62)	-
Income tax relating to these items	0.16	-
Other comprehensive income	(15.08)	(20.70)

NOTE 36 Earnings per share

Description	Year ended 31 st March 2025	Year ended 31 st March 2024
(a) Basic earnings per share		
Basic earnings per share attributable to the equity holders of the Group	30.39	23.93
(b) Diluted earnings per share		
Diluted earnings per share attributable to the equity holders of the Group	30.39	23.93
(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	768.07	572.56
Diluted earnings per share:		
Profit attributable to equity holders of the company used in calculating diluted earnings per share	768.07	572.56
(d) Weighted average number of equity shares used as the denominator in calculating basic earnings per share	25,27,16,862	23,92,28,062
Effect of dilution:		
Employee stock options	2,782	-
(e) Weighted average number of equity shares used as the denominator in calculating diluted earnings per share	25,27,19,644	23,92,28,062

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2025



(All amounts in ₹ crore unless otherwise stated)

NOTE 37 Employee benefit obligations

Defined benefit obligation

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 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 Group 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			Compensated Absences		
	Present value of obligation	Fair value of plan assets	Total	Present value of obligation	Fair value of plan assets	Total	Present value of obligation	Fair value of plan assets	Total
As at 1st April 2023	33.85	(36.16)	(2.31)	9.77	-	9.77	42.88	-	42.88
Current service cost	5.38	-	5.38	-	-	-	-	-	-
Interest expense/(income)	2.54	(2.82)	(0.28)	0.74	-	0.74	3.28	-	3.28
Total amount recognised in profit or loss	7.92	(2.82)	5.10	0.74	-	0.74	12.91	-	12.91
Remeasurements									
Return on plan assets, excluding amounts included in interest expense/(income)	-	0.74	0.74	-	-	-	-	-	-
(Gain)/loss from change in financial assumptions	0.16	-	0.16	0.22	-	0.22	-	-	-
Experience (gains)/losses	8.10	-	8.10	0.50	-	0.50	-	-	-
Total amount recognised in other comprehensive (income)/losses	8.26	0.74	9.00	0.72	-	0.72	-	-	-
Employer contributions	-	(11.22)	(11.22)	-	-	-	-	-	-
Benefit payments	(5.51)	5.51	-	-	-	-	-	-	-
As at 31st March 2024	44.52	(43.95)	0.57	11.23	-	11.23	55.79	-	55.79
As at 1st April 2024	44.52	(43.95)	0.57	11.23	-	11.23	55.79	-	55.79
Current service cost	7.07	-	7.07	-	-	-	-	-	-
Interest expense/(income)	3.12	(3.32)	(0.20)	0.79	-	0.79	3.81	-	3.81
Total amount recognised in profit or loss	10.19	(3.32)	6.87	0.79	-	0.79	(12.51)	-	(12.51)
Remeasurements									
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	43.28	-	43.28

Details	Gratuity		Pension		Compensated Absences	
	31 st March 2025	31 st March 2024	31 st March 2025	31 st March 2024	31 st March 2025	31 st March 2024
Discount rate	6.34%	6.95%	6.44%	6.95%	6.34%	6.95%
Salary growth rate	6.00%	6.00%	5.50%	5.50%	6.00%	6.00%
Attrition rate	36.00%	36.00%	0.00%	0.00%	36.00%	36.00%
Retirement age	58	58	60	60	58	58
Mortality inclusive of provision for disability	100% of indian assured lives mortality (IALM)					

(All amounts in ₹ crore unless otherwise stated)

NOTE 37 Employee benefit obligations (Contd.)

(i) Sensitivity analysis

FY 2024-25

Particulars	Gratuity			Pension			Compensated Absences		
	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	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	0.50%	42.83	43.74
Salary growth rate	0.50%	57.74	56.43	1.00%	14.26	11.38	0.50%	43.73	42.82
Mortality	5.00%	57.08	57.08	5.00%	12.60	12.81	5.00%	43.28	43.28
Attrition	5.00%	56.68	57.49	5.00%	12.70	12.70	5.00%	43.29	43.26
₹10,00,000 benefit ceiling	-	55.33	-	-	-	-	-	-	-
No benefit ceiling	-	-	57.86	-	-	-	-	-	-

FY 2023-24

Particulars	Gratuity			Pension			Compensated absences		
	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	Change in assumption	Due to increase in assumption	Due to decrease in assumption
Discount rate	0.50%	44.00	45.03	1.00%	10.07	12.62	0.50%	55.22	56.37
Salary growth rate	0.50%	45.02	44.00	1.00%	12.69	10.00	0.50%	56.37	55.22
Mortality	5.00%	44.51	44.51	5.00%	11.15	11.32	5.00%	55.79	55.79

(ii) Projected plan cash flow

Maturity profile	Amount (Rs. in crs)
Expected benefits for year 1	35.56
Expected benefits for year 2	26.70
Expected benefits for year 3	19.94
Expected benefits for year 4	14.43
Expected benefits for year 5	10.54
Expected benefits for year 6 and above	24.16
Total	131.33

(iii) Risk exposure:

Through its defined benefit plans, the Group is exposed to a number of risks, the most significant of which are detailed below:

Asset volatility

The plan liabilities are calculated using a discount rate set with reference to bond yield;

Changes in bond yields

A decrease in bond yields will increase plan liabilities, although this will be partially offset by an increase in the value of the plans' bond holdings

(iv) Defined contribution plans:

The Group's contribution to defined contribution plan viz., provident fund and ESI, of ₹ 55.80 Crore (As at 31st March 2024: ₹ 52.56 Crore) has been recognised in the Statement of Profit and Loss.

(v) Category of plan assets

100% in insurer managed funds

(All amounts in ₹ crore unless otherwise stated)

NOTE 38 Fair value measurements

Financial assets and financial liabilities measured at amortised cost, including their levels in the fair value hierarchy:

Particulars	Carrying amount		Fair value hierarchy	Fair value	
	31 st March 2025	31 st March 2024		31 st March 2025	31 st March 2024
Financial assets:					
Cash and cash equivalents	3,599.65	1,761.42	Level 3	3,599.65	1,761.42
Other bank balances	5.95	5.90	Level 3	5.95	5.90
Trade receivables	152.21	117.20	Level 3	152.21	117.20
Loans	26,298.84	25,470.24	Level 3	26,298.84	25,470.24
Investment in Government securities	282.12	93.46	Level 1	282.12	93.46
Other financial assets					
Employees related receivables	12.84	10.49	Level 3	12.84	10.49
Security deposit for leased premises	13.29	11.17	Level 3	13.29	11.17
Other financial assets - Non related parties	-	0.71	Level 3	-	0.71
Deposit with service providers	2.12	2.65	Level 3	2.12	2.65
Total	30,367.02	27,473.24		30,367.02	27,473.24

Financial liabilities

Trade payables	1,091.33	1,049.28	Level 3	1,091.33	1,049.28
Debt securities	2,625.39	1,510.99	Level 2	2,625.39	1,510.99
Borrowings other than debt securities	19,792.47	19,043.77	Level 3	19,792.47	19,043.77
Subordinated liabilities	2,269.31	2,212.96	Level 2	2,269.31	2,212.96
Other financial liabilities	221.35	334.63	Level 3	221.35	334.63
Total	25,999.85	24,151.63		25,999.85	24,151.64

Financial assets and liabilities measured at fair value:

Particulars	Fair Value Hierarchy	31 st March 2025	31 st March 2024
Financial assets:			
Investment in Alternate investment fund	Level 3	5.38	4.00
Investment in Compulsory convertible debentures	Level 3	0.25	0.25
Derivative financial instruments	Level 2	-	90.67
Total financial assets		5.63	94.92
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.

(All amounts in ₹ crore unless otherwise stated)

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.

NOTE 39 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, debentures and commercial papers.

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	31 st March 2025	31 st March 2024
Gross carrying value of loans		
Stage-1 (Up to 30 days)	25,066.77	24,357.57
Stage-2 (31-90 days) [#]	1,329.68	1,305.94
Stage-3 (More than 90 days) [*]	782.97	742.80
Total gross carrying value as of year end	27,179.42	26,406.31

[#] Includes restructured contracts under 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 even though days past due is less than and equal to 30 days on the reporting date.

^{*} Includes restructured contracts under Prudential Framework for Resolution of Stressed Assets vide circular RBI/2018-19/203 DBR.No.BP. BC.45/21.04.048/2018-19 dated 7th June 2019 irrespective of days past due on the reporting date.

(All amounts in ₹ crore unless otherwise stated)

NOTE 39 Financial Risk Management (Contd.)

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 loans 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:

- 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 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%.
- 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 tenor.
- 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 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.

In accordance with the board approved moratorium policy read with the Reserve Bank of India (RBI) guidelines dated 27th March, 2020 and 17th April, 2020 relating to 'COVID-19 – Regulatory Package', the Group has offered moratorium upto six months on the payment of installments falling due between 1st March, 2020 and 31st August, 2020 to all eligible borrowers. The Group has extended One-Time Resolution framework as for COVID-19-related Stress to eligible customers as per applicable RBI guidelines and as per the policy of the Group. The Group has classified all restructured accounts done under Prudential Framework for Resolution of Stressed Assets vide circular RBI/2018-19/203 DBR.No.BP.

(All amounts in ₹ crore unless otherwise stated)

NOTE 39 Financial risk management (Contd.)

BC.45/21.04.048/2018-19 dated 7th June 2019 in Stage 3 and with regard to restructured contracts done under one time resolution framework vide RBI circular dated 6th August, 2020 and RBI/2 021- 22/31/DOR.STR.REC.11 /21.04.048/2021-22 dated 5th May, 2021 in stage 2 irrespective of days past due status on the reporting date.

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.

Impairment loss

The expected credit loss allowance provision is determined as follows:

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%

FY 23-24	Stage 1	Stage 2	Stage 3	Grand total
Gross carrying value	24,357.57	1,305.94	742.80	26,406.31
Allowance for ECL	289.48	253.54	393.05	936.07
ECL coverage ratio	1.19%	19.41%	52.91%	3.54%

Reconciliation of expected credit loss

Particulars	Stage 1	Stage 2	Stage 3	Grand Total
Balance as at 1st April 2023	264.74	138.78	306.54	710.06
Transfer from stage 1	(15.17)	8.74	6.43	-
Transfer from stage 2	13.19	(55.32)	42.13	-
Transfer from stage 3	8.78	4.45	(13.23)	-
Loans that have derecognised during the period	(39.36)	(48.00)	(116.07)	(203.43)
New loans originated during the year	114.54	59.15	49.21	222.90
Net remeasurement of loss allowance	(57.24)	145.74	118.04	206.54
Balance as at 31st March 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)	-
Loan that have derecognised during the period	(51.64)	(67.96)	(104.94)	(224.55)
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

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:

	31st March 2025	31st March 2024
Carrying value		
Concentration by geographical region in India		
South	11,173.70	10,636.43
West	6,927.67	7,256.11
East	4,736.87	4,252.84
North	4,341.18	4,260.93
Total loans as at reporting period	27,179.42	26,406.31

(All amounts in ₹ crore unless otherwise stated)

NOTE 39 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 ascertain 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:

	31 st March 2025	31 st March 2024
Floating rate		
Expiring within one year	4,820	1,950
Expiring beyond one year	-	-
	4,820	1,950

(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 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 non derivative 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 2025						
Financial assets:						
Cash and cash equivalents	3,599.65	-	-	-	-	3,599.65
Fixed deposits	-	-	5.95	-	-	5.95
Trade receivables	38.64	38.13	75.44	-	-	152.21
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	10,560.51	4,915.51	7,771.05	14,021.53	24.21	37,292.81
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	245.39	-	-	1,091.33
Other financial liabilities	7.82	6.99	144.00	51.39	10.90	221.10
Total	3,142.88	3,777.68	7,631.23	14,133.46	161.48	28,846.73
As at 31st March 2024						
Financial assets:						
Cash and cash equivalents	1,761.42	-	-	-	-	1,761.42
Fixed deposits	-	-	5.90	-	-	5.90
Derivative financial instruments	-	-	90.67	-	-	90.67
Trade receivables	29.51	29.31	58.38	-	-	117.20
Loans	6,440.74	4,432.37	7,119.02	15,218.23	10.23	33,220.59
Investments	-	-	100.25	-	4.25	104.50
Other financial assets	3.06	1.88	7.60	12.48	-	25.02
Total	8,234.73	4,463.56	7,381.82	15,230.71	14.48	35,325.30

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2025



(All amounts in ₹ crore unless otherwise stated)

NOTE 39 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
Financial liabilities:						
Borrowings	1,944.17	2,156.42	8,884.91	11,991.57	523.22	25,500.29
Security deposit	23.21	15.47	98.55	-	-	137.23
Trade payables	614.43	247.99	185.68	1.18	-	1,049.28
Other financial liabilities	4.02	2.45	168.74	17.16	11.82	204.19
Total	2,585.83	2,422.33	9,337.88	12,009.91	535.04	26,890.99

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 2025						
Financial assets:						
Cash and cash equivalents	3,599.65	-	-	-	-	3,599.65
Fixed deposits	-	-	5.95	-	-	5.95
Trade receivables	38.64	38.13	75.44	-	-	152.21
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	9,635.00	3,839.71	6,163.26	11,604.12	11.14	31,253.23
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	245.39	-	-	1,091.33
Other financial liabilities	6.49	5.66	141.35	42.49	9.85	205.84
Total	2,678.38	3,366.30	6,973.71	12,823.85	159.85	26,002.09

Particulars	Less than 3 months	3 to 6 months	6 months to 1 year	Between 1 and 5 years	More than 5 years	Total Carrying Amount
As at 31st March 2024						
Financial assets:						
Cash and cash equivalents	1,761.42	-	-	-	-	1,761.42
Fixed deposits	-	-	5.90	-	-	5.90
Derivative financial instruments	-	-	90.67	-	-	90.67
Trade receivables	29.51	29.31	58.38	-	-	117.20
Loans	5,229.47	3,333.03	5,339.72	12,495.10	8.99	26,406.31
Investments	-	-	93.46	-	4.25	97.71
Other financial assets	3.06	1.88	7.60	12.48	-	25.02
Total	7,023.46	3,364.22	5,595.73	12,507.58	13.24	28,504.23
Financial liabilities:						
Borrowings	1,596.16	1,779.51	8,090.76	10,801.26	500.03	22,767.72
Security deposit	23.21	15.47	98.55	-	-	137.23
Trade payables	614.43	247.99	185.68	1.18	-	1,049.28
Other financial liabilities	3.42	1.85	167.50	13.48	11.15	197.40
Total	2,237.22	2,044.82	8,542.49	10,815.92	511.18	24,151.63

(All amounts in ₹ crore unless otherwise stated)

NOTE 39 Financial risk management (Contd.)

(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 2025	31 st March 2024
Financial liabilities		
Variable Foreign Currency Borrowings (USD 35 million) (Year ended 31st March 2024 : USD 100 million)	300.13	751.50
Derivative liabilities		
Hedged through forward contracts and CCS	300.13	751.50
Net exposure to foreign currency risk (liabilities)	-	-

(b) Sensitivity analysis:

The Group has hedged all its foreign currency exposures by entering into CCS/ Forwards 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 2025	31 st March 2024
INR/USD Increases by 5%	-	-
INR/USD Decreases by 5%	-	-

(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 year ended 31st March 2025 and 31st March 2024, 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 2025	31 st March 2024
Variable rate borrowings	17,493.01	13,871.00
Total borrowings	24,687.17	22,767.72

As at the end of the reporting period, the Group had the following variable rate borrowings outstanding:

Particulars	31 st March 2025		
	Weighted average interest rate	Balance	% of total loans
Cash credits, bank loans etc.	7.93%	17,493.01	70.86%

Particulars	31 st March 2024		
	Weighted average interest rate	Balance	% of total loans
Cash credits, bank loans etc.	8.15%	13,871.00	60.92%

An analysis by maturities is provided in note 39 B (ii) above.

(All amounts in ₹ crore unless otherwise stated)

NOTE 39 Financial risk management (Contd.)

(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 2025	31 st March 2024
Interest rates – increase by 50 basis points (50 bps) *	(65.45)	(51.90)
Interest rates – decrease by 50 basis points (50 bps) *	65.45	51.90

* Holding all other variables constant

NOTE 40 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 2025	31 st March 2024
Net debt (total borrowings, less cash and cash equivalents)	21,087.52	21,006.31
Total equity (as shown in the balance sheet)	4,952.20	3,868.94
Net debt to equity ratio	4.26	5.43

(b) Externally imposed capital restrictions

- 1) As per RBI requirements Capital Adequacy Ratio should be minimum 15%, not meeting RBI requirements will lead cancellation of NBFC licenses 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.

(All amounts in ₹ crore unless otherwise stated)

NOTE 41 Leases

a) Lease disclosures pertaining to right-to-use assets

Particulars	31 st March 2025	31 st March 2024
Opening balance	26.58	28.73
Add: Adjustments on account of modification	35.95	-
Add: Additions during the year	23.53	6.10
Less: Deletions during the year	-	-
Less: Depreciation during the year	(20.87)	(8.25)
Closing balance	65.19	26.58

b) Lease liability movement

Particulars	31 st March 2025	31 st March 2024
Opening balance	31.36	33.11
Add: Adjustments on account of modification	34.72	-
Add: Additions during the year	23.53	6.10
Add: Interest accrued during the year	6.12	2.82
Less: Interest paid during the year	(6.12)	(2.82)
Less: Deletions during the year	-	-
Less: Principal repayment during the year	(18.20)	(7.84)
Closing balance	71.41	31.36

c) 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 non-cancellable period of the respective agreements.

d) The Group has exercised the option of short term leases and low value asset exemption.

e) Lease disclosures pertaining to Statement of Profit and Loss

Particulars	31 st March 2025	31 st March 2024
Finance charges		
Interest expense	6.12	2.82
Depreciation		
Amortisation of right to use assets	20.87	8.25
Other expenses		
<u>Rent expenses</u>		
Expense relating to short-term leases (included in other expenses)	6.68	17.70
Expense relating to leases of low-value assets that are not short-term leases (included in other expenses)	-	-
Expense relating to variable lease payments not included in the measurement of lease liabilities	-	-
Total	33.67	28.77

f) Additional disclosures in cash flow statement

Particulars	31 st March 2025	31 st March 2024
Cash flow financing activities		
Principal repayments related to lease liabilities	18.20	7.84
Interest payments related to lease liabilities	6.12	2.82

g) Contractual maturities of lease liabilities outstanding

Particulars	31 st March 2025	31 st March 2024
Less than one year	19.07	9.12
One to five years	42.49	17.16
More than five years	9.85	5.08
Total	71.41	31.36

(All amounts in ₹ crore unless otherwise stated)

42. 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 (with effect from 16th September 2024) Drive X Mobility Millennial Solutions Private Limited (ceased to be associate of holding company and became fellow subsidiary with effect from 23rd December, 2024)
Enterprise under common control	Sundaram-Clayton Limited Srinivasan Services Trust
Associate of holding company	Scienaptic Systems Private Limited (upto 27th December 2024) TVS Training And Services Ltd
Non-executive directors	Mr. Venu Srinivasan Mr. Sudarshan Venu Mr. K.N. Radhakrishnan Mr. Sanjiv Chadha (with effect from 22nd November 2024)
Independent directors	Mr. R. Gopalan Mr. B. Sriram Ms. Kalpana Unadkat Ms. Deepali Pant Joshi (with effect from 6th August 2024) Mr. T. C. Suseel Kumar (with effect from 6th August 2024)
Director and Chief Executive Officer	Mr. Ashish Sapra, Director and Chief Executive Officer (Directorship with effect from 22nd November 2024)
Key managerial personnel	Ms. Roopa Sampath Kumar, Chief Financial Officer Mr. Sreejith P, Company Secretary (up to 20th January 2025) Mr. Chetan Nage, Company Secretary

Transactions with related parties and balance outstanding as at the end of the year:

S.No.	Name of the related party	Nature of transactions	31 st March 2025	31 st March 2024
1	TVS Motor Company Limited	Contribution towards issuance of equity shares	282.67	-
		Contribution towards Issuance of compulsory convertible preference share	-	200.00
		Receipt of subvention income	10.11	1.35
		Reimbursement of IT expense	2.46	6.40
		Payment towards business support service	3.70	1.58
		Balance outstanding [Dr/(Cr)]	(0.94)	(6.45)

(All amounts in ₹ crore unless otherwise stated)

42. Related party disclosure (Contd.)

S.No.	Name of the related party	Nature of transactions	31 st March 2025	31 st March 2024
2	TVS Holdings Limited	Payment towards brand royalty fees	22.87	15.55
		Payment towards business support service	2.82	2.88
		Balance outstanding [Dr/(Cr)]	(0.72)	(6.61)
3	TVS Housing Finance Private Limited	Reimbursement of expenses	0.17	0.14
		Balance outstanding [Dr/(Cr)]	-	-
4	Harita ARC Private Limited**	Pre-operative expenses	0.00	0.00
		Balance outstanding [Dr/(Cr)]	0.02	0.01
5	Harita Two Wheeler Mall Private Limited**	Pre-operative expenses	0.00	0.00
		Balance outstanding [Dr/(Cr)]	0.02	0.01
6	TVS Digital Pte. Limited	Payment towards software license fees	1.97	2.55
		Payment towards digital advertisement	-	0.06
		Payment towards business support service	0.01	-
		Balance outstanding [Dr/(Cr)]	(0.18)	(0.75)
7	TVS Digital Ltd	Payment towards business support service	0.36	-
		Balance outstanding [Dr/(Cr)]	(0.16)	-
8	Drive X Mobility Millennial Solutions Private Limited	Receipt towards sale of repossessed vehicles	7.87	29.34
		Balance outstanding [Dr/(Cr)]	-	-
9	Sundaram Clayton Limited	Payment towards business support service	1.27	0.31
		Balance outstanding [Dr/(Cr)]	(0.18)	(0.17)
10	Srinivasan Services Trust	Contribution towards corporate social responsibility	10.00	10.00
		Balance outstanding [Dr/(Cr)]	-	-
11	Scienaptic Systems Private Limited	Payment towards business support service	0.89	0.68
		Balance outstanding [Dr/(Cr)]	(0.17)	-
12	TVS Training and Services Limited	Interest on loan received	0.02	0.02
		Loan recovered	0.06	0.05
		Disbursal of loan	-	0.13
		Balance outstanding [Dr/(Cr)]	0.12	0.18

Remuneration to Key Managerial Personnel*

Particulars	2024-25	2023-24
Short term benefits	8.69	6.60
Post retirement benefits	0.28	0.23
Share based payment	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.

(All amounts in ₹ crore unless otherwise stated)

42. Related party disclosure (Contd.)

Directors' sitting fees and commission

Sl. No.	Name of the Director	Nature	2024-25	2023-24
1	Mr. Venu Srinivasan	Sitting fees*	0.00	0.01
		Commission	-	-
2	Mr. K.N. Radhakrishnan	Sitting fees	0.03	0.02
		Commission	-	-
3	Mr. B.Sriram	Sitting fees	0.05	0.02
		Commission	0.20	0.20
4	Mr. R.Gopalan	Sitting fees	0.03	0.02
		Commission	0.20	0.20
5	Ms. Kalpana Unadkat	Sitting fees	0.04	0.02
		Commission	0.20	0.20
6	Mr. V Srinivasa Rangan	Sitting fees	-	0.01
		Commission	-	0.12
7	Ms. Deepali Pant Joshi	Sitting fees	0.01	-
		Commission	0.13	-
8	Mr. T.C. Suseel Kumar	Sitting fees	0.01	-
		Commission	0.13	-
TOTAL			1.03	0.81

- * The sitting fees paid during year ended 31st March 2025 are below the rounding off norms of the Group.
- Transaction values are excluding taxes and duties

(All amounts in ₹ crore unless otherwise stated)

42. Related party disclosure (Contd.)

Related party disclosure pursuant to Scale Based Regulation (SBR) disclosure requirements vide notification no. RBI/DoR/2023-24/106DoR.FIN.REC.No.45/03.10.119/2023-24:

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	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	-	-	-	-	0.12	0.18	-	-	-	-	-	-	-	-	0.12	0.18
Maximum outstanding during the year	-	-	-	-	0.18	0.22	-	-	-	-	-	-	-	-	0.18	0.22
Investments:																
Outstanding at the year end	-	-	12.01	12.01	-	-	-	-	-	-	-	-	-	-	12.01	12.01
Maximum outstanding during the year	-	-	12.01	12.01	-	-	-	-	-	-	-	-	-	-	12.01	12.01

(All amounts in ₹ crore unless otherwise stated)

42. Related party disclosure (Contd.)

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*		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	282.67	-	-	-	-	-	-	-	-	-	-	-	-	-	282.67	-
Contribution towards Issuance of compulsory convertible preference share	-	200.00	-	-	-	-	-	-	-	-	-	-	-	-	-	200.00
Receipt of subvention income	10.11	1.35	-	-	-	-	-	-	-	-	-	-	-	-	10.11	1.35
Reimbursement of IT expense	2.46	6.40	-	-	-	-	-	-	-	-	-	-	-	-	2.46	6.40
Payment towards business support service	6.52	4.46	-	-	0.89	0.68	1.27	0.31	-	-	-	-	0.36	-	9.04	5.45
Payment towards brand royalty fees	22.87	15.55	-	-	-	-	-	-	-	-	-	-	-	-	22.87	15.55
Reimbursement of expenses	-	-	0.17	0.14	-	-	-	-	-	-	-	-	-	-	0.17	0.14
Pre-operative expenses	-	-	0.01	-	-	-	-	-	-	-	-	-	-	-	0.01	-
Payment towards software license fees	-	-	-	-	-	-	-	-	-	-	-	-	1.97	2.55	1.97	2.55
Payment towards digital advertisement	-	-	-	-	-	-	-	-	-	-	-	-	-	0.06	-	0.06
Receipt towards sale of repossessed vehicles	-	-	-	-	-	-	-	-	-	-	-	-	7.87	29.34	7.87	29.34
Contribution towards corporate social responsibility	-	-	-	-	-	-	10.00	10.00	-	-	-	-	-	-	10.00	10.00
Disbursal of loan	-	-	-	-	-	0.13	-	-	-	-	-	-	-	-	-	0.13
Loan recovered	-	-	-	-	0.06	0.05	-	-	-	-	-	-	-	-	0.06	0.05
Interest on loan received	-	-	-	-	0.02	0.02	-	-	-	-	-	-	-	-	0.02	0.02

* There is no transaction with directors and relatives of directors.

(All amounts in ₹ crore unless otherwise stated)

43. 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 ESOP granted during the year is as follows:

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

(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%

* 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 2025, the Parent Company has accounted expense of ₹0.27 crore as employee benefits expense (note 32) on the aforementioned employee stock option plan (31st March 2024: Nil)

(C) Movement in ESOP

Particulars	As at 31st March 2025		As at 31st March 2024	
	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	-	-	-	-
Granted during the year	1,55,400	178.45	-	-
Forfeited/ cancelled during the year	-	-	-	-
Exercised during the year	-	-	-	-
Outstanding at the end of the year	1,55,400	178.45	-	-
Exercisable at the end of the year	-	-	-	-

Particulars	As at 31st March 2025 (In days)	As at 31st March 2024 (In days)
Weighted average remaining contractual life of options outstanding as at year end	1,321	-

(All amounts in ₹ crore unless otherwise stated)

44. Additional notes forming part of consolidated financial statements for the year ended 31st March 2025

1. Capital commitments

Description	31 st March 2025	31 st March 2024
Estimated amount of contracts remaining to be executed on capital account not provided for	13.38	4.47

2. Other commitments

Description	31 st March 2025	31 st March 2024
Undrawn loans sanctioned to borrowers	41.29	63.47

3. Contingent liabilities not provided for

Claims against the Group not acknowledged as debts

Description	31 st March 2025	31 st March 2024
Disputed service tax and GST demand inclusive of penalty (Pre-deposit of ₹ 0.63 Cr)	10.65	9.46
Legal cases filed by borrowers against the Group	13.15	6.15

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.

- Pursuant to para 2 of general instructions for preparation of financial statements of a NBFC as mentioned in Division III of Schedule III of The Companies Act, 2013, the current and non-current classification has not been provided.
- The Group has no transactions with companies struck off under Section 248 of the Companies Act, 2013 or Section 560 of Companies Act, 1956.
- 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.
- There have been no significant events after the repotting date that require disclosure in the Financial Statements.
- Prior period figures have been regrouped, wherever necessary, to confirm to the current period presentation.
- 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.
- 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.
- The Group has not traded or invested in crypto currency or virtual Currency during the financial year.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2025



(All amounts in ₹ crore unless otherwise stated)

44. Additional notes forming part of consolidated financial statements for the year ended 31st March 2025 (Contd.)

12. 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 2025 and 31st March 2024

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)
Harita 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

As at 31st March 2024

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	99.60%	3,853.45	99.87%	571.83	100.00%	(20.69)	99.87%	551.14
Subsidiaries								
TVS Housing Finance Private Limited	0.40%	15.49	0.13%	0.73	0.00%	-	0.13%	0.73
Haritha ARC Private Limited	0.00%	0.00	0.00%	(0.00)	0.00%	-	0.00%	(0.00)
Harita Two Wheeler Mall Private Limited	0.00%	(0.00)	0.00%	(0.00)	0.00%	-	0.00%	(0.00)
Total	100.00%	3,868.94	100.00%	572.56	100.00%	(20.69)	100.00%	551.86

As per our report of even date

For and on behalf of the Board of Directors of
TVS Credit Services Limited

For CNGSN & Associates LLP
Chartered Accountants
ICAI Regn No. FRN 004915S

C.N. Gangadaran
Partner
Membership No. 011205
Place : Chennai
Date : 28th April 2025

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 : Chennai
Date : 28th April 2025

Ashish Sapra
Director and Chief Executive Officer
DIN-09805893

Chetan Nage
Company Secretary

Directors' Report to the Shareholders

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 and the Company incurred an expense of Rs. 24,600/- 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 2025, stood at Rs. 25,000.

Dividend

The directors of the Company do not recommend any dividend for the period ended 31st March 2025.

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 matrixes 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 Appointment/Cessation

The Board at its meeting held on 10th February 2025, appointed Mr. B Rajaram as the director of the company.

During the year under review, Mr. V Gopalakrishnan, Director, resigned from the Board effective 10th February 2025.

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, offers himself 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 10th February 2025 and the gap between two meetings did not exceed one hundred and twenty days.

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 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.

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.

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.

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.

HARITA ARC PRIVATE LIMITED

Details of material related party transactions:

During the year, there were no such transactions.

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 2025.

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.

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.

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.

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 : 26 th April 2025	Director	Director
	DIN: 07384809	DIN: 08475988

HARITA ARC PRIVATE LIMITED

INDEPENDENT AUDITOR'S REPORT FOR THE YEAR ENDED 31ST MARCH 2025

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 2025, 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 2025, 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 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 whether the Company has in place an adequate internal financial controls system over financial reporting 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 2025 from being appointed as a director in terms of section 164(2) of the Act;
 - (f) Reporting on internal financial controls over financial reporting as on 31st March 2025 does not arise as per Notification GSR 583 E dated 13th June 2017, since the company doesn't satisfy the turnover and borrowings conditions of the above notification;
 - (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 2025;
 - (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, 2025 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
Membership No. 027716
UDIN 25027716BMMIMP6994

Place : Bangalore
Date : 26th April 2025

HARITA ARC PRIVATE LIMITED

Annexure "A" to Independent Auditors' Report 31st March 2025

(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, 2025 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 the Reserve Bank of India Act, 1934.
- (b) Hence, reporting under clause 3(xvi)(a), (b) and (c) of the Order is not applicable;
- (c) 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. 24,628 & Rs. 30,826 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
Membership No. 027716
UDIN 25027716BMMIMP6994

Place : Bangalore
Date : 26th April 2025

HARITA ARC PRIVATE LIMITED

Balance Sheet as at 31st March 2025

(All numbers are in hundreds unless otherwise stated)

Particulars	Note No	As at 31st March 2025	As at 31st March 2024
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	(1,922)	(1,675)
TOTAL EQUITY		(1,672)	(1,425)
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	236
b) Total outstanding dues of other than (ii) (a) above		-	-
(iii) Other Financial Liabilities	5	1,811	1,429
TOTAL LIABILITIES		1,911	1,665
TOTAL EQUITY AND LIABILITIES		239	239

As per our report annexed

N SRINIVASA RAMANUJAM
Director
DIN: 07384809

B RAJARAM
Director
DIN: 08475988

For Raghavan, Chaudhuri & Narayanan
Chartered Accountants
Firm Regn No.: 007761S

Chennai
Dated: 26th April 2025

V. SATHYANARAYANAN
Partner
Membership No.: 027716

HARITA ARC PRIVATE LIMITED

Statement of Profit and Loss for the year ended 31st March 2025

(All numbers are in hundreds unless otherwise stated)

Particulars	Note No	For the year ended 31st March 2025	For the year ended 31st March 2024
INCOME			
Revenue from operations		-	-
TOTAL INCOME		-	-
EXPENSES			
Other expenses	6	246	308
TOTAL EXPENSE		246	308
Profit/(Loss) before tax		(246)	(308)
Tax expense:		-	-
Profit/(Loss) after tax for the year		(246)	(308)
Other Comprehensive Income			
Total Comprehensive Income		(246)	(308)
Earning per equity share:			
Basic & Diluted earnings per share (in Rs)	7	(10)	(12)

N SRINIVASA RAMANUJAM
Director
DIN: 07384809

B RAJARAM
Director
DIN: 08475988

As per our report annexed
For Raghavan, Chaudhuri & Narayanan
Chartered Accountants
Firm Regn No.: 007761S

Chennai
Dated: 26th April 2025

V. SATHYANARAYANAN
Partner
Membership No.: 027716

HARITA ARC PRIVATE LIMITED

CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2025

(All numbers are in hundreds unless otherwise stated)

	Year ended 31st March 25	Year ended 31st March 24
A. Cash Flow from Operating Activities		
1. Profit/(Loss) Before Tax	(246)	(308)
B. Operating Profit before Working Capital Changes	(246)	(308)
C. Change in Working Capital		
(Increase)/Decrease in Loans & Advances	246	307
Changes in liability arising from financing activities	-	-
Change in Working Capital	246	307
D. Cash generated from Operations (B+C)	-	(1)
E. Net Cash from Operating Activities	-	(1)
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)	-	(1)
I. Cash and Cash Equivalents as at End	239	239
J. Less: Cash and Cash Equivalents as at Beginning	239	241
K. NET CHANGE IN CASH & CASH EQUIVALENTS (I-J)	-	(1)

As per our report annexed

N SRINIVASA RAMANUJAM
Director
DIN: 07384809

B RAJARAM
Director
DIN: 08475988

For Raghavan, Chaudhuri & Narayanan
Chartered Accountants
Firm Regn No.: 007761S

Chennai
Dated: 26th April 2025

V. SATHYANARAYANAN
Partner
Membership No.: 027716

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, 2023	2	250
	Changes in Equity share capital during the year	2	
	Balance as at March 31, 2024		250
	Changes in Equity share capital during the year	2	-
	Balance as at March 31, 2025		250

B	Other Equity	Note No.	Retained Earnings	Total
	Balance as at April 1, 2023	3	(1,367)	(1,367)
	Total Comprehensive Income	3	(308)	(308)
	Balance as at March 31, 2024		(1,675)	(1,675)
	Total Comprehensive Income	3	(246)	(246)
	Balance as at March 31, 2025		(1,992)	(1,992)

As per our report annexed

N SRINIVASA RAMANUJAM
Director
DIN: 07384809

B RAJARAM
Director
DIN: 08475988

For Raghavan, Chaudhuri & Narayanan
Chartered Accountants
Firm Regn No.: 007761S

Chennai
Dated: 26th April 2025

V. SATHYANARAYANAN
Partner
Membership No.: 027716

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 2025	As at 31st March 2024
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, 2023	2,500	250
Additions	-	-
Equity Shares as at March 31, 2024	2500	250
Additions	-	-
Equity Shares as at March 31, 2025	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, 2024	
	No. of Shares	%
TVS Credit Services Limited	2,500	100%

Name of the Share Holder	As at March 31, 2025	
	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 2025	As at 31st March 2024
3 Other Equity		
Retained Earnings	(1,922)	(1,675)
Total Other Equity	(1,922)	(1,675)
Retained Earnings		
Opening Balance	(1,675)	(1,367)
Add: Net profit for the year	(246)	(308)
Closing Balance	(1,922)	(1,675)

4 Trade Payables

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

Particulars	Outstanding for the following periods from due date of payment as at 31st march 2024				
	<1 year	1-2 years	2-3 years	More than 3 Years	Total
Undisputed dues- MSME	-	-	-	-	-
Undisputed dues- Others	118	118	-	-	236
Disputed dues- MSME	-	-	-	-	-
Disputed dues- Others	-	-	-	-	-
TOTAL	118	118	-	-	236

5 Other Financial Liabilities

	As at March 31, 2025	As at March 31, 2024
Payable to Holding Company	1,811	1,429
Total Other Financial Liabilities	1,811	1,429

NOTES TO STATEMENT OF PROFIT AND LOSS

	For the year ended 31st March 2025	For the year ended 31st March 2024
6 Other Expenses		
Professional charges	120	157
Rates and taxes	26	33
Payment to Auditors		
- As Auditor	100	118
Bank Charges	-	1
Total Other Expenses	246	308
7 Earnings per share (Basic and Diluted)		
Earnings attributable to equity share holders	(246)	(308)
Number of Shares	2,500	2,500
Earnings per Share in Rs	(9.85)	(12)

HARITA ARC PRIVATE LIMITED

8. Additional Notes forming part of Financial Statements for year ended 31st March 25

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 2024-25	FY 2023-24
Advance Received	TVS Credit Services Limited	382	189
Balance Payable as at the end of the year	TVS Credit Services Limited	1,811	1,429

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 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.

HARITA ARC PRIVATE LIMITED

4 DISCLOSURE OF RATIOS

Ratio	Description of numerator	Description of denominator	Ratio 31.03.2025	Ratio 31.03.2024	Variance	Reasons for variance
(a) Current ratio	Current Assets	Current Liabilities	0.13	0.14	-12.89%	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	0.15	0.22	-31.88%	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	14.73%	21.63%	-31.88%	Decrease in expenses
(k) Return on investment	Profit after tax	Equity shareholders' Fund	14.73%	21.63%	-31.88%	Decrease in expenses

As per our report annexed

N SRINIVASA RAMANUJAM
Director
DIN: 07384809

B RAJARAM
Director
DIN: 08475988

For Raghavan, Chaudhuri & Narayanan
Chartered Accountants
Firm Regn No.: 007761S

Chennai
Dated: 26th April 2025

V. SATHYANARAYANAN
Partner
Membership No.: 027716

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 2025

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 2025, 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 2025, 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, but not for the purpose of expressing an opinion on whether the Company has in place an adequate internal financial controls system over financial reporting 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 2025 from being appointed as a director in terms of section 164(2) of the Act;
 - (f) Reporting on internal financial controls over financial reporting as on 31st March 2025 does not arise as per Notification GSR 583 E dated 13th June 2017, since the company doesn't satisfy the turnover and borrowings conditions of the above notification.
 - (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 2025;
 - (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, 2025 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

Place : Bangalore
Date : 28th April, 2025

V. SATHYANARAYANAN
Partner
Membership No. 027716
UDIN 25027716BMMIR6698

TVS HOUSING FINANCE PRIVATE LIMITED

Annexure "A" to Independent Auditors' Report 31st March 2025

(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, 2025 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 45-IA of the Reserve Bank of India Act, 1934. Hence, reporting under clause (b) 3(xvi)(a), (b) and (c) of the Order is not applicable;
- (c) 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
Membership No. 027716
UDIN 25027716BMMIIR6698

Place : Bangalore
Date : 28th April, 2025

TVS HOUSING FINANCE PRIVATE LIMITED

Balance Sheet as at 31st March 2025

(Amount in Thousands unless otherwise stated)

Particulars	Note No.	As on March 31, 2025	As on March 31, 2024
ASSETS			
Current Assets			
Financial Assets			
Cash and Cash equivalents	1	6,581	376
Bank balances other than Cash and Cash Equivalents	2	1,08,900	113,900
Other Financial Assets	3	47,035	40,202
Current Tax Assets (Net)	4	2,792	2,405
Non Financial Assets			
Other Non Financial Assets	5	354	354
TOTAL ASSETS		1,65,662	1,57,236
EQUITY AND LIABILITIES			
Equity			
Share Capital	6	1,20,000	1,20,000
Other Equity	7	42,995	34,866
TOTAL EQUITY		1,62,995	1,54,866
LIABILITIES			
Current Liabilities			
Financial Liabilities			
(i) Borrowings		-	-
(ii) Trade Payables			
a) Total outstanding dues of creditors other than micro enterprises and small enterprises	8	10	24
b) Total outstanding dues of other than (ii) (a) above		-	-
(iii) Other Financial Liabilities	9	-	-
Current tax liabilities (Net)	10	2,658	2,347
TOTAL LIABILITIES		2,668	2,370
TOTAL EQUITY AND LIABILITIES		1,65,662	157,236

Venu Srinivasan
Chairman

Priyaavarshini
Company secretary

Chennai
Dated: 28th April 2025

N Srinivasa Ramanujam
Chief Financial Officer

As per our report annexed
For Raghavan, Chaudhuri & Narayanan
Chartered Accountants
ICAI Regn No: 007761S

V. SATHYANARAYANAN
Partner
Membership No.: 027716
UDIN: 25027716BMIIMR6698

TVS HOUSING FINANCE PRIVATE LIMITED

Statement of Profit and Loss for the year ended 31st March 2025

(Amount in Thousands unless otherwise stated)

Particulars	Note No	Year ended March 31, 2025	Year ended March 31, 2024
<u>INCOME</u>			
Revenue from operations		-	-
Other Income	11	10,832	9,610
Total revenue		10,832	9,610
<u>EXPENSES</u>			
Other expenses	12	46	47
Total Expense		46	47
Profit before tax		10,786	9,564
Tax expense:			
Current year taxes		2,658	2,347
Tax relating to earlier years		-	-
Profit/(Loss) after tax for the year		8,128	7,217
Earning per equity share (in Rs):	13	0.68	0.60

Venu Srinivasan
Chairman

Priyaavarshini
Company secretary

Chennai
Dated: 28th April 2025

N Srinivasa Ramanujam
Chief Financial Officer

As per our report annexed
For Raghavan, Chaudhuri & Narayanan
Chartered Accountants
ICAI Regn No: 007761S

V. SATHYANARAYANAN
Partner
Membership No.: 027716
UDIN: 25027716BMIIIMR6698

TVS HOUSING FINANCE PRIVATE LIMITED

CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2025

(Amount in Thousands unless otherwise stated)

	Year ended March 31, 2025	Year ended March 31, 2024
A. Cash Flow from Operating Activities		
1. Profit/(Loss) Before Tax	10,786	9,564
Interest Income	-	-
B. Operating Profit before Working Capital Changes	10,786	9,564
C. Change in Working Capital		
(Increase)/Decrease in Short Term Receivable	(6,834)	(8,471)
Increase/(Decrease) in Trade and other Payables	(14)	12
Change in Working Capital	(6,848)	(8,459)
D. Income Tax Paid	(2,734)	(1,967)
E. Cash generated from Operations (B+C)	1,204	(1,202)
F. Net Cash from Operating Activities	1,204	(1,202)
G. Net Cash Flow from Financing Activities		
Borrowings	-	-
Proceeds from redemption of Deposit	5,000	-
Net Cash from Financing Activities	5,000	-
H. Net Cash Flow from Investing Activities		
Payments for Property, Plant and Equipment and Investment Property	-	-
Net Cash from Investing Activities	-	-
I. Net change in Cash and Cash Equivalents (F+G+H)	6,204	(1,202)
J. Cash and Cash Equivalents as at End	6,581	376
K. Less: Cash and Cash Equivalents as at Beginning	376	1,578
L. NET CHANGE IN CASH & CASH EQUIVALENTS (J-K)	6,204	(1,202)

Venu Srinivasan
Chairman

Priyaavarshini
Company secretary

Chennai
Dated: 28th April 2025

N Srinivasa Ramanujam
Chief Financial Officer

As per our report annexed
For Raghavan, Chaudhuri & Narayanan
Chartered Accountants
ICAI Regn No: 007761S

V. SATHYANARAYANAN
Partner
Membership No.: 027716
UDIN: 25027716BMMIMR6698

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, 2023	6	1,20,000
	Changes in Equity share capital during the year	6	-
	Balance as at March 31, 2024		1,20,000
	Changes in Equity share capital during the year		-
	Balance as at March 31, 2025		1,20,000

B	Other Equity	Note No.	Retained Earnings	Total
	Balance as at April 1, 2023	7	27,649	27,649
	Profit for the period	7	7,217	7,217
	Other comprehensive income	7	-	-
	Balance as at March 31, 2024		34,866	34,866
	Profit for the period	7	8,128	8,128
	Other comprehensive income	7	-	-
	Balance as at March 31, 2025		42,995	42,995

Venu Srinivasan
Chairman

Priyaavarshini
Company secretary

Chennai
Dated: 28th April 2025

N Srinivasa Ramanujam
Chief Financial Officer

As per our report annexed
For Raghavan, Chaudhuri & Narayanan
Chartered Accountants
ICAI Regn No: 007761S

V. SATHYANARAYANAN
Partner
Membership No.: 027716
UDIN: 25027716BMMIMR6698

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, 2025	As on March 31, 2024
1 Cash and cash equivalents		
Balances with banks	6,581	376
Total cash and cash equivalents	6,581	376
2 Balances with Banks other than Cash and Cash Equivalents		
Deposits with banks	1,08,900	1,13,900
Total Balances with Banks other than Cash and Cash Equivalents	1,08,900	1,13,900
3 Other Financial Assets		
Interest accrued on Fixed Deposits	47,035	40,202
Total Other Financial Assets	47,035	40,202
4 Current tax Assets (Net)		
Advance tax and TDS receivable	2,792	2,405
Total Current tax Assets (Net)	2,792	2,405
5 Other Advances		
Other advances	354	354
Total Current tax Assets (Net)	354	354
	Number of Shares	Amount
6 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, 2023	12,000,000	120,000
Additions	-	-
Equity Shares as at April 1, 2024	12,000,000	120,000
Additions	-	-
Equity Shares as at March 31, 2025	12,000,000	120,000

iv) Details of share holders holding more than 5%

Details of Promoter Share Holder	As on March 31, 2024	
	No. of Shares	%
TVS Credit Services Limited	1,20,00,000	100.00
Details of Promoter Share Holder	As on March 31, 2025	
	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 2025	Amount as at 31st March 2025
7 Other Equity		
Retained Earnings	42,995	34,866
Total Other Equity	42,995	34,866
Retained Earnings		
i) Opening Balance	34,866	27,649
Add: Net profit for the year	8,128	7,217
Closing Balance	42,995	34,866

8 Trade Payables

Particulars	2024				
	<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	2024				
	<1 year	1-2 years	2-3 years	More than 3 Years	Total
Undisputed dues- MSME	-	-	-	-	-
Undisputed dues- Others	12	12	-	-	24
Disputed dues- MSME	-	-	-	-	-
Disputed dues- Others	-	-	-	-	-
TOTAL	12	12	-	-	24

	Amount as at March 31, 2025	Amount as at March 31, 2024
9 Current Tax Liability		
Provision for Taxation	2,658	2,347
Total Current Tax Liability	2,658	2,347

NOTES TO STATEMENT OF PROFIT AND LOSS

(Amount in Thousands unless otherwise stated)

10 Other Income

	Year ended March 31, 2025	Year ended March 31, 2024
Interest Income	10,832	9,610
Total Other Income	10,832	9,610

11 Other Expenses

Professional charges	28	-
Rates and taxes	8	20
Payment to Auditors		
- As Auditor	10	12
Bank Charges	-	14
Total Other Expenses	46	47

12 Earnings per share

Earnings attributable to equity share holders	8,128	7,217
Number of Shares	1,20,00,000	1,20,00,000
Earnings per Share (in Rs)	0.68	0.60

14. Additional Notes forming part of Financial Statements for year ended 31st March 25

- 1 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.
- 2 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.
- 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 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.

TVS HOUSING FINANCE PRIVATE LIMITED

4 There are no significant events that have occurred after the balance sheet date.

5 Disclosure of Ratios:

Ratio	Description of numerator	Description of denominator	Ratio 31.03.2025	Ratio 31.03.2024	Variance	Reasons for variance
(a) Current ratio	Current Assets	Current Liabilities	62.10	66.34	-6.39%	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	0.05	0.05	7.01%	Increase 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	6.62%	6.18%	7.16%	Increase in Interest Income
(k) Return on investment	Profit after tax	Equity shareholders' Fund	4.99%	4.66%	7.01%	Increase in Interest Income

6 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 2024-25	FY 2023-24
Advance Received	TVS Credit Services Limited	1,707	1,434
Balance Payable as at the end of the year	TVS Credit Services Limited	Nil	Nil

Venu Srinivasan
Chairman

Priyaavarshini
Company secretary

N Srinivasa Ramanujam
Chief Financial Officer

Chennai
Dated: 28th April 2025

As per our report annexed
For Raghavan, Chaudhuri & Narayanan
Chartered Accountants
ICAI Regn No: 007761S

V. SATHYANARAYANAN
Partner
Membership No.: 027716

HARITA TWO WHEELER MALL PRIVATE LIMITED (Formerly known as TVS Two Wheeler Mall Private Limited)

Directors' Report to the Shareholders

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 and the Company incurred an expense of Rs. 12,400/- towards regulatory compliance

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, 2025, stood at Rs. 25,000.

Dividend

The directors of the Company do not recommend any dividend for the period ended 31st March 2025.

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 Appointment/Cessation

The Board at its meeting held on 10th February 2025, appointed Mr. B Rajaram as the director of the company.

During the year under review, Mr. V Gopalakrishnan, Director, resigned from the Board effective 10th February 2025.

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, offers himself 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 10th February 2025 and the gap between two meetings did not exceed one hundred and twenty days.

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 Company has obtained necessary certificate under Section 141 of the Act 2013 conveying their eligibility for being statutory auditors of the Company 2025-26.

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.

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.

Change of Name of the Company

The Company has not changed its name during the financial year under review.

HARITA TWO WHEELER MALL PRIVATE LIMITED (Formerly known as TVS Two Wheeler Mall Private Limited)

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:

There were no such transactions entered into between the Company and the related parties during the year under review and accordingly no particulars are being provided in Form AOC-2, in terms of section 134(h) of the Act 2013 read with rule 8(2) of the Companies (Accounts) Rules 2014.

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 2025.

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.

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.

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.

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 : 26th April 2025

N Srinivasa Ramanujam
Director
DIN: 07384809

B Rajaram
Director
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 2025

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 2025, 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 2025, 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 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 whether the Company has in place an adequate internal financial controls system over financial reporting 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 2025 from being appointed as a director in terms of section 164(2) of the Act;
 - (f) Reporting on internal financial controls over financial reporting as on 31st March 2025 does not arise as per Notification GSR 583 E dated 13th June 2017, since the company doesn't satisfy the turnover and borrowings conditions of the above notification;
 - (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 2025;
 - (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, 2025 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

Place : Bangalore
Date : 26th April, 2025

V. SATHYANARAYANAN
Partner
Membership No. 027716
UDIN : 25027716BMMIMQ5819

HARITA TWO WHEELER MALL PRIVATE LIMITED (Formerly known as TVS Two Wheeler Mall Private Limited)

Annexure "A" to Independent Auditors' Report 31st March 2025

(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, 2025 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.12,429 & Rs. 30,826 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 : Bangalore
Date : 26th April, 2025

Membership No. 027716
UDIN 25027716BMMIMQ5819

HARITA TWO WHEELER MALL PRIVATE LIMITED (Formerly known as TVS Two Wheeler Mall Private Limited)

Balance Sheet as at 31st March 2025

(All numbers are in hundreds unless otherwise stated)

Particulars	Note No	As at 31st March 2025	As at 31st March 2024
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	(1,810)	(1,685)
TOTAL EQUITY		(1,560)	(1,435)
LIABILITIES			
Current Liabilities			
Financial Liabilities			
(i) Borrowings		-	-
(ii) Trade Payables			
a) Total outstanding dues of creditors other than micro enterprises and small enterprises	4	122	258
b) Total outstanding dues of other than (ii) (a) above		-	-
(iii) Other Financial Liabilities	5	1,677	1,417
TOTAL LIABILITIES		1,799	1,675
TOTAL EQUITY AND LIABILITIES		239	239

As per our report annexed

N SRINIVASA RAMANUJAM
Director
DIN: 07384809

B RAJARAM
Director
DIN: 08475988

For Raghavan, Chaudhuri & Narayanan
Chartered Accountants
ICAI Regn No. FRN 007761S

Chennai
Dated: 26th April, 2025

V. SATHYANARAYANAN
Partner
Membership No. 027716
UDIN: 25027716BMMIMQ5819

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 2025

(All numbers are in hundreds unless otherwise stated)

Particulars	Note No	Year ended March 31, 2025	Year ended March 31, 2024
INCOME			
Revenue from operations		-	-
TOTAL INCOME			
EXPENSES			
Other expenses	6	124	308
TOTAL EXPENSE		124	308
Profit/(Loss) before tax		(124)	(308)
Tax expense:		-	-
Profit/(Loss) after tax for the year		(124)	(308)
Other Comprehensive Income		-	-
Total Comprehensive Income		(124)	(308)
Earning per equity share:			
Basic & Diluted earnings per share (in Rs)	7	(4.97)	(12.33)

N SRINIVASA RAMANUJAM
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B RAJARAM
Director
DIN: 08475988

As per our report annexed
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Chartered Accountants
ICAI Regn No. FRN 007761S

Chennai
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V. SATHYANARAYANAN
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HARITA TWO WHEELER MALL PRIVATE LIMITED (Formerly known as TVS Two Wheeler Mall Private Limited)

CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2025

(All numbers are in hundreds unless otherwise stated)

	Year ended March 31, 2025	Year ended March 31, 2024
A. Cash Flow from Operating Activities		
1. Profit/(Loss) Before Tax	(124)	(308)
B. Operating Profit before Working Capital Changes	(124)	(308)
C. Change in Working Capital		
(Increase)/Decrease in Loans & Advances		
Changes in liability arising from financing activities	124	307
Change in Working Capital	124	307
D. Cash generated from Operations (B+C)	-	(1)
E. Net Cash from Operating Activities	-	(1)
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)	-	(1)
I. Cash and Cash Equivalents as at End	239	239
J. Less: Cash and Cash Equivalents as at Beginning	239	241
NET CHANGE IN CASH & CASH EQUIVALENTS (I+J)	-	(1)

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Chartered Accountants
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Chennai
Dated: 26th April, 2025

V. SATHYANARAYANAN
Partner
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UDIN: 25027716BMIIQM5819

HARITA TWO WHEELER MALL PRIVATE LIMITED (Formerly known as TVS Two Wheeler Mall 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, 2023	2	250
	Changes in Equity share capital during the year	2	
	Balance as at March 31, 2024		250
	Changes in Equity share capital during the year	2	-
	Balance as at March 31, 2025		250

B	Other Equity	Note No.	Retained Earnings	Total
	Balance as at April 1, 2023	3	(1,377)	(1,377)
	Total Comprehensive Income	3	(308)	(308)
	Balance as at March 31, 2024		(1,685)	(1,685)
	Total Comprehensive Income	3	(124)	(124)
	Balance as at March 31, 2025		(1,810)	(1,810)

N SRINIVASA RAMANUJAM
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As per our report annexed
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Chartered Accountants
ICAI Regn No. FRN 007761S

Chennai
Dated: 26th April, 2025

V. SATHYANARAYANAN
Partner
Membership No. 027716
UDIN: 25027716BMIIIMQ5819

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 2025	As at 31st March 2024
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, 2023	2,500	250
Additions	-	-
Equity Shares as at March 31, 2024	2,500	250
Additions	-	-
Equity Shares as at March 31, 2025	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, 2024	
	No. of Shares	%
TVS Credit Services Limited	2,500	100%

Name of the Share Holder	As on March 31, 2025	
	No. of Shares	%
TVS Credit Services Limited	2,500	100%

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 2025	As at 31st March 2024
3 Other Equity		
Retained Earnings	(1,810)	(1,685)
Total Other Equity	(1,810)	(1,685)
Retained Earnings		
Opening Balance	(1,685)	(1,377)
Add: Net profit for the year	(124)	(308)
Closing Balance	(1,810)	(1,685)

4 Trade Payables

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

Particulars	Outstanding for the following periods from due date of payment as at 31st march 2024				
	<1 year	1-2 years	2-3 years	More than 3 Years	Total
Undisputed dues- MSME	-	-	-	-	-
Undisputed dues- Others	118	140	-	-	258
Disputed dues- MSME	-	-	-	-	-
Disputed dues- Others	-	-	-	-	-
TOTAL	118	140	-	-	258

5 Other Financial Liabilities

	Amount as at March 31, 2025	Amount as at March 31, 2024
Payable to Holding Company	1,677	1,417
Total Other Financial Liabilities	1,677	1,417

NOTES TO STATEMENT OF PROFIT AND LOSS

	For the Year ended March 31, 2025	For the Year ended March 31, 2024
6 Other Expenses		
Professional charges	-	130
Rates and taxes	24	59
Payment to Auditors		
- As Auditor	100	118
Bank Charges	-	1
Total Other Expenses	124	308

7 Earnings per share (Basic and Diluted)

Earnings attributable to equity share holders	(124)	(308)
Number of Shares	2,500	2,500
Earnings per Share (in Rs.)	(4.97)	(12.33)

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 2024

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.

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 2024-25	Amount (Rs.) FY 2023-24
Advance Received	TVS Credit Services Limited	260	189
Balance Payable as at the end of the year	TVS Credit Services Limited	1,677	1,417

- 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 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.

HARITA TWO WHEELER MALL PRIVATE LIMITED (Formerly known as TVS Two Wheeler Mall Private Limited)

4 DISCLOSURE OF RATIOS

Ratio	Description of numerator	Description of denominator	Ratio 31.03.2025	Ratio 31.03.2024	Variance	Reasons for variance
(a) Current ratio	Current Assets	Current Liabilities	0.13	0.14	-6.91%	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	0.08	0.21	-62.89%	Decrease in expenes
(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	7.97%	21.48%	-62.89%	Decrease in expenes
(k) Return on investment	Profit after tax	Equity shareholders' Fund	7.97%	21.48%	-62.89%	Decrease in expenes

N SRINIVASA RAMANUJAM
Director
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B RAJARAM
Director
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As per our report annexed
For Raghavan, Chaudhuri & Narayanan
Chartered Accountants
ICAI Regn No. FRN 007761S

Chennai
Dated: 26th April, 2025

V. SATHYANARAYANAN
Partner
Membership No. 027716
UDIN: 25027716BMIIMQ5819

DRIVEX MOBILITY PRIVATE LIMITED

Directors' Report to the Shareholders

Your directors present the Fifth Annual Report of the Company together with the Audited Financial Statements for the year ended 31st March 2025.

1. STATE OF COMPANY'S AFFAIRS

The Company is engaged in the business of procurement and sale of multi-brand pre-owned two-wheelers through the Company's own outlets and its franchisees' outlets. The Company presently has 7 own outlets and 39 franchisee outlets as on 31st March 2025. The Company has its own state-of-the-art refurbishment centers located in Coimbatore and Hosur, wherein the procured two-wheelers are fully refurbished before retailing those vehicles through outlets.

Besides the sale of refurbished two-wheelers through the outlets, the Company also generates revenue by sale of spares, accessories and servicing for all two-wheelers.

During the financial year under review, the Company has become a subsidiary of M/s TVS Motor Company Limited ("TVSM") with effect from 23rd December 2024 by virtue of acquisition of majority shares by TVSM. As on 31st March 2025, TVSM holds 89.40% of the paid-up share capital of the Company.

2. FINANCIAL SUMMARY AND PERFORMANCE

(Rs. In Lakhs)

Particulars	Financial Year (2024-25)	Financial Year (2023-24)
Revenue from Operations	5997.30	3398.95
Less: Total Expenses other than Depreciation, Finance Cost & Tax	11199.29	7736.64
EBITDA (A)	(5201.99)	(4337.69)
Finance Cost	387.33	140.68
Depreciation & Amortization Expenses	672.44	298.77
Profit or (Loss) Before Tax (PBT) (B)	(6177.72)	(4515.40)
Less: Tax expenses (C)	(1544.73)	(1416.93)
Profit or (Loss) After Tax (B-C)	(4632.99)	(3098.47)
Other Comprehensive Income (Loss)	3.85	1.68
Total Comprehensive Income (Loss)	(4629.14)	(3096.79)

The summary of financial performance of the Company for the financial year 2024-25, as compared with the previous year, is given below:

- During the financial year 2024-25, the Company has posted a turnover of Rs. 5997.30 Lakhs as against the previous year's turnover of Rs. 3398.95 Lakhs which translates into nearly two-fold growth in terms of operational revenue. A steady increase in the number of outlets combined with the ramping up of its sales plans has helped the Company to achieve this turnover during the financial year 2024-25.
- The Company has detailed plans for further expansion of its operations and to ensure its preparedness, sufficient inventory was stocked up and supporting manpower was added during the financial year 2024-25 which resulted in increase of inventory costs and the employee costs. Consequently, the total expenses of the Company increased to Rs. 12259.06 Lakhs during financial year 2024-25 from Rs. 8176.09 Lakhs incurred during the financial year 2023-24.
- The Company recorded a negative EBITDA of Rs. 5201.99 Lakhs for the period ended 31st March 2025 vis-à-vis the negative EBITDA of Rs.4337.69 Lakhs recorded during the financial year 2023-24.
- Consequently, the net loss of the Company widened to Rs. 4632.99 Lakhs for the financial year 2024-25 as against the previous year's net loss of Rs. 3098.47 Lakhs.
- The Company has posted a Total Comprehensive Loss of Rs. 4629.14 Lakhs for the financial year 2024-25 compared to Total comprehensive loss of Rs. 3096.79 Lakhs during the previous financial year.

3. FUTURE PROSPECTS OF THE BUSINESS:

The Company has moved to its capacity-building stage and is working on enhanced productivity across all steps of the value chain to improve profitability and sales volume going forward. The following are the operational multi-pillars that have been contributing significantly to the growth story of the Company:

- Procurement: The productivity of the existing procurement channels, viz., C2B (Customer-to-Business) and Exchange, has been planned to be increased right from the Evaluator level. This would aid the Company in procuring the right vehicle at the right price. The Dealer Auction Platform, which is the other channel for vehicle procurement, will be used to optimize procurement performance marketing for the Company.

- Refurbishment: The Company looks to upgrade its existing refurbishment centers in terms of layout, process, technology, and KPIs. This will enable the Company to significantly improve ramp productivity and achieve better cost efficiency. Further, the Company will focus more on spare parts management and daily work management using technological advancements.
- Network: During the financial year 2025-26, the Company will target almost doubling its network touchpoints, with a focus on expanding break-even across locations. Further, the Company also plans to expand its network footprint through engagement with third-party partnerships within the automotive ecosystem.
- Sales: In terms of retailing, the Company has planned to increase the sales volume of each existing and new store. Further expansion through third-party partnerships is also being charted out. The Dealer Auction Platform and the C2C (Customer-to-Customer) are new avenues for sales that are being built upon during the ongoing financial year.
- Technology: The Company is working on a comprehensive suite of solutions targeted at customers as well as internal needs. On the external side, the Company will make many changes to its website and app offerings, while internally, the focus will be on improving productivity and efficiency across: Procurement (including AI/ML-based solutions for vehicle procurement), DTC (DTC 2.0 to improve TAT, quality control, cost accuracy, and parts management), and Sales & Service (including digitally and AI-assisted sales).
- Marketing: The Company has charted plans to expand its digital footprint in Tier 1 and Tier 2 cities by engaging with regional platforms through localized content tailored to these regions. Additionally, omnichannel customer engagement via various communication modes, including brand campaigns targeting audiences through Martech, influencers, and PR, has been planned to create a positive and stronger share of voice around the brand. Active use of marketing efforts, focused on social media, below-the-line (BTL) activations, SMS, WhatsApp, and email, will foster ongoing customer engagement and support the brand vision.

4. DIVIDEND

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

5. TRANSFER TO RESERVES

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

6. 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.

7. 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.

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

i) Conservation of Energy:

- 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:

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

➤ **Website:**

The DriveX.in platform was revamped with improved UX, lead funnels, and SEO, alongside the launch of a Progressive Web App (PWA) for seamless mobile access. These changes led to a 95% increase in organic traffic, top Google rankings for 50+ keywords and increased engagement with sellers. The platform now generates 100+ daily finance leads and has standardized digital vehicle listings for greater reach.

➤ **BikeScan (Inspection App):**

BikeScan, launched on Android and iOS, has enabled a total 35000+ vehicle inspections across procurement and DTC facilities. Features like AI pricing, automated checklists, and WhatsApp updates have streamlined evaluations. The application generates a standardised Inspection Report for the benefit of the customers.

➤ **ERPX (Org-Wide ERP):**

Core ERP modules such as procurement, sales, logistics and DTC has been launched. Further, the Bikescan and DMS has been integrated with ERPX. This has resulted in improved inventory tracking, control, stronger compliance and scalability.

➤ **Dealer Management System (DMS):**

DMS supports inventory and sales for COCO and FOFO stores, with live inventory dashboards, GST-compliant invoicing, and QR code-based walk-in lead capture. It reduced vehicle listing time from 2 days to 10 minutes, enabled 98% digital sales with payment, and captured 1,200+ walk-in leads since Feb '25.

- b) Technology imported during the last three years reckoned from the beginning of the year under reference – NIL
- c) the expenditure incurred on Research and Development – NIL

iii) **Foreign exchange earnings and Outgo –**

- a) 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

9. 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.

10. 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.

11. 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.

12. 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 04th AGM until the conclusion of 09th 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.

13. 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 2024-25.

The provisions relating to submission of Secretarial Audit Report are not applicable to the Company for the financial year 2024-25.

14. COMPOSITION OF THE BOARD

The Board of the Company as at the end of the financial year 2024-25, 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. Christopher Anand Sargunam, Executive Director of the Company tendered his resignation from the Board of Directors of the Company with effect from 05th April 2024 due to personal reasons.
 - Mr. N Srinivasa Ramanujam, Director of the Company tendered his resignation from the Board of Directors of the Company with effect from 29th April 2024 due to other professional pre-occupations.
 - Mr. S G Murali (DIN: 00348902) and Mr. Anurag Malempati (DIN: 06445208) were appointed as Additional Directors by the Board of Directors with effect from 30th April 2024. The appointment of both these directors were regularized by the shareholders at their fourth Annual General Meeting ("AGM") held on 01st August 2024.
 - Mr. Narain Karthikeyan and Mr. Anurag Malempati resigned from the Board effective 23rd December 2024 in terms of a Share Purchase Agreement executed between the Company, Mr. Narain Karthikeyan and TVSM.
 - The Board at its meeting held on 23rd December 2024 has re-appointed Mr. Narain Karthikeyan as an Additional Director on the Board of Directors of the Company and the shareholders approved his appointment in the Extra-Ordinary General Meeting held on the same day.
 - Mr. G Parthasarathy (DIN: 01769831) and Mr. Anuraag Agarwal (DIN: 06379359), Directors of the Company, propose to 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.

15. BOARD MEETINGS DURING THE YEAR UNDER REVIEW:

The Company, during the financial year 2023-24, has conducted **EIGHT Board meetings** on the following dates:

- i) 30th April 2024
- ii) 07th June 2024
- iii) 01st August 2024
- iv) 04th September 2024
- v) 18th October 2024
- vi) 23rd January 2025
- vii) 14th February 2025
- viii) 17th March 2025

16. 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 2024-25 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.

17. 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.

18. 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.

19. DECLARATION OF INDEPENDENT DIRECTORS

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

20. SHARE CAPITAL

During the financial year 2024-25, the Company has issued and allotted 3,236 nos. of equity shares of face value Rs. 10 each at a premium of Rs. 123550.52 per share, during the financial year 2024-25.

There were no changes in the Authorized Share Capital of the Company. The Authorized Share Capital of the Company as on 31st March 2025 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 2025 stood at Rs. 2,34,690.

21. SECRETARIAL STANDARDS

The Company is in compliance with the applicable Secretarial Standards for the financial year 2024-25.

22. 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.

23. 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.

24. 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 2024-25 with the entire Internal Committee members through online mode on 10th April 2024, 23rd July 2024 and 29th October 2024. During the financial year 2024-25, the Company has not received any complaints on sexual harassment and no complaints remain pending as of 31st March 2025.

25. PARTICULARS OF EMPLOYEES

There were no employees on the rolls of the Company during the Financial Year 2024-25, requiring disclosure under Rule 5, sub-rule (2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 during the Financial Year ended 31st March 2025.

26. 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.

27. 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.

28. 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, 2025 will be available on the Company's website at www.drivex.in upon filing the said return with the Registrar of Companies.

29. 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: 22nd April 2025

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 arms length transaction under third proviso thereto. (Pursuant to Section 134(3)(m) of the Companies Act, 2013)

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

SL. No.	Particulars	Details
a)	Name (s) of the related party & nature of relationship	
b)	Nature of contracts/arrangements/transaction	
c)	Duration of the contracts/arrangements/transaction	
d)	Salient terms of the contracts or arrangements or transaction including the value, if any	
e)	Justification for entering into such contracts or arrangements or transactions	
f)	Date of approval by the Board	
g)	Amount paid as advances, if any	
i)	Date on which the special resolution was passed in General meeting as required under first proviso to section 188	

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 Credit Services Limited - Fellow subsidiary
b)	Nature of contracts/arrangements/transaction	Procurement of vehicles
c)	Duration of the contracts/arrangements/transaction	2024-25
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. 898.93 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.

Place : Bengaluru
Date: 22nd April 2025

Sharad Mohan Mishra
Director
(DIN: 09772241)

For and on behalf of the Board of Directors

G Parthasarathy
Director
(DIN: 01769831)

DRIVEX MOBILITY PRIVATE LIMITED

Independent Auditor's Report to the Members of DRIVEX MOBILITY PRIVATE LIMITED for the year ended 31st March 2025

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, Uppilpalayam, Coimbatore, Tamil Nadu 641015 which comprise the Balance Sheet as at 31st March 2025, the Statement of Profit and Loss, the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and including a summary of material accounting policies and other explanatory information

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid 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 2025, 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.

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) 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. 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 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 2025 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 over financial reporting 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 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 2025, except as stated in Note 24

(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, 2025 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

Place: Bengaluru
Date: 22nd April 2025

V. Sathyanarayanan
PARTNER
Membership No.027716
UDIN 25027716BMMIIMT1330

ANNEXURE “A” TO THE INDEPENDENT AUDITOR’S REPORT – 31st March 2025 (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 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, 2025 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 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) 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, 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 Services Tax	Goods and Service Tax Act, 2017	FY 2021-22	Appellate Authority	18.75	1.87
Goods and Services Tax	Goods and Service Tax Act, 2017	FY 2022-23	Appellate Authority	182.55	18.25
Goods and Services 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) 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;

DRIVEX MOBILITY PRIVATE LIMITED

- 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 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 5427.12 & Rs 4147.04 Lakhs 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;
- 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

Place: Bengaluru
Date: 22nd April 2025

V. Sathyanarayanan
PARTNER
Membership No.027716
UDIN 25027716BMIIMT1330

ANNEXURE 'B' TO THE INDEPENDENT AUDITOR'S REPORT – 31st March 2025

(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

We have audited the internal financial controls over financial reporting of Drivex Mobility Private Limited as of March 31, 2025 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, 2025, 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

Place: Bengaluru
Date: 22nd April 2025

V. Sathyanarayanan
PARTNER
Membership No.027716
UDIN 25027716BMMIIMT1330

DRIVEX MOBILITY PRIVATE LIMITED

Balance Sheet as at 31st March 2025

(Amount in Rs Lakhs, unless otherwise stated)

Particulars	Note No.	As at March 31, 2025	As at March 31, 2024
ASSETS			
1 Non-current assets			
(a) Property, Plant and Equipment	3A	536.54	475.60
(b) Right of Use Assets	30	697.23	677.25
(c) Capital work in progress	3C	5.96	-
(d) Other Intangible Assets	3B	521.64	295.58
(e) Intangible Assets under development	3D	165.36	333.54
(f) Deferred Tax Assets	4	2,961.07	1,416.34
(g) Financial Assets			
(i) Other Financial Assets	5.1	200.08	117.08
(h) Other Non-Current Assets	6	50.94	24.17
Total Non - Current Assets		5,138.82	3,339.56
2 Current assets			
Inventories	7	1,822.20	2,210.89
(a) Financial Assets			
(i) Trade Receivables	8.1	734.05	80.72
(ii) Cash and Cash Equivalents	8.2	202.25	1,358.52
(iii) Other Financial Assets	8.3	25.59	82.00
(b) Other Current Assets	9	958.11	600.03
Total Current Assets		3,742.20	4,332.16
Total Assets (1+2)		8,881.02	7,671.72
EQUITY AND LIABILITIES			
1 Equity			
(a) Equity Share capital	10	2.35	2.02
(b) Other Equity	11	3,696.08	4,327.12
Total equity		3,698.43	4,329.14
LIABILITIES			
2 Non-current liabilities			
(a) Financial Liabilities			
(i) Lease Liabilities	30	595.71	604.14
(b) Provisions	12	39.41	11.35
Total Non - Current Liabilities		635.12	615.49
3 Current liabilities			
(a) Financial Liabilities			
(i) Short term borrowings	13.1	3,301.03	1,627.38
(ii) Lease Liabilities	30	200.16	135.35
(iii) Trade Payables	13.2		
(A) total outstanding dues of micro enterprises and small enterprises		0.76	3.46
(A) total outstanding dues of creditors other than micro enterprises and small enterprises.		332.58	278.74
(iv) Other Financial Liabilities	13.3	88.76	13.14
(b) Provisions	14	244.16	252.63
(c) Contract Liabilities	15	3.73	11.95
(d) Other Current Liabilities	16	376.29	404.44
Total Current Liabilities		4,547.47	2,727.09
Total liabilities		5,182.59	3,342.58
Total Equity and Liabilities (1+2+3)		8,881.02	7,671.72
See accompanying notes to the financial statements	1&2		-

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

V. Sathyanarayanan
Partner
Membership No. 027716

Date: 22nd April 2025
Place: Bengaluru
UDIN: 25027716BMMIT1330

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

DRIVEX MOBILITY PRIVATE LIMITED

Statement of Profit and Loss for the year ended 31st March 2025

(Amount in Rs Lakhs, unless otherwise stated)

Particulars	Note No.	Year ended March 31, 2025	Year ended March 31, 2024
I Revenue from Operations	17	5,997.30	3,398.95
II Other Income	18	84.04	261.73
III Total Income (I + II)		6,081.34	3,660.68
IV EXPENSES			
(a) Cost of materials consumed	19	6,846.81	3,863.33
(b) Employee Benefit Expense	20	2,710.60	2,216.17
(c) Finance Costs	21	387.33	140.68
(d) Depreciation and Amortisation expense	3E	672.44	298.77
(e) Other Expenses	22	1,641.88	1,657.14
Total Expenses (IV)		12,259.06	8,176.09
V Profit before tax (III - IV)		(6,177.72)	(4,515.41)
VI Tax Expense			
(a) Current tax		-	-
(b) Deferred tax charge/(credit)	23	(1,544.73)	(1,416.93)
Total tax expense		(1,544.73)	(1,416.93)
VII Profit after tax for the year (V - VI)		(4,632.99)	(3,098.48)
VIII Other comprehensive income/(loss)		3.85	1.68
A (i) Items that will not be reclassified to profit or loss			
Remeasurements of the defined benefit liabilities / (asset)	(a)	5.20	2.27
Income tax relating to items that will not be reclassified to profit or loss	(b)	(1.35)	(0.59)
B (ii) Items that may be reclassified to profit or loss		-	-
IX Total Comprehensive Income/(Loss) for the year (VII + VIII)		(4,629.14)	(3,096.80)
X Earnings/(Loss) per equity share: (in Rs.)			
Basic		(22,540.18)	(15,313.99)
Diluted		(22,540.18)	(15,313.99)
See accompanying notes to the financial statements	1&2		

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

V. Sathyanarayanan
Partner
Membership No. 027716

Date: 22nd April 2025
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For and on behalf of the Board of Directors

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DIN: 09772241

Rajan Ranjith
Company Secretary

Date: 22nd April 2025
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 23	2.02
Issue of shares	-
31-Mar-24	2.02
As at 1-Apr-24	2.02
Issue of shares	0.32
As at 31-Mar-25	2.35

(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 23	-	8,857.09	(1,430.60)	(2.57)	7,423.92
Profit/(loss) for the year	-	-	(3,098.48)	-	(3,098.48)
Share application money received	-	-	-	-	-
Allotment of shares	-	-	-	-	-
Remeasurements of the defined benefit liabilities / (asset) net of tax	-	-	-	1.68	1.68
As at 31-Mar-24	-	8,857.09	(4,529.08)	(0.89)	4,327.12
Profit/(loss) for the year	-	-	(4,632.99)	-	(4,632.99)
Premium on issue of shares	-	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

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

V. Sathyanarayanan
Partner
Membership No. 027716

Date: 22nd April 2025
Place: Bengaluru
UDIN: 25027716BMMIIMT1330

For and on behalf of the Board of Directors

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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

DRIVEX MOBILITY PRIVATE LIMITED

Statement of Cash Flow for the year ended 31st March 2025

(Amount in Rs Lakhs, unless otherwise stated)

1. SIGNIFICANT ACCOUNTING POLICIES

	Year ended 45,747.00	Year ended 45,382.00
A. CASH FLOW FROM OPERATING ACTIVITIES		
Profit before tax for the year	(6,177.72)	(4,515.41)
<u>Adjustments for:</u>		
Depreciation and amortisation expenses	672.44	298.77
Finance costs	387.33	140.68
Interest income	(39.13)	(247.58)
Provision/(reversal of doubtful debts and Bad debts written off)	-	0.50
Other Comprehensive Income	5.20	2.27
Loss on sale of property plant and equipment	-	8.32
Liabilities no longer required written back	6.73	5.53
Operating loss before working capital changes	(5,145.15)	(4,306.92)
<u>Changes in working capital:</u>		
Trade receivables	(653.33)	(41.95)
Other financial assets	(26.59)	1.50
Inventory	388.69	(2,001.21)
Other assets	(382.50)	(363.47)
Trade payables	44.41	85.10
Provisions	19.59	(15.66)
Other liabilities	39.25	48.84
Cash generated from operations	(5,715.63)	(6,593.77)
Net income tax (paid) / refunded	(2.35)	11.10
Net cash outflow from operating activities (A)	(5,717.98)	(6,582.67)
B. CASH FLOW FROM INVESTING ACTIVITIES		
Capital expenditure on property plant and equipment, including capital advances	(606.60)	(657.39)
Proceeds from sale of Property plant and equipment	-	0.27
Interest received	39.13	247.58
Net cash flow used in investing activities (B)	(567.47)	(409.54)
C. CASH FLOW FROM FINANCING ACTIVITIES		
Repayment of principal portion lease liabilities	(155.56)	(93.67)
Interest paid on lease liabilities	(77.18)	(68.77)
Net movement in short term borrowings	1,673.65	1,570.70
Proceeds from issue of shares including share application money	3,998.42	-
Finance costs paid	(310.15)	(71.91)
Net cash flow from financing activities (C)	5,129.18	1,336.35
Net increase / (decrease) in cash and cash equivalents (A+B+C)	(1,156.27)	(5,655.86)
Add: Cash and cash equivalents at the beginning of the year	1,358.52	7,014.38
Cash and cash equivalents at the end of the year *	202.25	1,358.52
Reconciliation of Cash and Cash Equivalents with the Balance Sheet:		
Cash and cash equivalents as per Balance Sheet (Refer Note 6.3)	202.25	1,358.52
Cash and cash equivalents as per Cash Flow Statement	202.25	1,358.52
* Comprises:		
(a) Cash on hand	16.31	3.02
Balances with banks:		
(i) In current accounts	185.94	505.50
(ii) In deposit accounts	-	850.00
Total	202.25	1,358.52

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

V. Sathyanarayanan
Partner
Membership No. 027716

Date: 22nd April 2025
Place: Bengaluru
UDIN: 25027716BMMIIMT1330

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-23	36.39	3.96	32.27	25.11	5.34	89.23	192.30	179.90	372.20
Additions	50.20	47.42	71.20	(0.00)	29.14	222.07	420.03	204.97	625.00
Converted to stock in trade	-	-	-	(15.44)	-	-	(15.44)	-	(15.44)
Disposals	-	-	-	-	-	(16.03)	(16.03)	-	(16.03)
31-Mar-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	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
II. Accumulated depreciation and impairment as at									
1-Apr-23	5.32	0.13	4.89	12.17	0.14	11.46	34.12	23.55	57.67
Depreciation / amortisation expense for the year	(0.15)	3.25	28.27	(1.98)	8.53	44.17	82.08	65.74	147.82
Converted to stock in trade	-	-	-	(5.04)	-	-	(5.04)	-	(5.04)
Eliminated on disposal of assets	-	-	-	-	-	(5.90)	(5.90)	-	(5.90)
31-Mar-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	(0.00)	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
Carrying amount as at (I-II)									
1-Apr-23	31.07	3.82	27.38	12.95	5.20	77.77	158.18	156.35	314.53
31-Mar-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

- (a) All the above assets are owned by the Company and no assets are given on hire except vehicles which are given on subscription for a period ranging between three months to Twenty Four months
(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 25	As at 31 March 24
3C Capital work in progress	5.96	-
Movement in capital work in progress		
Opening balance	-	5.26
Additions	59.89	266.34
Capitalised during the year	53.93	271.60
Closing balance	5.96	-

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

	As at 31 March 25	As at 31 March 24
3D Intangible assets under development	165.36	333.54
Movement in capital work in progress		
Opening balance	333.54	272.45
Additions	529.97	266.06
Deletions	133.55	-
Capitalised during the year	564.60	204.97
Closing balance	165.36	333.54

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 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

Intangible assets under development aging	Amount of CWIP for a period of				31 March 24
	< 1 year	1-2 years	2-3 years	> 3 years	Total
Projects in progress	333.54	-			333.54
Projects temporarily suspended	-	-	-	-	-
	333.54	-	-	-	333.54

	Note	Year ended 31-Mar-25	Year ended 31-Mar-24
3E Depreciation and Amortisation			
Depreciation on:			
Tangible Assets	3A	131.61	82.08
Right of use assets	30	191.96	150.95
Amortisation of intangible assets	3B	348.87	65.74
		672.44	298.77

Non-current assets

4 Deferred Tax Assets

	As at 31 March 25	As at 31 March 24
OCI Remeasurement	-	0.08
Provision for Leave Encashment	11.32	3.30
Provision for bad debts	2.50	2.50
Property, Plant & Equipment	35.98	0.24
Lease Liabilities and Right of Use Assets	24.82	15.66
Provisions for Expenses	60.05	1.22
Provision for Bonus	51.16	
Income Tax Losses	2,776.54	1,393.34
Deferred Tax Liability		
OCI Remeasurement	1.31	-
	2,961.07	1,416.34

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

	As at 31 March 24	Recognized/ reversed through profit and loss	Recognized in other comprehensive income	As at 31 March 25
Deferred tax assets				
Provision for Leave Encashment	3.30	8.03	-	11.32
Provision for bad debts	2.50	-	-	2.50
Property, Plant & Equipment	0.24	35.74	-	35.98
Lease Liabilities	186.11	14.19	-	200.30
Provisions for Expenses	1.22	58.82	-	60.05
Income Tax Losses	1,393.34	1,383.20	-	2,776.54
Provision for Bonus	-	51.16	-	51.16
Deferred Tax Liability				
Right of Use Assets	170.45	5.03	-	175.48
OCI Remeasurement	(0.08)	0.03	1.35	1.31
Total	1,416.34	1,546.08	(1.35)	2,961.06
Net deferred tax liability/ (asset)	1,416.34	1,546.08	(1.35)	2,961.06

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 25	As at 31 March 24
5.1 Other Financial Assets		
Office lease security deposits	169.13	77.28
Other security deposits	3.20	3.00
Deposit with Bank*	-	10.00
Prepaid rent	27.75	26.80
	200.08	117.08

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

6 Other Non-Current Assets

	As at 31 March 25	As at 31 March 24
Capital Advance	-	3.29
Statutory Deposit	48.59	
Advance Tax and Tax Deducted at Source (Net of Provision for Income Tax) [Refer note (i) below]	2.35	20.88
	50.94	24.17

Note (i)

Advance Tax and Tax Deducted at Source	2.35	20.88
Provision for Tax	-	-
	2.35	20.88

Current Assets

	As at 31 March 25	As at 31 March 24
7 Inventories		
Inventory of Vehicles	1,735.27	2,144.25
Inventories of spares and consumables	86.92	66.64
[Lower of cost or net realisable value]	1,822.20	2,210.89

8 Financial Assets

	As at 31 March 25	As at 31 March 24
8.1 Trade Receivables (Unsecured)		
(i) Other trade receivables:		
Unsecured, considered good *	734.05	80.72
Unsecured, considered doubtful	9.92	9.92
	743.97	90.64
Less: Allowance for expected credit losses	(9.92)	(9.92)
Trade receivables which have significant increase in credit risk	-	-
Trade receivables credit impaired	-	-
	734.05	80.72

* 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-25						
Undisputed trade receivables	413.65	321.82	0.02	8.47	-	743.97
	413.65	321.82	0.02	8.47	-	743.97
31-Mar-24						
Undisputed trade receivables	-	88.37	2.00	0.26	-	90.64
Total	-	88.37	2.00	0.26	-	90.64

	As at 31 March 25	As at 31 March 24
Movement in expected credit loss allowance		
Balance at the beginning of the year	9.92	9.44
Expected credit losses for the year	-	0.48
Provision for expected credit losses written back	-	-
Balance at the end of the year	9.92	9.92

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

8.2 Cash and Cash Equivalents

	As at 31 March 25	As at 31 March 24
Cash on hand	16.31	3.02
Balances with banks :		
(i) In current accounts	185.94	505.50
(iii) In deposit accounts*	-	850.00
	202.25	1,358.52
Of the above, balances that meet the definition of cash and cash equivalents as per Ind AS 7	202.25	1,358.52

*Out of the above deposit amount, in FY 2023-24 Rs.500 Lacs was given as security deposit against overdraft facility obtained from Axis Bank Ltd. for Working Capital purposes

8.3 Other Financial Assets

	As at 31 March 25	As at 31 March 24
(Unsecured and considered good, unless stated otherwise)		
Interest accrued on deposits	9.27	3.03
Trade advances *	-	30.82
Other advances**	4.20	39.83
Prepaid rent	12.12	8.56
	25.59	82.00

* Refer Note 28(b) for receivables from related parties

**Include salary advances to employees of Rs.4.20 Lacs

9 Other Current Assets

	As at 31 March 25	As at 31 March 24
(Unsecured)		
Considered good		
Prepaid Expenses	85.42	84.09
Advance to suppliers	58.57	13.11
Gratuity Fund	17.83	21.44
Claim Receivable	11.60	
Balance receivable from government authorities		
- GST receivable	784.69	481.39
	958.11	600.03

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 25		As at 31 March 24	
	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	23,469	2.35	20,233	2.02
Total		2.35		2.02

(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 25		As at 31 March 24	
	Number of shares	Amount	Number of shares	Amount
Equity shares of Rs. 10/- each				
At the beginning of the year	20,233	2.02	20,233	2.02
Add: Issued during the year	3,236	0.32	-	-
Add: Conversion of preference shares to equity shares	-	-	-	-
Outstanding at the end of the year	23,469	2.35	20,233	2.02

(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 25		As at 31 March 24	
	Number of shares held	% of holding	Number of shares held	% of holding
Equity Shares of Rs.10/- each with voting rights				
TVS Motor Company Limited	20,981	89.40%	9,766	48.27%
Narain Karthikeyan	2,021	8.61%	9,435	46.63%

Other Equity	As at 31 March 25	As at 31 March 24
Securities premium account	12,855.18	8,857.08
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.		
Retained earnings/(deficit)	(9,159.10)	(4,529.96)
Retained earnings/(deficit) comprise of the Company's current and prior years' undistributed earnings after taxes or accumulated losses.		
	3,696.08	4,327.12

	As at 31 March 25	As at 31 March 24
Securities premium account		
Opening balance	8,857.08	8,857.08
Add: Premium on issue of shares during the year	3,998.10	-
	12,855.18	8,857.08
Retained earnings/(deficit)		
Opening balance	(4,529.07)	(1,430.59)
Profit/(loss) for the period/year	(4,632.99)	(3,098.48)
Closing balance	(9,162.06)	(4,529.07)
Other Comprehensive Income		
Opening balance	(0.89)	(2.57)
Remeasurements of the defined benefit liabilities / (asset) net of tax	3.85	1.68
	2.96	(0.89)

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 25	As at 31 March 24
(a) Provision for employee Benefits		
Provision for Leave Encashment	39.41	11.35
[Refer note 26]	<u>39.41</u>	<u>11.35</u>

Current Liabilities

Financial Liabilities

13.1 Short-term borrowings	As at 31 March 25	As at 31 March 24
Borrowings from Banks*	3,301.03	1,627.38
	<u>3,301.03</u>	<u>1,627.38</u>

* Includes the below sanctioned facilities

Name of Lender	Type of Facility	Sanction Limit	Interest Rate	Outstanding Amount	Repayment Terms	Security
IDFC First Bank Ltd.	Overdraft/Working Capital Demand Loan/Short Term Loan	2,000.00	10.50%	1,976.35	On demand	Note 1
DBS Bank India Ltd.	Overdraft/Working Capital Demand Loan	3,000.00	10.05%	911.77	On demand	Note 1
Axis Bank Ltd.	Overdraft	2,000.00	9.45%	412.92	On demand	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 25	As at 31 March 24
Trade payables		
Total outstanding dues of micro and small enterprises	0.76	3.46
Total outstanding dues of creditors other than micro and small enterprises	332.58	278.74
	<u>333.34</u>	<u>282.20</u>

* Refer Note 28(b) for payable to Related Parties

	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	> 3 years	
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
31-Mar-24							
Total outstanding dues of micro and small enterprises	3.46	-	-	-	-	-	3.46
Total outstanding dues of creditors other than micro and small enterprises		220.01	58.73	-	-	-	278.74
Total	3.46	220.01	58.73	-	-	-	282.20

13.3 Other Financial Liabilities	As at 31 March 25	As at 31 March 24		As at 31 March 25	As at 31 March 24
Payable towards purchase of property plant and equipment	1.26	2.82	Contract liabilities		
Other Financial Liabilities	87.50	10.32	Unearned revenue	3.73	11.95
	<u>88.76</u>	<u>13.14</u>		<u>3.73</u>	<u>11.95</u>
Provisions	As at 31 March 25	As at 31 March 24	Other Current Liabilities	As at 31 March 25	As at 31 March 24
Provision for employee benefits			Statutory remittances	71.22	88.92
Provision for leave encashment	5.57	1.75	Advance from customers	-	17.67
Provision for gratuity [Refer note 26]	-	-	Payable to Employees	203.28	212.58
Provision for expenses	238.59	250.88	Security deposit received	101.79	85.27
	<u>244.16</u>	<u>252.63</u>		<u>376.29</u>	<u>404.44</u>

DRIVEX MOBILITY PRIVATE LIMITED

Notes forming part of Financial Statements - (continued)

(Amount in Rs Lakhs, unless otherwise stated)

14. Revenue from Operations

	Year ended 31-Mar-25	Year ended 31-Mar-24
Revenue from contract with customers		
Sale of products		
Sale of vehicles	5,839.45	3,269.13
Sale of Spares & Accessories	101.97	57.48
Sale of services		
Income from vehicle services	22.69	20.88
Royalty & DMS Charges	27.62	48.59
Other operating income		
Sale of scrap	5.57	2.87
	5,997.30	3,398.95

(i) Disaggregation of revenue from contracts with customers

Revenue from customers		
Sale of vehicles	5,941.42	3,326.61
Income from Vehicle Services	22.69	20.88
Others	27.62	48.59
Sale of scrap	5.57	2.87
	5,997.30	3,398.95
Time of revenue recognition		
-At a point in time	5,946.99	3,329.48
-Over time	50.31	69.47

(ii) Contract balances

The Company earns revenue from sale of refurbished vehicles, Subscription of Refurbished Vehicles and through Royalty for sales done by franchisee dealers. The significant performance obligation of the Company is to sell refurbished vehicles and rent them. Sale of refurbished vehicles are fulfilled at a point in time and renting 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 25 and 31 Mar 24.

Contract assets

Trade receivables (Refer note (i) below)	743.97	90.64
	743.97	90.64

Contract liabilities

Advance from customers	-	17.67
Unearned revenue	3.73	11.95

- (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-25	Year ended 31-Mar-24
Opening balance	11.95	15.00
Revenue recognised during the year	11.95	15.00
Liabilities recognised during the year	3.73	11.95
	3.73	11.95

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.

15. Other income

	Year ended 31-Mar-25	Year ended 31-Mar-24
(a) Interest income from		
-bank deposits	39.13	247.58
-financial assets at amortised cost	9.45	6.49
-income tax refund	0.89	1.03
(b) Liabilities no longer required written back	6.73	5.53
(c) Commission Income	14.82	-
(d) Miscellaneous income	13.02	1.10
	84.04	261.73

16. Cost of goods sold

	Year ended 31-Mar-25	Year ended 31-Mar-24
Opening stock	2,210.89	209.68
Purchase of vehicles consumables and spares	5,608.03	5,535.68
Refurbishment expenses	850.08	328.86
Closing stock	(1,822.20)	(2,210.89)
	6,846.81	3,863.33

*Refer Note 28(b) for purchases from related parties

17. Employee Benefit Expenses

	Year ended 31-Mar-25	Year ended 31-Mar-24
Salaries, wages and bonus	2,440.14	2,008.21
Contributions to provident fund	98.82	65.78
Gratuity expenses	38.57	21.68
Staff welfare expenses	133.07	120.50
	2,710.60	2,216.17

*Refer Note 28(b) for amount paid to KMP

18. Finance costs

	Year ended 31-Mar-25	Year ended 31-Mar-24
Interest on borrowings	310.15	72.57
Interest on lease liabilities *	77.18	68.11
	387.33	140.68

*Refer Note 30

19. Other expenses

	Year ended 31-Mar-25	Year ended 31-Mar-24
Rent expenses	104.42	119.31
Power, fuel and water charges	33.90	33.10
Repairs and Maintenance - Others	49.34	34.17
Rates and Taxes	8.78	35.78
Subcontracting charges	89.32	85.27
Technical & Subscription Charges	169.35	120.17
Intangible assets written off *	133.55	181.67
Travelling and Conveyance	197.51	207.55
Marketing Expenses	706.09	689.63
Professional / Consultancy / Technical fees	125.31	105.43
Payments to Auditors (refer note below)	5.40	3.40
Provision for doubtful receivables	-	0.50
Miscellaneous Expenses**	18.91	41.16
Total	1,641.88	1,657.14

* Intangible assets written off pertains to Project discontinued

** Miscellaneous Expenses forms 1% of total expenses.

DRIVEX MOBILITY PRIVATE LIMITED

Notes forming part of Financial Statements - (continued)

(Amount in Rs Lakhs, unless otherwise stated)

20.	Year ended 31-Mar-25	Year ended 31-Mar-24
Payments to auditors comprises (net of GST input credit, where applicable):		
Statutory Audit fees	5.00	3.00
Tax Audit fees	0.40	0.40
Total	5.40	3.40

*Refer Note 28(b) for payment to related parties

23 Income tax expenses

A Particulars	31-Mar-25	31-Mar-24
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	(1,544.73)	(1,416.93)
Total tax expense recognized in the Statement of Profit and Loss	(1,544.73)	(1,416.93)
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)	5.20	2.27
Income tax relating to items that will not be reclassified to profit or loss	(1.35)	(0.59)
Total Tax expense recognized in other comprehensive income	3.85	1.68

B. Effective Tax Rate

Reconciliation of tax expense and the accounting profit for the year is under.

Particulars	31-Mar-25	31-Mar-24
Accounting profit before income tax expenses	(6,177.7)	(4,515.4)
Enacted tax rate in India (%)	25.17%	25.17%
Computed expected tax expense	(1,554.81)	(1,136.44)
Tax effect of :		
- Expenses that are not deductible in determining taxable profit	-	-
- Bought forward losses	5.66	-
- Warranties	-	-
- Impact of rate change	-	-
- Others	4.41	(280.49)
Tax expenses recognized in statement of profit and loss	(1,544.73)	(1,416.93)
Effective tax rate (%)	25.00%	31.38%

Note	Particulars	31-Mar-25	31-Mar-24
24	Contingent liabilities and commitments (to the extent not provided for)		
(i)	Contingent liabilities:		
(a)	Bank Guarantees	-	12.00
(b)	Disputed Tax Liabilities under:		
	Goods and Services Tax	490.11	-
(ii)	Commitments: Capital commitments	1.36	6.58

25 Disclosures required under Section 22 of the Micro, Small and Medium Enterprises Development Act, 2006

	31-Mar-25	31-Mar-24
(i) Principal amount remaining unpaid to any supplier as at the end of the accounting year	0.76	3.46
(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	-	-
(v) The amount of interest accrued and remaining unpaid at the end of the accounting year	-	-
(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-25	Year ended 31-Mar-24
Provident fund	65.50	64.26
Employee state insurance	0.06	1.50
Labour welfare fund	0.14	0.02

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-25	Year ended 31-Mar-24
Components of employer expense		
Current service cost	38.00	21.45
Past service cost	-	-
Interest cost	2.01	0.23
Net transfer of asset/(liability)	(1.44)	-
Recognised in statement of profit and loss	38.57	21.68
Re-measurement - actuarial (gain)/loss recognised in OCI	(5.20)	(2.27)
Total expense recognised in the Statement of total comprehensive income	33.37	19.41

Other Comprehensive Income (OCI)

Actuarial (gain)/loss due to DBO experience	(7.36)	(3.21)
Actuarial (gain)/loss due to DBO assumption changes	2.17	0.94
Actuarial (gain)/loss arising during period	(5.20)	(2.27)
Actuarial (gains)/ losses recognized in OCI	(5.20)	(2.27)

Defined Benefit Cost

	31-Mar-25	31-Mar-24
Service cost	38.00	21.45
Net interest on net defined benefit liability / (asset)	2.01	0.23
Actuarial (gains)/ losses recognized in OCI	(5.20)	(2.27)
Defined Benefit Cost	34.81	19.41

Change in defined benefit obligation (DBO) during the year

Present value of DBO at beginning of the year	27.59	8.17
Current service cost	38.00	21.45
Past service cost	-	-
Interest cost	2.01	0.23
Actuarial (gains) / losses	(5.20)	(2.27)
Benefits paid	(1.07)	-
Present value of DBO at the end of the year	61.33	27.59

Actual contribution and benefit payments for year

Actual benefit payments	1.07	-
Actual contributions	30.39	45.53

Change in fair value of assets during the year

Plan assets at beginning of the year	49.03	3.49
Expected return on plan assets	0.81	-
Actual company contributions	30.39	45.53
Employer direct benefits payment	-	-
Actuarial gain / (loss)	-	-
Benefits paid	(1.07)	-
Plan assets at the end of the year	79.16	49.03
Actual return on plan assets	0.81	-

Current and Non Current Liability portion

Particulars		
Current Liability	(0.41)	(0.38)
Non Current Asset/ (Liability)	(60.93)	(27.59)
Net Asset/(Liability)	(61.34)	(27.96)

Net asset / (liability) recognised in the Balance Sheet

Present value of defined benefit obligation	61.33	27.59
Fair value of plan assets	79.16	49.03
Funded status [Surplus / (Deficit)]	17.83	21.44
Net asset / (liability) recognised in the Balance Sheet	17.83	21.44

Actuarial assumptions

	31-Mar-25	31-Mar-24
Discount rate	6.95%	7.20%
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-25	31-Mar-24
Estimate value of obligation if discount rate is taken 0.5% higher	57.10	26.13
Estimated value of obligation if discount rate is taken 0.5% lower	66.00	29.98
Estimate value of obligation if salary growth rate is taken 0.5% higher	65.72	29.87
Estimate value of obligation if salary growth rate is taken 0.5% lower	57.30	26.13
Estimate value of obligation if attrition rate is taken 50% higher	54.32	25.19
Estimate value of obligation if attrition rate is taken 50% lower	69.91	31.29
Estimate value of obligation if Mortality rate is taken 10% higher	61.33	27.96
Estimate value of obligation if Mortality rate is taken 10% lower	61.35	27.96

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-25	31-Mar-24
1 year	0.41	0.38
2-5 years	11.99	4.02
6-9 years	20.05	13.78
10 years and more	170.12	72.97

Compensated absences	31-Mar-25	31-Mar-24
Compensated absences recognised in statement of Profit & Loss Account	33.20	(7.48)
Closing balance of Compensated absences provisions	44.98	13.10

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]
Nkars Online Pvt Ltd	Enterprises in which Key Management Personnel exercises significant influence (Ceased to be KMP w.e.f 23rd December 2024)
N K Racing Academy	Enterprises in which Key Management Personnel exercises significant influence (Ceased to be KMP w.e.f 23rd December 2024)
RND Ventures Pvt Ltd.	Enterprises in which Key Management Personnel along with his relatives exercises significant influence (Ceased to be KMP w.e.f 23rd December 2024)
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 Softtech 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)
Mr.Narain Karthikeyan	Key Management Personnel - Director (Ceased to be KMP w.e.f 23rd December 2024)
Mr. Harisha K	Key Management Personnel - Chief Financial Officer
Mr. Ranjith R	Key Management Personnel - Company Secretary

B. Details of transactions during the year and balance outstanding as at the balance sheet date:

Related parties	31-Mar-25	31-Mar-24		
Income from Vehicle Subscription				
Leap Agri Logistics Delhi Pvt.Ltd	-	0.04		
Leap Agri Logistics Guwahati Pvt.Ltd	-	0.08		
Leap Agri Logistics Ludhiana Pvt.Ltd	-	0.16		
Leap India Food & Logistics Pvt.Ltd	-	0.16		
RND Softtech Private Limited	0.42	0.48		
Pipavav Leap Agri Logistics Pvt.Ltd	-	0.18		
Sri Karthikeya Spinning & Weaving Mills Pvt Ltd	0.28	0.66		
Purchase Vehicle:				
			TVS Credit Services Ltd	898.93
			TVS Motor Company Ltd	25.78
			Payment of Rent:	
			Karthikeya Spinners	0.18
			Payment for Services:	
			Narain Karthikeyan	29.70
			Expenses Reimbursements:	
			Narain Karthikeyan	0.94
			Remuneration:	
			Key Managerial Personnel	121.00
				1102.97
				2,929.51
				-
				0.18
				-
				1.21
				243.24
				3,201.62

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-25	31-Mar-24
Trade Payable	Karthikeya Spinners	0.02	-
	Mr.Narain Karthikeyan	9.92	-
	RND Softtech Private Limited	0.04	0.16
	Sri Karthikeya Spinning & Weaving Mills Pvt Ltd	0.42	0.42
Other Receivables	TVS Credit Services Ltd	-	30.82

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-25	Year ended 31-Mar-24
Profit \ (Loss) attributable to equity shareholders	(4,632.99)	(3,098.48)
Weighted average number of equity shares for calculating:		
Basic earnings per share (Nos.)	23,469	20,233
Diluted earnings per share (Nos.)	23,469	20,233
Par value per equity share (Rs.)	10	10
Earnings/(loss) per share		
- Basic (Rs.)	(22,540.18)	(15,313.99)
- Diluted (Rs.)	(22,540.18)	(15,313.99)

- 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	855.35	324.99
Additions	211.94	554.64
Deletions	-	24.28
Closing balance	1,067.29	855.35

Accumulated depreciation

Opening balance	178.10	27.15
Depreciation for the year	191.96	150.95
	370.06	178.10

Net block

	697.23	677.25

	Year ended 31-Mar-25	Year ended 31-Mar-24

Lease liabilities - Buildings

Opening balance	739.48	291.30
Additions	211.94	573.41
Deletions	-	(19.50)
Interest	77.18	68.11
Lease payments	(232.74)	(173.84)
Closing balance	795.87	739.48
Current	200.16	135.35
Non-current	595.71	604.13

Maturity analysis of lease payment and short term and low value leases

1 year	200.16	135.35
1 to 5 years	595.71	604.13
More than 5 years	-	

	Year ended 31-Mar-25	Year ended 31-Mar-24

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	104.42	119.31
Depreciation on right of use assets	191.96	150.95
Interest on lease liabilities	77.18	68.11

DRIVEX MOBILITY PRIVATE LIMITED

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 March 31, 2025 and March 31, 2024 is as follows:

Particulars	Carrying value as at	
	31-Mar-25	31-Mar-24
Amortised Cost		
Trade receivable	734.05	80.72
Cash and cash equivalents including margin money	202.25	1,358.52
Other financial assets	25.59	82.00
Office lease security deposits	169.13	77.28
Other security deposits	3.20	3.00
Deposit with Bank	-	10.00
Prepaid Rent	27.75	26.80
Total Assets	1,161.96	1,638.31
Financial liabilities		
Amortised Cost		
Lease liabilities	795.87	739.49
Short Term borrowings	3,301.03	1,627.38
Trade payables	333.34	282.20
Other financial liabilities	88.76	13.14
Total Liabilities	4,519.00	2,662.21

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, 2025			As at 31st Mar, 2024		
	FVTPL	FVOCI	Amortised cost	FVTPL	FVOCI	Amortised cost
Financial assets :						
Trade Receivables	-	-	734.05	-	-	80.72
Cash and Cash Equivalents	-	-	202.25	-	-	1,358.52
Interest accrued on deposits	-	-	9.27	-	-	3.03
Trade advances	-	-	-	-	-	30.82
Other advances	-	-	4.20	-	-	39.83
Office lease security deposits	-	-	169.13	-	-	77.28
Other security deposits	-	-	3.20	-	-	3.00
Deposit with Bank	-	-	-	-	-	10.00
Prepaid Rent	-	-	39.87	-	-	35.36
Total	-	-	1,161.97	-	-	1,638.56
Financial liabilities						
Short term borrowings	-	-	3,301.03	-	-	1,627.38
Lease Liabilities	-	-	795.87	-	-	739.49
Trade Payables	-	-	333.34	-	-	282.20
Payable towards purchase of property plant and equipment	-	-	1.26	-	-	2.82
Other financial liabilities	-	-	87.50	-	-	10.32
Total	-	-	4,519.00	-	-	2,662.21

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

As at 31st Mar, 2025	Level 1	Level 2	Level 3	Total
<u>Financial assets at FVTPL:</u>				
Office lease security deposits	-	-	-	-
Total financial assets	-	-	-	-
<u>Financial liabilities at FVTPL:</u>				
Lease Liabilities	-	-	-	-
Total financial liabilities	-	-	-	-

Assets and liabilities which are measured at amortised cost

As at 31st Mar, 2025	Level 1	Level 2	Level 3	Total
<u>Financial assets</u>				
Trade Receivables	-	-	734.05	734.05
Cash and Cash Equivalents	-	-	202.25	202.25
Interest accrued on deposits	-	-	9.27	9.27
Trade advances	-	-	-	-
Other advances	-	-	4.20	4.20
Other security deposits	-	-	3.20	3.20
Deposit with Bank	-	-	-	-
Prepaid Rent	-	-	39.87	39.87
Total financial assets	-	-	992.84	992.84
<u>Financial Liabilities</u>				
Short term borrowings	-	-	3,301.03	3,301.03
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	-	-	3,723.13	3,723.13

As at 31st Mar, 2024	Level 1	Level 2	Level 3	Total
<u>Financial assets at FVTPL:</u>				
Office lease security deposits	-	-	-	-
Total financial assets	-	-	-	-
<u>Financial liabilities at FVTPL:</u>				
Lease Liabilities	-	-	-	-
Total financial liabilities	-	-	-	-

Assets and liabilities which are measured at amortised cost

As at 31st Mar, 2024	Level 1	Level 2	Level 3	Total
<u>Financial assets</u>				
Trade Receivables	-	-	80.72	80.72
Cash and Cash Equivalents	-	-	1,358.52	1,358.52
Interest accrued on deposits	-	-	3.03	3.03
Trade advances	-	-	30.82	30.82
Other advances	-	-	39.83	39.83
Other security deposits	-	-	3.00	3.00
Deposit with Bank	-	-	10.00	10.00
Prepaid Rent	-	-	35.36	35.36
Total financial assets	-	-	1,561.28	1,561.28
<u>Financial Liabilities</u>				
Short term borrowings	-	-	1,627.38	1,627.38
Trade Payables	-	-	282.20	282.20
Payable towards purchase of property plant and equipment	-	-	2.82	2.82
Other financial liabilities	-	-	10.32	10.32
Total financial liabilities	-	-	1,922.72	1,922.72

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 25	As at 31 March 24
Cash and Cash Equivalents	202.25	1,358.52
Total	202.25	1,358.52

The cash position of the Company is given below:

The table below provides details regarding the contractual maturities of significant financial liabilities as at 31 Mar 25 and 31 Mar 24.

Particulars	As at	Less than 1 year	1-5 years	5 years and above
Trade Payables	31-Mar-25	333.34	-	-
	31-Mar-24	282.20	-	-
Other Financial Liabilities	31-Mar-25	88.76	-	-
	31-Mar-24	13.14	-	-
Lease liabilities	31-Mar-25	200.16	595.71	-
	31-Mar-24	135.35	604.14	-
Short Term Borrowings	31-Mar-25	3,301.03	-	-
	31-Mar-24	1,627.38	-	-

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-25	Year ended 31-Mar-24
Particulars		
Impact on profit or (loss) for the year	31.02	7.44
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-25	31-Mar-24
Particulars		
Total equity attributable to the equity share holders of the company	3,698.43	4,329.14
As percentage of total capital	52.84%	72.68%
Total borrowings	3,301.03	1,627.38
As a percentage of total capital	47.16%	27.32%
Total capital (borrowings and equity)	6,999.46	5,956.52

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-25	31-Mar-24
Total Current Assets (A)	3,742.20	4,332.16
Total Current Liabilities (B)	4,547.47	2,727.09
Current ratio (C) = (A) / (B)	0.82	1.59
%Change from previous period/ year*	-48%	

*The reason for change over last year is the due to the increase in short term borrowings

Further Company had bank overdraft outstanding at Mar 22 but during the year 2022-23, Company has paid all such bank overdraft out of the money received from fund raising

<u>Ratio</u>	<u>Debt Equity Ratio</u>	
Ratios / measures	31-Mar-25	31-Mar-24
Total debts (A)	3,301.03	1,627.38
Total shareholder's equity (B)	3,698.43	4,329.14
Debt equity ratio (C) = (A) / (B)	0.89	0.38
%Change from previous period/ year*	134%	

*Company has availed Short Term Loan, Working Capital Demand Loans and Overdraft/ Cash Credit facilities during the year, hence there is an increase in Debt equity ratio

Ratio

Numerator

Denominator

Ratios / measures

	31-Mar-25	31-Mar-24
Profit after tax (A)	(4,632.99)	(3,098.48)
Add: Following non cash operating expenses and finance cost		
Depreciation and amortization (B)	672.44	298.77
Finance cost (C)	77.18	68.11
Other non-cash expenses (D)	-	-
Earnings available for debt services (E) = (A)+(B)+(C)+(D)	(3,883.37)	(2,731.60)
Interest cost (F)	77.18	68.11
Principal repayments (G)	-	-
Principal payments for lease liability(H)	155.56	105.73
Debt service (I) = (F) + (G) + (H)	232.74	173.84
Debt service coverage ratio (E/I)	(16.69)	(15.71)
%Change from previous period/ year	6%	

Ratio

Numerator

Denominator

Ratios / measures

	31-Mar-25	31-Mar-24
Net Profit after tax (A)	(4,632.99)	(3,098.48)
Closing shareholder's equity (B)	3,698.43	4,329.14
Average shareholder's equity [opening + closing /2] (C)	4,013.79	5,877.53
Return on equity [%] (D) = (A)/ (C) *100	-115%	-53%
% Change from previous period/ year*	-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

Ratios / measures

	31-Mar-25	31-Mar-24
Average Inventory - (A)	2,016.55	1,210.28
Cost of goods sold - (B)	6,846.81	3,863.33
Inventory turnover ratio - (B/A)	3.40	3.19
% Change from previous period/ year	6%	

Ratio

Numerator

Denominator

	31-Mar-25	31-Mar-24
Revenue from operations		
Average trade receivables		

Debt service coverage ratio

Earnings available for debt service

Debt service

Return on equity [%]

Profit after tax

Average

Shareholder's Equity

Inventory turnover ratio

Cost of goods sold

Inventory

Trade receivables turnover ratio

Revenue from operations

Average trade receivables

DRIVEX MOBILITY PRIVATE LIMITED

Notes forming part of Financial Statements - (continued)

(Amount in Rs Lakhs, unless otherwise stated)

Ratios / measures	31-Mar-25	31-Mar-24
Sales (A)	5,997.30	3,398.95
Closing Trade Receivables	734.05	80.72
Average Trade Receivables [(opening + closing) /2] (B)	407.39	59.99
Trade receivables turnover ratio (C) = (A) / (B)	14.72	56.66
% Change from previous period/ year	-74%	

*During the year 2024-25 Company has increased the sales in the 4th quarter and commensurate increase in the receivable

<u>Ratio</u>	<u>Trade payables turnover ratio</u>		
Numerator	Adjusted total expenses		
Denominator	Average trade payables		
Ratios / measures		31-Mar-25	31-Mar-24
Total expenses excluding depreciation, finance cost and non cash expenses (A)		11,199.29	7,736.64
Closing Trade Payables		333.34	282.20
Average Trade Payables [(opening + closing) /2] (B)		307.77	362.33
Trade payables turnover ratio		36.39	21.35
% Change from previous period/ year*		70%	

<u>Ratio</u>	<u>Net capital turnover ratio</u>	
Numerator	Revenue from operations	
Denominator	Average working capital	
Ratios / measures	31-Mar-25	31-Mar-24
Revenue from operations (A)	5,997.30	3,398.95
Working Capital (Current Assets - Current Liabilities)	(805.27)	1,631.87
Net working Capital (B)	(805.27)	1,631.87
Net capital turnover ratio (C) = (A)/ (B)	-7.45	2.08
% Change from previous period/ year	-458%	

* This has changed substantially due to short term borrowings availed during the year and increase in turnover

Ratio	<u>Net profit [%]</u>		
Numerator	Net profit		
Denominator	Revenue from operations		
Ratios / measures		31-Mar-25	31-Mar-24
Profit after tax (A)		(4,632.99)	(3,098.48)
Revenue from operations (B)		5,997.30	3,398.95
Net profit [%] (C) = (A) / (B) *100		-77.25%	-91.16%
% Change from previous period/ year*		-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-25 31-Mar-24
Profit before tax (A)	(6,177.72) (4,515.41)
Add : Finance cost (B)	387.33 140.68
Earnings before interest and tax (C) = (A) + (B)	(5,790.39) (4,374.73)
Total Shareholder's Equity (D)	3,698.43 4,329.14
Total Debt (E)	4,096.90 2,366.86
Capital Employed (F) = (D) + (E)	7,795.33 6,696.00
Return on capital employed [%] (G) = (C) / (F) *100	-74.00% -65.00%
% Change from previous period/ year	14%

DRIVEX MOBILITY PRIVATE LIMITED

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

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

V. Sathyanarayanan
Partner
Membership No. 027716

Date: 22nd April 2025
Place: Bengaluru
UDIN: 25027716BMMIIMT1330

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

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 2025.

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 2025 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, 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

Deepali Pant Joshi

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

Date:

Anuraag Agarwal

Director

TVS MOTOR (SINGAPORE) PTE. LIMITED

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 2025, 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 2025 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:

- (a) 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.
- (b) 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.
- (c) Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- (d) 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.
- (e) 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:

TVS MOTOR (SINGAPORE) PTE. LIMITED

STATEMENT OF FINANCIAL POSITION AS AT 31 MARCH 2025

	Note	2025 S\$	2024 S\$
ASSETS			
Non-current assets:			
Plant and equipment	(8)	100,646,579	33,494,480
Intangible assets	(9)	20,706,125	-
Investment in subsidiaries	(10)	574,028,613	379,929,001
Investments in associates	(11)	89,824,671	107,428,604
Other investments	(12)	28,209,489	13,465,085
Deferred tax assets	(13)	243,160	38,463
Trade and other receivables	(14)	12,326,712	9,135,815
Loans receivables	(15)	5,789,200	-
Total non-current assets		831,774,549	543,491,448
Current assets:			
Trade and other receivables	(14)	35,973,411	60,453,153
Loans receivables	(15)	39,093,778	77,156,276
Inventories	(16)	6,680,181	-
Other current assets	(17)	10,542,762	697,815
Bank balances	(18)	7,998,315	5,859,284
Total current assets		100,288,447	144,166,528
Total assets		932,062,996	687,657,976
EQUITY AND LIABILITIES			
Equity:			
Share capital	(19)	927,488,807	671,685,616
Share application money	(20)	-	19,333,690
Accumulated losses		(100,480,158)	(40,873,085)
Total equity		827,008,649	650,146,221
Non-current liability:			
Lease liabilities	(21)	82,078,171	23,735,108
Current liabilities:			
Lease liabilities – current portion	(21)	10,301,317	6,590,909
Borrowings	(22)	-	5,371,693
Trade and other payables	(23)	12,674,859	1,813,206
Income tax payable	(28)	-	839
Total current liabilities		22,976,176	13,776,647
Total liabilities		105,054,347	37,511,755
Total equity and liabilities		932,062,996	687,657,976

The accompanying notes form an integral part of these financial statements

STATEMENT OF COMPREHENSIVE INCOME FOR THE FINANCIAL YEAR ENDED 31 MARCH 2025

	Note	2025 S\$	2024 S\$
Revenue	(24)	32,456,415	20,834,785
Cost of sales		(33,107,354)	(20,508,149)
Gross (loss)/ profit		(650,939)	326,636
Other income	(25)	8,057,077	3,816,389
Marketing and distribution expenses		(791,134)	-
Administrative expenses		(24,822,655)	(5,323,466)
Impairment loss on financial assets	(26)	(34,873,619)	-
Finance cost	(27)	(206,401)	(24,746)
Other expense		(6,524,939)	(346,531)
Loss before income tax		(59,812,610)	(1,551,718)
Income tax	(28)	205,537	38,608
Loss for the year	(29)	(59,607,073)	(1,513,110)
Other comprehensive income		-	-
Total comprehensive loss for the year		(59,607,073)	(1,513,110)

The accompanying notes form an integral part of these financial statements

STATEMENT OF CHANGES IN EQUITY FOR THE FINANCIAL YEAR ENDED 31 MARCH 2025

	Share Capital S\$	Share Application Money S\$	Accumulated Losses S\$	Total S\$
Balance as at 1 April 2024	420,155,810	71,287,921	(39,359,975)	452,083,756
Transaction with owner, recognised directly in equity				
- Issuance of shares (Note 19)	251,529,806	(71,287,921)	-	180,241,885
Share application money received		19,333,690	-	19,333,690
Total comprehensive loss for the year	-	-	(1,513,110)	(1,513,110)
Balance as at 31 March 2024	671,685,616	19,333,690	(40,873,085)	650,146,221
Transaction with owner, recognised directly in equity				
- Issuance of shares (Note 19)	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

The accompanying notes form an integral part of these financial statements

TVS MOTOR (SINGAPORE) PTE. LIMITED

STATEMENT OF CASH FLOWS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2025

	Note	2025 S\$	2024 S\$
Cash flow from operating activities:			
Loss before income tax		(59,812,610)	(1,551,718)
Adjustments for:			
Depreciation of plant and equipment	(8)	9,517,106	7,706,987
Foreign currency exchange difference		(1,258,401)	912,433
Gain on disposal of plant and equipment		199,083	(74,340)
Impairment loss on financial assets	(26)	34,873,619	-
Impairment loss on investment	(10)	5,836,381	-
Interest on loan	(30)	179,475	6,864
Interest on lease liabilities	(30)	2,272,735	1,410,357
Interest income	(24)	(2,002,281)	(2,279,193)
Operating cash flow before working capital changes		(10,194,893)	6,131,390
Trade and other receivables		(26,516,860)	(37,834,348)
Inventories		(6,680,181)	-
Other current assets		(9,844,947)	-
Prepayments		-	99,143
Trade and other payables		8,284,927	(569,147)
Cash used in operation		(44,951,954)	(32,172,962)
Tax paid		(839)	-
Net cash used in operating activities		(44,952,793)	(32,172,962)
Investing activities:			
Investment in associate		(2,241,167)	(18,970,261)
Investment in subsidiaries		(90,690,058)	(88,303,551)
Investment in other investments		(8,934,404)	(9,451,960)
Loans receivables		(75,613,879)	(43,874,541)
Proceeds from disposal of plant and equipment	(8)	589,710	580,000
Purchase of plant and equipment	(8)	(458,651)	(1,595,000)
Purchase of intangible assets		(861,025)	-
Interest received		345,030	202
Net cash used in investing activities		(177,864,444)	(161,615,111)
Financing activities:			
Advances from related party	(30)	12,575,344	-
Payment of principal portion of lease liabilities	(30)	(6,266,056)	(7,284,262)
Payment of interest portion of lease liabilities	(30)	(2,272,735)	(1,410,357)
Repayment of advances to related party	(30)	(10,178,093)	-
Proceed from borrowings	(30)	(5,371,693)	5,371,693
Proceed from issued of new shares		236,469,501	180,241,885
Share application money received		-	19,333,690
Net cash from financing activities		224,956,268	196,252,649
Net increase in bank balances		2,139,031	2,464,576
Bank balance at beginning of year		5,859,284	3,394,708
Bank balance at end of year	(18)	7,998,315	5,859,284

The accompanying notes form an integral part of these financial statements

TVS MOTOR (SINGAPORE) PTE. LIMITED

NOTES TO THE FINANCIAL STATEMENTS - 31 MARCH 2025

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 2025 were authorised for issue by the Board of Directors on _____.

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 Financial Reporting Standards ("FRS") in Singapore.

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 2024. 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
FRS 110 and FRS 28	Amendments to FRS 110 and FRS 28: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	Date to be determined
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 2026
FRS 119	Subsidiaries without Public Accountability: Disclosures	1 January 2026

The directors anticipate that the adoption of the above FRSs, INT FRS and amendments to FRS in future periods standards will not have a materials 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 Singapore 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.

2.7. 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 years.

Intangible assets refers to capitalisation of costs relating to trademarks and technology-related intellectual property (IP).

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 S\$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.

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.
- 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.

2.17. 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 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 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.

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.

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.

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 currency 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 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. The company determines the recoverable amount of the subsidiaries based on the subsidiaries' and 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 subsidiaries and associates reasonably approximate the fair values less costs to sell.

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 16 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.

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:

	2025	2024
	S\$	S\$
Financial assets		
At amortised cost:		
- Trade and other receivables	47,961,412	69,588,968
- Loans receivables	44,882,978	77,156,276
- Bank balances	7,998,315	5,859,284
At fair value through other comprehensive income:		
- Other investments	28,209,489	13,465,085
	129,052,194	166,069,613
Financial liabilities		
At amortised cost:		
- Trade and other payables	12,674,859	1,813,206
- Lease liabilities	92,379,488	30,326,017
- Borrowings	-	5,371,693
	105,054,347	37,510,916

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 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:

- 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. Management considers the risk of default as minimal based on the past collection history and did not recognise ECL as the amount was not significant.

- 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 S\$8,474,788 which accounted for 66% of its trade receivables (2024: no significant concentration of credit risk).

The company does not hold any collateral or other credit enhancements to cover its credit risks associated with its financial assets.

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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 and United states 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 Singapore dollar is as follows:

	2025 CHF	2024 CHF	2025 US\$	2024 US\$
In Singapore dollar				
Financial assets				
Trade and other receivables	1,758,685	2,522,737	34,589,866	21,270,325
Loans receivables	683,775	67,083,955	36,475,200	2,829,960
Bank balances	-	-	6,721,116	5,791,210
	<u>2,442,460</u>	<u>69,606,692</u>	<u>77,786,182</u>	<u>29,891,495</u>
Financial liabilities				
Lease liabilities	-	-	92,072,540	29,953,451
Trade and other payables	-	-	7,913,270	1,052,792
	<u>-</u>	<u>-</u>	<u>99,985,810</u>	<u>31,006,243</u>
Net exposure	<u>2,442,460</u>	<u>69,606,692</u>	<u>(22,199,628)</u>	<u>(1,114,748)</u>
	2025 Euro	2024 Euro	2025 GBP	2024 GBP
In Singapore dollar				
Financial assets				
Trade and other receivables	2,931,066	20,257,633	215,834	286,633
Loans receivables	5,897,747	109,373	1,826,256	7,132,988
Bank balances	580,657	-	-	-
	<u>9,409,470</u>	<u>20,367,006</u>	<u>2,042,090</u>	<u>7,419,621</u>
Financial liabilities				
Trade and other payables	490,470	56,143	485,905	385,507
	<u>490,470</u>	<u>56,143</u>	<u>485,905</u>	<u>385,507</u>
Net exposure	<u>8,919,000</u>	<u>20,310,863</u>	<u>1,556,185</u>	<u>7,034,114</u>

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 currencies would increase/ (decrease) profit or loss and equity by the amount shown below:

	2025 S\$	2024 S\$
CHF impact	(244,246)	(6,960,669)
US\$ impact	2,219,963	111,475
Euro impact	(891,900)	(2,031,086)
GBP impact	(155,619)	(703,411)

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.

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2025	Effective interest rate (%)	Carrying amount	Contractual undiscounted cash flows			Total
			Less than a year	Within 2 to 5 years	Later than 5 years	
			S\$	S\$	S\$	
Financial liabilities:						
Lease liabilities	3% to 7.8%	92,379,488	15,827,593	97,099,326	-	112,926,919
Trade and other payables	-	12,674,859	12,674,859	-	-	12,674,859
	-	105,054,347	28,502,452	97,099,326	-	125,601,778

2024	Effective interest rate (%)	Carrying amount	Contractual undiscounted cash flows			Total
			Less than a year	Within 2 to 5 years	Later than 5 years	
			S\$	S\$	S\$	
Financial liabilities:						
Lease liabilities	3% to 7.8%	30,326,017	7,754,701	22,063,831	4,086,581	33,905,113
Borrowings	9.15% to 9.25%	5,371,693	5,558,702	-	-	5,558,702
Trade and other payables	-	1,813,206	1,813,206	-	-	1,813,206
		37,510,916	15,126,609	22,063,831	4,086,581	41,277,021

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, 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 14 to the financial statements.

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 2025, 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.

		Assets					
Financial Assets	2025 S\$	2024 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)	28,209,489	13,465,085	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.	

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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 during the period.

	2025	2024
	S\$	S\$
Trade and other payables	12,674,859	1,813,206
Lease liabilities	92,379,488	30,326,017
Borrowings	-	5,371,693
Less: Bank balances	(7,998,315)	(5,859,284)
Net debt	97,056,032	31,651,632
Total equity	827,008,649	650,146,221
Total capital	924,064,681	681,797,853
Gearing ratio	10.5%	4.6%

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:

	2025	2024
	S\$	S\$
Service income from related party	26,448,720	20,834,785
Sales of vehicles to subsidiary	173,023	-
Interest income from:		
- subsidiaries	850,737	1,927,127
- associate	13,612	25,155
- related parties	575,536	6,527
Technical and management fee from associate	4,032,540	-
Purchase of vehicles from:		
- holding company	(1,537,615)	-
- subsidiaries	(1,142,568)	-
- associate	(8,366,335)	-
Recovery of professional and consultancy fee by subsidiaries	(411,466)	(251,333)

8. PLANT AND EQUIPMENT

	Office equipment	Office artwork	Vehicle	Leasehold Property	Renovation	Total
	S\$	S\$	S\$	S\$		S\$
Cost						
At 01.04.2023	25,239	120,060	50,666,662	-	-	50,811,961
Additions	-	-	1,595,000	407,138	-	2,002,138
Lease reassessment	-	-	1,423,950	-	-	1,423,950
Disposal	-	-	(777,939)	-	-	(777,939)
At 31.03.2024	25,239	120,060	52,907,673	407,138	-	53,460,110
Additions	8,987	-	82,453,627	-	19,790	82,482,404
Lease reassessment	-	-	(778,597)	-	-	(778,597)
Disposal	-	-	(20,607,973)	-	-	(20,607,973)
At 31.03.2025	34,226	120,060	113,974,730	407,138	19,790	114,555,944
Accumulated depreciation						
At 01.04.2023	25,239	-	12,505,682	-	-	12,530,921
Charged for the year	-	-	7,659,488	47,499	-	7,706,987
Disposal	-	-	(272,278)	-	-	(272,278)
At 31.03.2024	25,239	-	19,892,892	47,499	-	19,965,630
Charged for the year	705	-	9,434,973	81,428	-	9,517,106
Disposal	-	-	(15,573,371)	-	-	(15,573,371)
At 31.03.2025	25,944	-	13,754,494	128,927	-	13,909,365
Carrying amount						
At 31.03.2024	-	120,060	33,014,781	359,639	-	33,494,480
At 31.03.2025	8,282	120,060	100,220,236	278,211	19,790	100,646,579

The company leases aircrafts for business use and an office premises for its operations. The leases have a total tenure of 60 to 84 months and the remaining lease term as at 31 March 2025 is 41 to 59 months (2024: 24 to 71 months).

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.

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9. INTANGIBLE ASSETS

	Trademark	Technology-Related IP	Total
	S\$	S\$	S\$
Cost			
At 01.04.2023 and 31.03.2024	-	-	-
Additions	5,655,068	15,051,057	20,706,125
At 31.03.2025	5,655,068	15,051,057	20,706,125
Accumulated amortisation			
At 31.03.2024 and 31.03.2025	-	-	-
Carrying amount			
At 31.03.2024	-	-	-
At 31.03.2025	5,655,068	15,051,057	20,706,125

The company acquired trademark and technology-related intellectual property for a total consideration of S\$20,706,125 shortly before the year end. Accordingly, no amortisation has been charged during the financial year.

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

	2025	2024
	S\$	S\$
Unquoted equity shares at cost:		
At beginning of the year	379,929,001	274,028,072
Additions	199,935,993	105,900,929
At end of the year	579,864,994	379,929,001
Less: Impairment loss	(5,836,381)	-
Carrying amount at end of the year	574,028,613	379,929,001
The movement in allowance for impairment of investment in subsidiaries was as follows:		
	2025	2024
	S\$	S\$
At beginning of the year	-	-
Provision during the year	5,836,381	-
At end of the year	5,836,381	-

Details of the subsidiaries are as follows:

Name of subsidiary/ Country of incorporation	Principal activity	Proportion of ownership Interest	
		2025	2024
The Norton Motorcycle Co. Limited United Kingdom	Manufacturing and selling of Norton Brand motorcycles and trading of vehicle spares & accessories	100%	100%
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%
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%	87.8%
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%
EBCO Limited England	Producing and distributing electric bikes designed for the rapidly expanding British e-bike market	100%	70%
Celerity Motor GmbH Germany	Undertake activities related to two-wheeler & three-wheeler vehicles, including research, development, engineering, sales and service thereof	100%	100%

During the 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 S\$81,192,554).
- 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 S\$12,057,809), 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 S\$91,326,797), 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 S\$8,588,630) 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 S\$6,770,203), 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 company carried out a review on the recoverable amount of its investment in subsidiaries. The recoverable amount of the relevant investment in subsidiaries has been determined on the basis of its net assets value at the end of the reporting period as in the opinion of the management of the company, the net assets values of the subsidiary reasonably approximate the fair values less costs to sell.

11. INVESTMENTS IN ASSOCIATES

	2025	2024
	S\$	S\$
Unquoted equity shares at cost:		
At beginning of the year	107,428,604	76,064,643
Addition	2,241,167	18,970,261
Disposal	(19,845,100)	-
Transfer from other investments (Note 12)	-	12,393,700
At end of the year	89,824,671	107,428,604

Details of the associate are as follows:

Name of associate/ Country of incorporation	Principal activity	Proportion of ownership Interest	
		2025	2024
PT. TVS Motor Company Indonesia	Manufacturers of motorcycles, motorcycles spare parts and accessories	31.7%	31.7%
Ion Mobility Pte. Ltd. Singapore	Manufacture and assembly of motorcycles, scooters and other parts and accessories	-	27.5%
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,

- 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 (equivalent to S\$19,845,100).
- 2) the company made the balance payment of EUR 1,600,000 (equivalent to S\$2,241,167) 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.

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12. OTHER INVESTMENTS

	2025	2024
	S\$	S\$
Equity instruments		
At fair value through other comprehensive income:		
Unquoted equity investments:		
At beginning of the year	13,465,085	16,406,825
Addition	14,744,404	9,451,960
Transfer to investments in associate (Note 11)	-	(12,393,700)
At end of the year	28,209,489	13,465,085

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	
		2025	2024
Mottu Holdings Ltd	United States of America	2.55%	1.93%
ARC Ride Limited	England	2.64%	2.69%
Quadrant Esports Limited	United Kingdom	1.06%	1.06%
Zapata Group B.V	Netherland	3.58%	-

Other investments are denominated in the following currencies:

	2025	2024
	S\$	S\$
British pound	167,860	167,860
Euro	7,993,266	-
United States dollar	20,048,363	13,297,225
	28,209,489	13,465,085

13. DEFERRED TAX ASSET

	2025	2024
	S\$	S\$
At the beginning of year	38,463	-
Credited to income for the year (Note 28)	205,537	39,447
Foreign exchange loss	(840)	(984)
At end of year	243,160	38,463

14. TRADE AND OTHER RECEIVABLES

	2025	2024
	S\$	S\$
Non-current		
Long-term deposit	12,326,712	9,135,815
Current		
Trade receivables:		
- third parties	4,349,016	-
- subsidiaries (Note 10)	94,213	-
- associate (Note 11)	4,427,045	-
- related party (Note 7)	4,047,744	-
	12,918,018	-
Amount due from subsidiaries (Note 10)	30,600,000	26,641,841
Amount due from related parties (Note 7)	6,839,683	6,738,000
Bonds receivable	12,593	11,965
Convertible notes receivable	4,693,500	6,507,000
Interest receivables from subsidiaries (Note 9)	1,974,519	2,761,110
Interest receivables from related parties (Note 7)	583,406	33,019
Interest receivables from third party	178,323	-
Other receivables – third parties	84,824	5,455,141
Refundable deposits	5,923,453	10,605,077
Share application money paid	6,700,000	1,700,000
	70,508,319	60,453,153
Less: Allowance for expected credit loss	(34,873,619)	-
	35,634,700	60,453,153
GST/ VAT receivables	338,711	-
Total current portion	35,973,411	60,453,153
Total trade and other receivables	48,300,123	69,588,968

Trade receivables are non-interest bearing and they are normally settled on 30 to 120 days credit terms (2024: Nil). 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:

	Not past due	Trade receivables – days past due				Total
		< 30 days	31 to 60 days	61 to 90 days	>90 days	
	S\$	S\$	S\$	S\$	S\$	S\$
2025						
Trade receivables						
- gross amount	11,616,915	1,165,352	123,238	7,540	4,973	12,918,018
Expected credit loss (ECL)	-*	-*	-*	-*	-*	-*
						12,918,018

* ECL is not significant

Long-term deposits of US\$12,200,000 (2024: US\$7,900,000) 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 4.4% to 6.8% (2024: 3% to 4.4%) per annum.

Amount due from subsidiaries and related parties are unsecured, interest free and repayable on demand.

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Allowance for expected credit loss

The movement in allowance for expected credit loss of other receivables computed based on 12-month ECL (individually assessed) was as follows:

	2025	2024
	S\$	S\$
At beginning of the year	-	-
Allowance made during the year	34,873,619	-
At end of the year	34,873,619	-

Trade and other receivables are denominated in the following currencies:

	2025	2024
	S\$	S\$
Australian dollar	204,443	-
British pound	215,834	286,633
Euro	2,931,066	20,257,633
Philippine peso	3,697,920	5,465,348
Singapore dollar	4,902,309	19,786,292
Swiss franc	1,758,685	2,522,737
United States dollar	34,589,866	21,270,325
	48,300,123	69,588,968

15. LOANS RECEIVABLES

	2025	2024
	S\$	S\$
Non-current		
Loan to third party	5,789,200	-
Current		
Loans to subsidiaries (Note 10)	2,510,031	74,216,943
Loans to related parties (Note 6)	36,583,747	2,939,333
	39,093,778	77,156,276
Total loans receivables	44,882,978	77,156,276

Loans to subsidiaries and related parties are interest bearing at 3.25% to 7% (2024: 3.25% to 6%) per annum, unsecured and tenure ranging from 4 to 48 months (2024: 4 to 40 months).

Loan to third party is interest bearing at 6-month EURIBOR per annum, repayable after 36 months, and is secured by a first ranking pledge over 8% of shares of a subsidiary of third party.

Loans receivables are denominated in following currencies:

	2025	2024
	S\$	S\$
British pound	1,826,256	7,132,988
Euro	5,897,747	109,373
Swiss franc	683,775	67,083,955
United States dollar	36,475,200	2,829,960
	44,882,978	77,156,276

19. SHARE CAPITAL

Issued and paid up:

At beginning of the year
Issued during the year
At the end of the year

16. INVENTORIES

	2025	2024
	S\$	S\$
Trading inventories at cost	6,680,181	-

The cost of inventories recognised as an expense and included in "cost of sales" amounted to S\$5,589,920 (2024: Nil).

17. OTHER CURRENT ASSETS

	2025	2024
	S\$	S\$
Advance payments	9,904,805	-
Prepayments	637,957	697,815
	10,542,762	697,815

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:

	2025	2024
	S\$	S\$
Australian dollar	13,337	-
British pound	1,157,052	-
Euro	7,287	-
Philippine peso	35,082	-
Singapore dollar	2,718,993	-
United States dollar	6,611,011	697,815
	10,542,762	697,815

18. BANK BALANCES

	2025	2024
	S\$	S\$
Cash at bank	7,998,315	5,859,284

Cash at banks earn interest at floating rates based on daily bank deposit rates.

Bank balances are denominated in the following currencies:

	2025	2024
	S\$	S\$
Australian dollar	262,371	-
Euro	580,657	-
Philippine peso	284,574	13,793
Singapore dollar	149,597	54,281
United States dollar	6,721,116	5,791,210
	7,998,315	5,859,284

The company issued 255,803,191 (2024: 251,529,806) ordinary shares in the capital of the company for a consideration of S\$255,803,191 (2024: S\$251,529,806).

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.

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20. SHARE APPLICATION MONEY

In 2024, the share application money was advance receipt for application for shares in the company.

21. LEASE LIABILITIES

	2025	2024
	S\$	S\$
<i>Maturity analysis:</i>		
Within one year	15,827,593	7,754,701
Within two to five years	97,099,326	22,063,831
After five years	-	4,086,581
	<u>112,926,919</u>	<u>33,905,113</u>
Less: future finance charges	(20,547,431)	(3,579,096)
	<u>92,379,488</u>	<u>30,326,017</u>
<i>Analysed as:</i>		
Current	10,301,317	6,590,909
Non-current	<u>82,078,171</u>	<u>23,735,108</u>
	<u>92,379,488</u>	<u>30,326,017</u>

The company leases vehicles for its business use and an office premises for its operations (Note 8). The effective borrowing rate is 3% to 7.8% (2024: 3% to 7.8%) per annum.

Total cash outflows for the leases during the financial year ended 31 March 2025 amounted to S\$8,538,791 (2024: S\$8,694,619).

Lease liabilities are denominated in the following currencies:

	2025	2024
	S\$	S\$
Philippine peso	306,948	372,566
United States dollar	<u>92,072,540</u>	<u>29,953,451</u>
	<u>92,379,488</u>	<u>30,326,017</u>

22. BORROWING

	2025	2024
	S\$	S\$
Short term bank loans	-	5,371,693

In 2024, short term bank loans were obtained from a financial institution. The loans bore interest at the rate of 9.15% to 9.25% per annum and were repayable with 12 months from the end of reporting period. The principal was repayable in full on maturity. Accordingly, the loans have been fully repaid during the financial year.

Borrowing was denominated in Philippine peso.

23. TRADE AND OTHER PAYABLES

	2025	2024
	S\$	S\$
Trade payables:		
- third parties	1,387,759	1,119,244
- holding company (Note 6)	104	-
- subsidiary (Note 10)	307,458	-
- associate (Note 11)	<u>7,025,219</u>	<u>-</u>
	<u>8,720,540</u>	<u>1,119,244</u>
Other payables – third parties	257,353	35,838
Amounts due to subsidiary (Note 10)	-	348,066
Amounts due to related party (Note 7)	2,528,751	131,500
Accrued expenses	<u>1,168,215</u>	<u>178,558</u>
	<u>12,674,859</u>	<u>1,813,206</u>

Trade payables are unsecured, non-interest bearing and they are normally settled on 30 days' (2024: 30 days') term.

Amounts due to subsidiary and related party are unsecured, interest free and repayable on demand.

Trade and other payables are denominated in the following currencies:

	2025	2024
	S\$	S\$
Australian dollar	23,696	-
British pound	485,905	385,507
Euro	490,470	56,143
New Zealand dollar	14,309	-
Philippine peso	1,020,361	20,481
Singapore dollar	2,726,848	298,283
United States dollar	<u>7,913,270</u>	<u>1,052,792</u>
	<u>12,674,859</u>	<u>1,813,206</u>

24. REVENUE

	2025	2024
	S\$	S\$
Passenger service income	26,448,720	20,834,785
Sales of vehicles and spare parts	<u>6,007,695</u>	<u>-</u>
	<u>32,456,415</u>	<u>20,834,785</u>
Timing of transfer of good or service		
Over time	26,448,720	20,834,785
At a point in time	<u>6,007,695</u>	<u>-</u>
	<u>32,456,415</u>	<u>20,834,785</u>

25. OTHER INCOME

	2025	2024
	S\$	S\$
Foreign currency exchange gain	1,725,138	1,420,893
Gain on disposal of plant and equipment	-	74,340
Interest income	387,731	324,601
Interest income on loan	1,614,550	1,954,592
Rental income	92,469	41,963
Technical and management fee	4,032,540	-
Others	<u>204,649</u>	<u>-</u>
	<u>8,057,077</u>	<u>3,816,389</u>

26. IMPAIRMENT LOSS ON FINANCIAL ASSETS

	2025	2024
	S\$	S\$
Impairment on financial assets – advances to subsidiary (Note 14)	<u>34,873,619</u>	<u>-</u>

27. FINANCE COST

	2025	2024
	S\$	S\$
Interest on lease liability	26,926	17,882
Interest on loan	<u>179,475</u>	<u>6,864</u>
	<u>206,401</u>	<u>24,746</u>

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28. INCOME TAX

	2025	2024
	S\$	S\$
Current tax	-	839
Deferred tax (Note 13)	(205,537)	(39,447)
	<u>(205,537)</u>	<u>(38,608)</u>

The income tax benefit varied from the amount of income tax determined by applying the Singapore income tax rate of 17% (2024: 17%) to loss before income tax due to the following:

	2025	2024
	S\$	S\$
Loss before income tax	(59,812,610)	(1,551,718)
Income tax benefit at statutory rate of 17% (2024: 17%)	(10,168,144)	(263,792)
Income tax effects of:		
- non-taxable items	(50,744)	(400,066)
- non-deductible items	7,544,587	101,479
- tax losses carried forward	2,674,301	562,379
- Minimum Corporate Income Tax (MCIT) in Philippine	-	839
Tax for the year	-	839
Deferred tax (Note 13)	(205,537)	(39,447)
	<u>(205,537)</u>	<u>(38,608)</u>

The company has unutilised tax losses and donations carry forward available for offsetting against future taxable income as follow:

	2025	2024
	S\$	S\$
Amount at beginning of the year	11,501,713	8,193,601
Addition during the year	15,731,180	3,308,112
Amount at end of year	27,232,893	11,501,713
Deferred tax benefit on above unrecorded	4,629,592	1,955,291

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.

29. LOSS FOR THE YEAR

Loss for the year has been arrived at after charging/ (crediting):

	2025	2024
	S\$	S\$
Short-term employee benefits	1,613,864	517,600
Cost of defined contribution plans included in short-term employee benefits	20,354	-
Aircraft operation and maintenance charges	15,089,647	11,581,006
Depreciation of plant and equipment	9,517,106	7,706,987
Donations	5,000	-
Foreign currency exchange gain	(1,725,138)	(1,420,893)
Impairment loss on investment in subsidiary (Note 10)	5,836,381	-
Insurance expense	61,157	14,938
Loss on disposal of plant and equipment	199,083	-
Office rental	3,700	9,650
Professional and consultancy fees	14,779,337	4,538,698
Research & Development expense	5,404,342	-
Travelling expenses	1,926,725	57,977

30. 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.

	2025	2024
	S\$	S\$

Lease liabilities (Note 21)

At beginning of the year	30,326,017	34,931,371
Financing cash flows:		
- Principal portion of lease liabilities	(6,266,056)	(7,284,262)
- Interest portion of lease liabilities	(2,272,735)	(1,410,357)
	<u>(8,538,791)</u>	<u>(8,694,619)</u>

Non-cash transactions:

- New lease	74,719,729	407,137
- Reassessment of lease	(1,137,147)	1,423,950
- Disposal of lease	(4,003,814)	-
- Foreign currency exchange (gain)/ loss	(1,259,241)	847,821
- Interest expense	2,272,735	1,410,357
At the end of year	<u>92,379,488</u>	<u>30,326,017</u>

	2025	2024
	S\$	S\$

Borrowing (Note 22)

At beginning of the year	5,371,693	-
Financing cash flows:		
- Repayment of principal	(5,371,693)	-
- Repayment of interest	(179,475)	-
- Proceeds	-	5,371,693
	<u>(5,551,168)</u>	<u>5,371,693</u>

Non-cash transaction:

- Interest expense	179,475	-
At the end of year	<u>-</u>	<u>5,371,693</u>

	2025	2024
	S\$	S\$

Amount due to related party (Note 23)

At beginning of the year	131,500	-
Financing cash flows:		
- Advances received	12,575,344	131,500
- Repayment of advances	(10,178,093)	-
	<u>2,397,251</u>	<u>131,500</u>
At the end of year	<u>2,528,751</u>	<u>131,500</u>

31. 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.

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DETAILED STATEMENT OF PROFIT OR LOSS FOR THE FINANCIAL YEAR ENDED 31 MARCH 2025

	2025	2024
	S\$	S\$
Revenue		
Service income	26,448,720	20,834,785
Sales of vehicles and spare parts	6,007,695	-
	32,456,415	20,834,785
Cost of sales		
Aircraft operation and maintenance charges	15,089,647	11,581,006
Commission for aircraft	587,393	-
Cost of goods sold – vehicles	5,241,118	-
Cost of goods sold – spares	348,802	-
Depreciation of plant and equipment	9,031,534	7,361,024
Freight, logistics and storage charge	225,018	-
Interest on lease liabilities	2,245,809	1,392,475
Transportation	68,979	-
Warranty and remediation	1,565	-
Warehouse	51,602	-
Withholding tax	215,887	173,644
	33,107,354	20,508,149
Gross (loss)/ profit	(650,939)	326,636
Other income		
Foreign currency exchange gain	1,725,138	1,420,893
Gain on disposal of plant and equipment	-	74,340
Interest income	387,731	324,601
Interest income on loan	1,614,550	1,954,592
Rental income	92,469	41,963
Technical and management fee from associate	4,032,540	-
Others	204,649	-
	8,057,077	3,816,389
Total income	7,406,138	4,143,025
Less: expenses		
- Schedule 'A'	(67,218,748)	(5,694,743)
Loss before income tax	(59,812,610)	(1,551,718)

This schedule does not form part of the statutory audited financial statements.

Schedule 'A' EXPENSES FOR THE FINANCIAL YEAR ENDED 31 MARCH 2025

	2025	2024
	S\$	S\$
Administrative expenses		
Auditors' remuneration	50,000	35,000
Bank charges	170,384	51,994
Book keeping fee	-	9,600
CPF contribution/ Superannuation fund	20,354	-
Donation	5,000	-
Entertainment	15,972	-
Gift	116	-
Legal and professional fee	441,033	61,939
Miscellaneous expense	99,935	1,633
Meeting expenses	17,632	-
Network development	47,010	-
Office expense	26,012	-
Office rental	3,700	9,650
Printing and stationery	578	100
Professional and consultancy fee	14,779,337	4,538,698
Research and development	5,404,342	-
Salary, bonus and allowance	1,527,301	499,606
Software tools	67,623	-
Staff insurance	61,157	14,938
Staff training	1,200	-
Staff welfare	3,852	3,056
Subscription and membership fee	43,022	12,124
Telecommunications	5,087	-
Transportation	59,636	-
Travelling expense	1,926,725	57,977
Utilities	9,548	5,030
Vehicle expense	36,099	22,121
Marketing and distribution		
Marketing fee	759,243	-
Sales agents fee	22,022	-
Warehouse	9,869	-
Impairment loss on financial assets		
Impairment loss on advances to subsidiary	34,873,619	-
Finance costs		
Interest on lease liability	26,926	17,882
Interest on loan	179,475	6,864
Other expense		
Depreciation of plant and equipment	485,572	345,963
Fine and penalty	-	568
Impairment loss on investment in subsidiary	5,836,381	-
Loss on disposal of plant and equipment	199,083	-
Withholding tax	3,903	-
	67,218,748	5,694,743

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 2025

	Notes	SGD in Mn.	Rupees in crores
ASSETS			
Non-current assets			
Property, plant and equipment	1	1.66	10.61
Intangible Assets	1	20.71	131.92
Right of use asset	1	98.98	630.61
Investments Accounted Using Equity Method		13.76	71.50
Non-current investments	2	639.54	3,581.72
Financial assets - others	3	33.34	210.57
Deferred Tax Asset		0.24	1.55
		<u>808.23</u>	<u>4,638.48</u>
Current assets			
Financial assets			
Inventories		6.68	42.56
Trade receivables	4	43.54	278.85
Cash and cash equivalents	5	8.00	50.96
Other Financial assets	6	54.36	346.30
Other current assets	7	11.24	71.57
		<u>123.82</u>	<u>790.24</u>
Total Assets		<u>932.06</u>	<u>5,428.72</u>
EQUITY AND LIABILITIES			
Equity			
Equity share capital	8	927.49	5,308.10
Other equity	9	(100.47)	(548.69)
		<u>827.02</u>	<u>4,759.41</u>
Share application money pending allotment		-	-
Liabilities			
Non-Current liabilities			
Financial liabilities			
Lease liability		92.38	588.55
		<u>92.38</u>	<u>588.55</u>
Current liabilities			
Financial liabilities			
(i) Lease liability		-	-
(ii) Trade payables	10		
a. Total outstanding dues of micro and small enterprises		-	-
b. Total outstanding dues of other than (ii) (a) above		12.39	78.96
Other current liabilities	11	0.28	1.80
		<u>12.67</u>	<u>80.76</u>
Total liabilities		<u>105.05</u>	<u>669.31</u>
Total equity and liabilities		<u>932.06</u>	<u>5,428.72</u>

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH 2025

	Notes	SGD in Mn.	Rupees in crores
I Revenue from operations	12	38.21	241.45
II Other income	13	2.30	14.54
III Total Income (I +II)		<u>40.51</u>	<u>255.99</u>
IV Expenses:			
Cost of material consumed		5.54	35.00
Employee benefits expense	14	1.55	9.79
Finance costs	15	2.45	15.49
Depreciation and amortisation expense	16	9.51	60.13
Other expenses	17	81.27	513.47
		<u>100.32</u>	<u>633.88</u>
V Profit before exceptional items (III - IV)		(59.81)	(377.89)
VI Exceptional items		-	-
VII Profit before tax (V+ VI)		(59.81)	(377.89)
VIII Tax expense			
i) Current tax		(0.21)	(1.30)
ii) Deferred tax		-	-
IX Profit for the year (VII - VIII)		<u>(59.60)</u>	<u>(376.59)</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		-	9.22
		<u>-</u>	<u>9.22</u>
XI Total Comprehensive Income (IX + X)		<u>(59.60)</u>	<u>(367.37)</u>
XII Earnings per equity share (Face value of SGD 1/- each)			
Basic & Diluted earnings per share (in SGD / in rupees)		(0.06)	(4.06)

TVS MOTOR (SINGAPORE) PTE. LIMITED

Notes on Accounts

1 Property, Plant & Equipment

SGD in Mn.

Description	Lease Hold Improvements	Plant & equipment	Furniture and fixtures	Vehicles	Office equipments	ROU Asset	Total	Intangible assets	Total
	1	2	3	4	5	6	7	8	9
Cost of assets									
Gross carrying value as at 01-04-2024	-	-	0.12	1.96	0.03	51.35	53.46	-	-
Additions	0.02	0.00	-	0.43	0.01	82.02	82.46	20.71	20.71
Sub-total	0.02	0.00	0.12	2.39	0.03	133.38	135.92	20.71	20.71
Sales / deletion	-	-	-	0.37	-	5.58	5.95	-	-
Total	0.02	-	0.12	2.02	0.03	127.80	129.97	20.71	20.71
Depreciation / Amortisation									
Upto 31-03-2024	-	-	-	0.24	0.03	19.70	19.97	-	-
For the year	-	-	-	0.40	0.00	9.11	9.51	-	-
Sub-total	-	-	-	0.64	0.03	28.81	29.48	-	-
Withdrawn on assets sold / deleted	-	-	-	0.13	-	-	0.13	-	-
Total	-	-	-	0.51	0.03	28.81	29.35	-	-
Carrying value									
As at 31-03-2025	0.02	-	0.12	1.51	-	98.99	100.64	20.71	20.71

1 Property, Plant & Equipment

Rupees in crores

Description	Lease Hold Improvements	Plant & equipment	Furniture and fixtures	Vehicles	Office equipments	ROU Asset	Total	Intangible assets	Total
	1	2	3	4	5	6	7	8	9
Cost of assets									
Gross carrying value as at 01-04-2024	-	-	0.74	7.07	0.16	271.69	279.66	-	-
Additions	0.13	0.02	-	2.74	0.04	522.57	525.50	131.92	131.92
Foreign Currency translation reserve difference	0.00	(0.02)	0.02	5.39	(0.01)	55.51	60.90	0.02	0.02
Sales / deletion	-	-	-	2.33	-	35.56	37.89	-	-
Total	0.13	-	0.76	12.87	0.19	814.21	828.17	131.94	131.94
Depreciation / Amortisation									
Upto 31-03-2024	-	-	-	1.31	0.16	41.64	43.11	-	-
For the year	-	-	-	2.53	0.00	57.60	60.13	-	-
Foreign Currency translation reserve difference	-	-	-	0.26	0.03	84.29	84.58	-	-
Withdrawn on assets sold / deleted	-	-	-	0.85	-	-	0.85	-	-
Total	-	-	-	3.25	0.19	183.53	186.97	-	-
Carrying value									
As at 31-03-2025	0.13	-	0.76	9.62	-	630.69	641.20	131.94	131.94

TVS MOTOR (SINGAPORE) PTE. LIMITED

Notes on accounts - (continued)

		As at 31-03-2025		As at 31-03-2025	
		SGD in Mn.	Rupees in crores	SGD in Mn.	Rupees in crores
2	NON-CURRENT INVESTMENTS				
	Investment in Equity instruments				
	Investment in Subsidiary				
	15,73,00,000 fully paidup equity shares of The Norton Motorcycle Company Ltd, UK ((face value of GBP 1 each)	271.45	1,607.82		
	25,158,918 fully paidup equity shares of TVS Digital Pte Limited, Singapore (face value of SGD1 each)	25.16	138.78		
	2,87,92,149 fully paidup equity shares of GO AG, Switzerland (face value of CHF 1 each)	58.32	343.24		
	2,69,831 fully paidup equity shares of Swiss E-Mobility Group (Holding) AG, Switzerland (face value of CHF 1 each)	207.49	1,233.36		
	1990 fully paidup equity shares of EBCO Limited (face value of GBP)	8.82	54.77		
	25,000 fully paidup equity shares of Celerity (face value of Euro 1 each)	0.04	0.22		
	Investment in Associates				
	53,24,187 fully paidup equity shares of PT.TVS Motor Company Indonesia (face value of IDR 97,400 each)	76.06	253.18		
	Others				
	3,26,064 fully paidup Preference shares of Mottu Holdings Ltd, USA (face value of USD 0.001 each)	18.68	119.00		
	575 fully paidup equity shares of ARC Ride Limited UK (face value of GBP 0.01 each)	1.37	8.73		
	12547 fully paid Preference shares of Quadrant Esports Ltd. (face value of USD 0.001 each)	0.17	1.07		
	TVS Company Philippines BR. - Investments in Bonds	0.01	0.08		
	Convertible note DAT Bike, Singapore	4.69	29.90		
	42,33,530 fully paid Equity shares of Zapata Group B.V	7.99	50.93		
	Less: Provision for impairment	40.71	259.36		
		<u>639.54</u>	<u>3,581.72</u>		
3	FINANCIAL ASSETS - OTHERS (NON CURRENT)				
	Share application money paid (pending allotment)	15.29	95.58		
	Trade deposits	18.05	114.99		
		<u>33.34</u>	<u>210.57</u>		
4	TRADE RECEIVABLES				
	Unsecured, considered good			43.54	278.85
				<u>43.54</u>	<u>278.85</u>
5	CASH AND CASH EQUIVALENTS				
	Balances with banks in current accounts			8.00	50.96
				<u>8.00</u>	<u>50.96</u>
6	FINANCIAL ASSETS - OTHERS (CURRENT)				
	Interest Receivables			2.74	17.43
	Interest on others			-	-
	Loans & Advances			51.62	328.87
				<u>54.36</u>	<u>346.30</u>
7	OTHER CURRENT ASSETS				
	Advances			9.92	63.19
	Prepaid expenses			0.64	4.06
	Trade deposits			0.34	2.16
	Others			0.34	2.16
				<u>11.24</u>	<u>71.57</u>
8	EQUITY SHARE CAPITAL				
	Issued, subscribed and fully paid up:				
	927,488,807 Ordinary shares of SGD 1 each			927.49	5,308.10
				<u>927.49</u>	<u>5,308.10</u>
9	OTHER EQUITY				
	Retained earnings			(100.47)	(595.52)
	Foreign currency translation reserve			-	46.83
				<u>(100.47)</u>	<u>(548.69)</u>
10	TRADE PAYABLES				
	Dues to Micro and Small Enterprises**				
	Dues to enterprises other than Micro and Small Enterprises			12.39	78.96
				<u>12.39</u>	<u>78.96</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.				
11	OTHER CURRENT LIABILITIES				
	Other payables			0.28	1.80
				<u>0.28</u>	<u>1.80</u>

TVS MOTOR (SINGAPORE) PTE. LIMITED

Notes on accounts - (continued)

For the Year Ended 31-03-2025		
	SGD in Mn.	Rupees in crores
12 REVENUE FROM OPERATIONS		
Sale of service	32.45	205.07
Other operating revenue	5.76	36.38
	<u>38.21</u>	<u>241.45</u>
13 OTHER INCEOME		
Interest Income	1.97	12.46
Other non operating income	0.33	2.08
	<u>2.30</u>	<u>14.54</u>
14 EMPLOYEE BENEFITS EXPENSE		
Salaries, wages and bonus	1.52	9.59
Contribution to provident and other funds	0.02	0.13
Staff welfare expenses	0.01	0.07
	<u>1.55</u>	<u>9.79</u>
15 FINANCE COST		
Interest on lease liabilities	2.27	14.36
Interest	0.18	1.13
	<u>2.45</u>	<u>15.49</u>
16 DEPRECIATION		
Depreciation on property plant and equipment	0.40	2.55
Depreciation on right of use asset	9.11	57.58
	<u>9.51</u>	<u>60.13</u>
17 OTHER EXPENSES		
(a) Rates and taxes (excluding taxes on income)	0.22	1.36
(b) Audit fees	0.05	0.32
(c) Repair and maintenance	15.09	95.34
(d) Miscellaneous expenses	65.91	416.45
	<u>81.27</u>	<u>513.47</u>

BALANCE SHEET

		<i>in EUROs</i>	
Particulars	As at 31.03.2025	As at 31.03.2024	
ASSETS			
Non-current assets			
Property, plant and equipment	32,50,000.00	32,50,000.00	
Exhibition models	4,79,755.30	-	
Other intangible assets			
Less : Accumulated Depreciation	(10,04,230.01)	(5,20,343.84)	
Total			
Financial assets			
i. Investments	-	-	
ii. Other financial assets	-	-	
Other non-current assets	-	-	
Total non-current assets	27,25,525.29	27,29,656.16	
Current assets			
Inventories Financial assets			
i. Trade receivables	7,48,874.55	4,69,381.25	
ii. Cash and cash equivalents	4,78,687.70	64,263.75	
iii. Bank balances other than (ii) above	-	-	
iv. Investments	-	-	
v. Other financial assets	-	-	
Current tax assets (Net)			
Other current assets	12,12,992.12	2,91,509.90	
Total current assets	24,40,554.37	8,25,154.90	
Total Assets	51,66,079.66	35,54,811.06	
EQUITY AND LIABILITIES			
Equity			
Equity share capital	59,25,000.00	25,000.00	
Share capital Pending Allotment	-	55,65,775.31	
Other equity	(20,56,721.88)	(20,80,973.19)	
Total equity	38,68,278.12	35,09,802.12	
Liabilities			
Non-current liabilities			
Financial liabilities			
i. Borrowings	-	-	
ii. Lease liability	-	-	
iii. Other financial liabilities	-	-	
Provisions	-	-	
Deferred tax liabilities (Net)			
Total non-current liabilities	-	-	
Current liabilities			
Financial liabilities			
i. Borrowings	-	-	
ii. Lease liability	-	-	
iii. Trade payables	-	-	
iv. Other financial liabilities	9,77,578.80	45,008.94	
Other current liabilities	96,503.38	-	
Current tax liability	49.60	-	
Provisions	2,23,669.75	-	
Total current liabilities	12,97,801.53	45,008.94	
Total liabilities	12,97,801.53	45,008.94	
Total equity and liabilities	51,66,079.66	35,54,811.06	

STATEMENT OF PROFIT AND LOSS

		<i>in EURO</i>	
Particulars	Year ended 31.03.2025	Year ended 31.03.2024	
I Income			
Revenue from operations	31,69,253.56	4,56,938.51	
Other income	17,186.53	8,127.66	
Total income	31,86,440.09	4,65,066.17	
II Expenses			
Cost of materials & Services consumed and Stock-in-Trade	1,09,867.89	2,779.98	
Employee benefit expenses	9,52,173.78	8,88,824.43	
Finance costs	-	-	
Depreciation and amortisation expense	4,83,886.17	5,20,343.84	
Other expenses	16,15,850.97	2,96,147.32	
Total expenses	31,61,778.81	17,08,095.57	
III Profit before exceptional items and tax (I- II)	24,661.28	(12,43,029.40)	
IV Exceptional items - income / (expense)	-	-	
V Profit before tax (III +IV)	24,661.28	(12,43,029.40)	
VI Income tax expense	409.97	-	
Current tax	-	-	
Deferred tax charge/(credit)	-	-	
VII Profit for the year (V-VI)	24,251.31	(12,43,029.40)	
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)	24,251.31	(12,43,029.40)	

RE-STATED ACCOUNTS OF
CELERITY MOTOR GMBH

BALANCE SHEET AS AT 31ST MARCH 2025

	Notes	Euro in Mn.	Rupees in crores
ASSETS			
Non-current assets			
Property, plant and equipment		0.25	2.29
Other intangible assets	1	2.48	22.81
Capital work-in-progress		-	-
Non-current investments		-	-
Financial assets - others		-	-
Other non current assets		-	-
		<u>2.73</u>	<u>25.10</u>
Current assets			
Financial assets			
Inventory		-	-
Trade receivables	2	0.75	6.90
Cash and cash equivalents	3	0.48	4.41
Other current assets	4	1.21	11.17
		<u>2.44</u>	<u>22.48</u>
Total Assets		<u>5.17</u>	<u>47.58</u>
EQUITY AND LIABILITIES			
Equity			
Equity share capital	5	0.03	0.22
Other equity	6	3.84	35.41
		<u>3.87</u>	<u>35.63</u>
Share application money pending allotment		-	-
Current liabilities			
Financial liabilities			
(i) Borrowings			
(ii) Lease liability		-	-
(iii) Trade payables			
a. Total outstanding dues of micro and small enterprises		-	-
b. Total outstanding dues of other than (iii) (a) above		-	-
iv. Other financial liabilities		0.98	9.00
Provisions		0.32	2.95
		<u>1.30</u>	<u>11.95</u>
Total liabilities		<u>1.30</u>	<u>11.95</u>
Total equity and liabilities		<u>5.17</u>	<u>47.58</u>

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH 2025

	Notes	Euro in Mn.	Rupees in crores
I Revenue from operations	6	3.18	28.85
II Other income	7	0.01	0.07
III Total Income (I +II)		<u>3.19</u>	<u>28.92</u>
IV Expenses:			
Cost of material consumed		1.21	11.02
Changes in inventories of finished goods work-in-progress and stock-in-trade		-	-
Employee benefits expense	8	0.96	8.67
Depreciation and amortisation expense	9	0.48	4.39
Other expenses	10	0.51	4.61
		<u>3.17</u>	<u>28.69</u>
V Profit before exceptional items (III - IV)		0.02	0.23
VI Exceptional items		-	-
VII Profit before tax (V+ VI)		<u>0.02</u>	<u>0.23</u>
VIII Tax expense			
i) Current tax		-	-
ii) Deferred tax		-	-
IX Profit for the year (VII - VIII)		<u>0.02</u>	<u>0.23</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		-	5.45
		<u>-</u>	<u>5.45</u>
XI Total Comprehensive Income (IX + X)		<u>0.02</u>	<u>5.68</u>
XII Earnings per equity share (Face value of Euro 1/- each)			
Basic & Diluted earnings per share (in Euro / in rupees)		0.84	92.00

CELERTY MOTOR GMBH

Notes on Accounts

1. PROPERTY, PLANT & EQUIPMENT AND INTANGIBLE ASSETS

Euro in Mn.

Description						
	Office equipment	Vehicles	Furnitures&Fixtures	Total	Good will	Total
	1	2	3	4	5	6
Cost of assets						
Gross carrying value as at 01-04-2024	-	-		-	3.25	3.25
Additions	0.02	0.07	0.18	0.27	0.21	0.21
Sub-total	0.02	0.07	0.18	0.27	3.46	3.46
Sales / deletion	-	-		-	-	-
Total	0.02	0.07	0.18	0.27	3.46	3.46
Depreciation / Amortisation						
Upto 31-03-2024	-	-		-	0.52	0.52
For the year	-	0.01	0.01	0.02	0.46	0.48
Sub-total	-	0.01	0.01	0.02	0.98	0.98
Withdrawn on assets sold / deleted	-	-		-	-	-
Total	-	0.01	0.01	0.02	0.98	0.98
Carrying value						
As at 31-03-2025	0.02	0.06	0.17	0.25	2.48	2.48

1 Property, Plant & Equipment

Rupees in crores

Description						
	Office equipment	Vehicles	Furnitures&Fixtures	Total	Good will	Total
	1	2	3	4	5	6
Cost of assets						
Gross carrying value as at 01-04-2024	-	-	-	-	29.21	29.21
Additions	0.19	0.64	1.65	2.48	1.93	1.93
Foreign Currency translation reserve difference	-	-	0.01	0.01	0.72	0.72
Sales / deletion	-	-		-	-	-
Total	0.19	0.64	1.66	2.49	31.86	31.86
Depreciation / Amortisation						
Upto 31-03-2024	-	-	-	-	4.68	4.68
For the year	-	0.10	0.10	0.20	4.19	4.19
Foreign Currency translation reserve difference	-	0.00	0.00	0.00	0.19	0.19
Withdrawn on assets sold / deleted	-	-	-	-	-	-
Total	-	0.10	0.10	0.20	9.06	9.06
Carrying value						
As at 31-03-2025	0.19	0.54	1.56	2.29	22.81	22.81

CELERITY MOTOR GMBH

Notes on accounts - (continued)

As at 31-03-2025			For the Year Ended 31-03-2025		
	SGD in Mn.	Rupees in crores		SGD in Mn.	Rupees in crores
2	TRADE RECEIVABLES		6	REVENUE FROM OPERATIONS	
	Unsecured, considered good	0.75 6.90		Revenue	3.17 28.76
				Other operating revenue	0.01 0.09
		<u>0.75 6.90</u>			<u>3.18 28.85</u>
3	OTHER CURRENT ASSETS				
	Vendor Advances	0.01 0.07	7	OTHER INCOME	
	Others	1.20 11.10		Interest Income	- 0.02
		<u>1.21 11.17</u>		Profit on sale of asset	0.01 0.05
4	EQUITY SHARE CAPITAL				<u>0.01 0.07</u>
	Issued, subscribed and fully paid up:				
	25000 Ordinary shares of 1 Euro each	0.03 0.22	8	EMPLOYEE BENEFITS EXPENSE	
		<u>0.03 0.22</u>		Salaries, wages and bonus	0.82 7.40
				Contribution to provident and other funds	0.14 1.24
5	OTHER EQUITY			Staff welfare expenses	- 0.03
	Retained earnings	3.84 34.71			<u>0.96 8.67</u>
	Foreign currency translation reserve	- 0.70	9	DEPRECIATION	
		<u>3.84 35.41</u>		Depreciation and amortisation expense	0.48 4.39
					<u>0.48 4.39</u>
			10	OTHER EXPENSES	
				Rent	0.05 0.43
				Rates and taxes (excluding taxes on income)	0.01 0.09
				Advertisement	0.16 1.42
				Car rental	0.01 0.05
				Data, Communication & IT expenses	0.01 0.05
				Facility management	0.01 0.11
				Gas, electricity, water	0.02 0.20
				Printing & stationery	- 0.04
				Professional Fees	0.11 1.01
				Travelling Expenses	0.05 0.46
				Vehicle Usage & Other Insurance	0.02 0.21
				Others	0.06 0.54
					<u>0.51 4.61</u>

THE NORTON MOTORCYCLE CO. LIMITED

STRATEGIC REPORT FOR THE PERIOD ENDED 31 MARCH 2025

The directors present the strategic report for the year ended 31 March 2025.

Review of the business

Founded in 1898, Norton is Britain's iconic sports motorcycle brand. It is among the most popular motorcycles 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. Post acquisition, the company has since established a modern, state of art manufacturing facility at Solar Park, Solihull, West Midlands. The Company manufactures and sells motorcycles, parts, accessories both directly and indirectly through dealers in United Kingdom.

The company has firmed up its business plan with a series of new products to be launched in 2025-26 and later, catering to various segments of the premium motorcycle market, with plans to launch across the globe utilizing both Norton managed dealer networks and distributors. Introduction of these new products with superior features and cutting-edge technologies in a timely manner is key to success of the business. The Company on boarded few Directors, who have extensive automotive, dealing with managing global organizations to support the growth of the global operations.

Summary of the financial results are as under:

Details	£m
Revenue	3.5
Loss before tax	(36.7)

The parent company has infused share capital to the tune of £157.3 million which were used to fund the initial acquisition cost, creating the manufacturing facility & equipment, investment in the future product plan and the operational expenses. The company has also utilized a loan facility of US\$30m with a bank, for which the repayment has commenced. The Company has currently an overdraft of £5 million to meet its working capital needs and utilized £3.4 million as at 31 March 2025.

The Company has incurred a loss of £36.7M, which are primarily for cost incurred for the development of the business, systems, infrastructure and process, ahead of the launch of the new products and global expansion. The Parent Company closely monitors the progress of development and supports on a regular basis.

Corporate Structure

The Norton Motorcycle Co. Limited is a wholly owned subsidiary of TVS Motor (Singapore) Pte Limited, whose shares are 100% held by TVS Motor Company Limited which is one of the largest two and three-wheeler manufacturers in the world. The ultimate parent company, TVS Holdings Limited is a listed organization in India.

Principal Risks and uncertainties

Risk Management

Risk Management is a top priority. Process have been defined to identify, mitigate, review and manage the risk. Board of Directors is responsible for the overall governance. The Company has a structured cadence to review the new investments, product development, commercial build up, cost controls, etc. As the Company plans to launch new models, it's important to have a structured risk management policy and process.

Commercial

Initially the company's products will be sold in UK market and gradually expanded to European countries, USA, and other Asian markets. 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 market place, for which a clear cadence for mitigation exists. The current geo-political factors with US could create a short term challenge, however the Company continues to monitor the situation and its impact & modify the strategy accordingly.

Compliance

Non-adherence by the Company 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 and has taken a hedge to secure against the forex risk. As of now, Norton does not sell in any export markets.

Since the new products are yet to be commercialized, there's a greater reliance on the financial support from the parent. Further, the parent company has confirmed its continuing support for the company and its intention to continue supporting the Company for the foreseeable future.

Research and Development

The Company has consistently pursued in-house research and development excellence since its inception. In recent years, it has further intensified the R&D investments that are sharply focused on chosen strategic areas with a concentration on investing in building world-class in-house skill sets in technology research, product design and development as well as an exclusive team of specialized engineers for strategic software coding & calibration. The company will be fully leveraging TVS Motor India's engineering and R & D capabilities in the development of both internal combustion engine powered and electric vehicles. Along with developing the required technologies to meet & exceed the stringent emissions and safety norms, the team of engineers will also be focusing on breakthrough technology initiatives to meet the future mobility needs and the high expectations 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 to identify 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 mobilizing the required resources for executing the same. The shareholders are fully committed in making this project a success and has demonstrated their commitment by way of injecting equity capital to the extent of £157.3 million so far.

The Directors consider 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

9th May 2025

DIRECTORS' REPORT

FOR THE PERIOD ENDED 31 MARCH 2025

The directors present their annual report and financial statements for the year ended 31 March 2025.

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 4.

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

Prof. Sir Ralf Dieter Speth

Sudarshan Venu

K.N. Radha Krishnan

Sharad Mohan Mishra

Peter Houghton (Resigned 3 July 2024)

Hendrik Dietrich Eberhard Von Kuenheim

Richard Arnold (Appointed 12 June 2024)

Robert Hentschel (Appointed 12 June 2024)

Nevijo Mance (Appointed 12 November 2024)

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;
- 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.

On behalf of the Board
SHARAD MOHAN MISHRA
Director
9th May 2025

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 2025 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 2025 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.

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/auditorsresponsibilities>. 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 15 May 2025

THE NORTON MOTORCYCLE CO. LIMITED

BALANCE SHEET AS AT 31 MARCH 2025

	Notes	2025		2024	
		£	£	£	£
Fixed assets					
Intangible assets	10	42,562,914		29,158,939	
Tangible assets	11	9,436,438		9,678,701	
		51,999,352		38,837,640	
Current assets					
Stocks	13	8,574,799		11,111,381	
Debtors	14	3,740,329		4,503,846	
Cash at bank and in hand		5,484		53	
		12,320,612		15,615,280	
Creditors: amounts falling due within one year	15	(23,486,660)		(15,967,892)	
Net current assets			(11,166,048)		(352,612)
Total assets less current liabilities			40,833,304		38,485,028
Creditors: amounts falling due after more than one year	16		(12,512,662)		(21,374,287)
Net assets			28,320,642		17,110,741
Capital and reserves					
Called up share capital	19	157,300,001		109,800,001	
Hedging reserve	20	(838,472)		(466,346)	
Profit and loss reserves	20	(128,140,887)		(92,222,914)	
Total equity			28,320,642		17,110,741

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 9 May 2025 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 2025

	2025 £	2024 £
Loss for the year	(35,917,973)	(37,855,258)
Other comprehensive income		
Cash flow hedges loss arising in the year	(372,126)	(257,574)
Total comprehensive income for the year	(36,290,099)	(38,112,832)

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 MARCH 2025

	Share capital	Hedging reserve	Profit and loss reserves	Total
Notes	£	£	£	£
Balance at 1 April 2023	74,300,001	(208,772)	(54,367,656)	19,723,573
Year ended 31 March 2024:				
Loss	-	-	(37,855,258)	(37,855,258)
Other comprehensive income: Cash flow hedges gains	-	(257,574)	-	(257,574)
Total comprehensive income	-	(257,574)	(37,855,258)	(38,112,832)
Issue of share capital	19 35,500,000	-	-	35,500,000
Balance at 31 March 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	19 47,500,000	-	-	47,500,000
Balance at 31 March 2025	157,300,001	(838,472)	(128,140,887)	28,320,642

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31 MARCH 2025

	Notes	2025 £	2024 £
Turnover	3	3,477,682	3,992,342
Cost of sales		(6,158,492)	(5,590,543)
Gross loss		(2,680,810)	(1,598,201)
Administrative expenses		(31,772,598)	(34,578,846)
Operating loss	4	(34,453,408)	(36,177,047)
Interest payable and similar expenses	8	(2,252,430)	(2,059,656)
Loss before taxation		(36,705,838)	(38,236,703)
Tax on loss	9	787,865	381,445
Loss for the financial year		(35,917,973)	(37,855,258)

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 2025

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 1 Bartholomew Lane, London, EC2N 2AX.

1.1 Accounting convention

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.

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, and the company has adequate resources and working capital to continue in operational excellence for the foreseeable future to meet its ongoing liabilities.

1.3 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. The fair value of consideration takes into account trade discounts, settlement discounts and volume rebates.

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.

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.

Amortisation 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:

Patents and licences	8 years straight line
Development costs	5 - 8 years straight line
Brand names and trademarks	8 years straight line

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 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.

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.

1.8 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.

THE NORTON MOTORCYCLE CO. LIMITED

NOTES TO THE FINANCIAL STATEMENTS - 31 MARCH 2025 (Continued)

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.

1.9 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.

1.10 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 been 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.

1.11 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.

1.12 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.

1.13 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.

1.14 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.

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.

1.15 Retirement benefits

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

1.16 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.

THE NORTON MOTORCYCLE CO. LIMITED

NOTES TO THE FINANCIAL STATEMENTS - 31 MARCH 2025 (Continued)

1.17 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.

During the year, the company revised its method for estimating inventory obsolescence provisions. 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.

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 nine 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 gave capitalized any costs that were directly attributable to the creation of the intangible assets. No proportion of overheads or non-directly attributable costs have been capitalised as part of the intangible assets.

No impairment has been made against any of the intangible assets. 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

	2025	2024
	£	£
Turnover analysed by class of business		
Motorcycle sales	3,293,175	3,854,054
Parts and servicing	90,296	49,479
Royalty income	5,562	8,000
Other income	88,649	80,809
	<u>3,477,682</u>	<u>3,992,342</u>

4 Operating loss

	2025	2024
	£	£
Operating loss for the year is stated after charging/(crediting):		
Exchange gains	(310,701)	(334,456)
Research and development costs	592,135	3,719,224
Depreciation of owned tangible fixed assets	2,253,125	2,462,870
Profit on disposal of tangible fixed assets	(62,800)	(17,712)
Amortisation of intangible assets	3,964,726	3,816,624
Operating lease charges	<u>837,548</u>	<u>763,802</u>

5 Auditor's remuneration

	2025	2024
	£	£
Fees payable to the company's auditor and associates:		
For audit services		
Audit of the financial statements of the company	42,000	52,650
For other services		
Taxation compliance services	890	3,000
All other non-audit services	12,085	10,415
	<u>12,975</u>	<u>13,415</u>

6 Employees

The average monthly number of persons (including directors) employed by the company during the year was:

	2025	2024
	Number	Number
Administration	64	66
Production	157	170
Total	<u>221</u>	<u>236</u>

Their aggregate remuneration comprised:

	2025	2024
	£	£
Wages and salaries	13,677,594	13,267,406
Social security costs	1,274,223	1,206,518
Pension costs	617,742	718,747
	<u>15,569,559</u>	<u>15,192,671</u>

£3,554,847 (2024: £2,809,601) of wages and salary costs, £420,435 (2024: £263,789) of social security costs and £373,244 (2024: £192,824) of pension costs have been capitalised as development costs and are not included in the figures noted above.

7 Directors' remuneration

	2025	2024
	£	£
Remuneration for qualifying services	1,003,507	18,075
Company pension contributions to defined contribution schemes	7,292	-
	<u>1,010,799</u>	<u>18,075</u>

The number of directors for whom retirement benefits are accruing under defined contribution schemes amounted to one (2024: nil).

Remuneration disclosed above include the following amounts paid to the highest paid director:

	2025	2024
	£	£
Remuneration for qualifying services	<u>636,507</u>	<u>-</u>

8 Interest payable and similar expenses

	2025	2024
	£	£
Interest on bank overdrafts and loans	1,973,820	1,788,889
Other interest on financial liabilities	278,610	270,767
	<u>2,252,430</u>	<u>2,059,656</u>

THE NORTON MOTORCYCLE CO. LIMITED

NOTES TO THE FINANCIAL STATEMENTS - 31 MARCH 2025 (Continued)

9 Taxation

	2025	2024
	£	£
Current tax		
Adjustments in respect of prior periods	(787,865)	(381,445)
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:		
	2025	2024
	£	£
Loss before taxation	(36,705,838)	(38,236,703)
Expected tax credit based on the standard rate of corporation tax in the UK of 25.00% (2024: 25.00%)	(9,176,460)	(9,559,176)
Tax effect of expenses that are not deductible in determining taxable profit	-	154,279
Unutilised tax losses carried forward	9,176,460	9,404,897
Research and development tax credit in respect of prior period	(787,865)	(381,445)
Taxation credit for the year	(787,865)	(381,445)
At the year end the company had unrelieved tax losses in excess of £100m (2024: in excess of £100m).		

10 Intangible fixed assets

	Patents and licences	Development costs	Brand names and trademarks	Total
	£	£	£	£
Cost				
At 1 April 2024	429,000	17,843,812	24,016,280	42,289,092
Additions	-	17,368,701	-	17,368,701
At 31 March 2025	429,000	35,212,513	24,016,280	59,657,793
Amortisation and impairment				
At 1 April 2024	187,688	1,521,972	11,420,493	13,130,153
Amortisation charged for the year	53,625	909,316	3,001,785	3,964,726
At 31 March 2025	241,313	2,431,288	14,422,278	17,094,879
Carrying amount				
At 31 March 2025	187,687	32,781,225	9,594,002	42,562,914
At 31 March 2024	241,312	16,321,840	12,595,787	29,158,939

The company has a number of development costs at the year end which can split into two categories. The first category relates to items being amortised. At the year end development costs with a cost totaling £3.8m retained a net book value of £1.75m. These assets have two years of amortisation remaining.

The remainder of the intangible assets are under development and 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 2024	4,995,410	4,336,975	2,401,957	1,058,371	2,273,103	15,065,816
Additions	-	1,608,231	177,598	134,398	246,556	2,166,783
Disposals	-	(103,366)	-	-	(170,759)	(274,125)
Transfers	-	(15,230)	1,404	13,826	-	-
At 31 March 2025	4,995,410	5,826,610	2,580,959	1,206,595	2,348,900	16,958,474
Depreciation and impairment						
At 1 April 2024	1,432,048	809,868	1,745,759	689,796	709,644	5,387,115
Depreciation charged in the year	624,426	472,146	518,740	260,128	377,685	2,253,125
Eliminated in respect of disposals	-	-	-	-	(118,204)	(118,204)
At 31 March 2025	2,056,474	1,282,014	2,264,499	949,924	969,125	7,522,036
Carrying amount						
At 31 March 2025	2,938,936	4,544,596	316,460	256,671	1,379,775	9,436,438
At 31 March 2024	3,563,362	3,527,107	656,198	368,575	1,563,459	9,678,701

THE NORTON MOTORCYCLE CO. LIMITED

NOTES TO THE FINANCIAL STATEMENTS - 31 MARCH 2025 (Continued)

12 Financial instruments

	2025	2024
	£	£
Carrying amount of financial liabilities		
Measured at fair value through profit or loss		
- Other financial liabilities	1,316,027	943,900

13 Stocks

	2025	2024
	£	£
Raw materials and consumables	7,431,237	9,606,748
Work in progress	61,092	547,438
Finished goods and goods for resale	1,082,470	957,195
	8,574,799	11,111,381

The above values are shown net of a stock provision which totals £1.2m (2024: £nil).

14 Debtors

	2025	2024
	£	£
Amounts falling due within one year:		
Trade debtors	35,996	575,243
Amounts owed by group undertakings	402,635	242,261
Other debtors	556,461	858,875
Prepayments and accrued income	2,745,237	2,827,467
	3,740,329	4,503,846

15 Creditors: amounts falling due within one year

	2025	2024
Notes	£	£
Bank loans and overdrafts	17 10,600,534	5,608,708
Trade creditors	3,833,683	2,907,749
Amounts owed to group undertakings	4,087,432	2,736,266
Taxation and social security	800,291	560,090
Derivative financial instruments	1,316,027	943,900
Other creditors	665,688	901,778
Accruals and deferred income	2,183,005	2,309,401
	23,486,660	15,967,892

16 Creditors: amounts falling due after more than one year

	2025	2024
Notes	£	£
Bank loans and overdrafts	17 12,512,662	21,374,287

17 Loans and overdrafts

	2025	2024
	£	£
Bank loans	19,662,754	23,749,208
Bank overdrafts	3,450,442	3,233,787
	23,113,196	26,982,995
Payable within one year	10,600,534	5,608,708
Payable after one year	12,512,662	21,374,287

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.

18 Retirement benefit schemes

	2025	2024
	£	£
Defined contribution schemes		
Charge to profit or loss in respect of defined contribution schemes	617,742	718,747

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.

19 Share capital

	2025	2024	2025	2024
	Number	Number	£	£
Ordinary share capital				
Issued and fully paid				
Ordinary shares of £1 each	157,300,001	109,800,001	157,300,001	109,800,001

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 47,500,000 ordinary shares of £1 each were issued for cash at par.

20 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 profits of the company since its inception.

21 Operating lease commitments

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:

	2025	2024
	£	£
Within one year	1,152,230	583,638
Between two and five years	3,550,009	1,990,595
In over five years	286,194	770,918
	4,988,433	3,345,151

Included within the above are two leases taken on in the year with a combined lease commitment of £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.

The lease commitment as at 31 March 2024 per the signed accounts was £5.8m. This has been adjusted above to reflect the correct final position.

NOTES TO THE FINANCIAL STATEMENTS - 31 MARCH 2025 (Continued)

22 Capital commitments

Amounts contracted for but not provided in the financial statements:

	2025	2024
	£	£
Acquisition of tangible fixed assets	<u>1,377,401</u>	<u>1,487,005</u>

23 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.

24 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 £20.807m (2024 £25.534m) at the year end.

Two repayments representing cash flows from this hedging transaction occurred in the year and further transactions are expected in line with loan repayments.

The amount of change in fair value of the hedging instrument recognised in other comprehensive income during the year was a loss of £372k (2024: £257k). The amount of hedge ineffectiveness recognised in the profit and loss for the year was a loss of £nil (2024: £219k).

RE-STATED ACCOUNTS OF
THE NORTON MOTORCYCLE CO. LIMITED
(FORMERLY PROJECT 303 BIDCO LIMITED)

THE NORTON MOTORCYCLE CO. LIMITED

BALANCE SHEET AS AT 31ST MARCH 2025

	Notes	GBP in Mn.	Rupees in crores
ASSETS			
Non-current assets			
Property, plant and equipment	1	9.44	104.46
Intangible assets	1	42.56	471.19
		<u>52.00</u>	<u>575.65</u>
Current assets			
Inventories	2	8.57	94.93
Financial assets			
Trade receivables	3	0.59	6.56
Cash and cash equivalents		0.01	0.06
Other current assets	4	3.15	34.85
		<u>12.32</u>	<u>136.40</u>
Total Assets		<u>64.32</u>	<u>712.05</u>
EQUITY AND LIABILITIES			
Equity			
Equity share capital	5	157.30	1,607.82
Other equity	6	(128.98)	(1,294.30)
		<u>28.32</u>	<u>313.52</u>
Liabilities			
Non-Current liabilities			
Financial liabilities			
Borrowings		13.56	150.13
		<u>13.56</u>	<u>150.13</u>
Current liabilities			
Financial liabilities			
(i) Borrowings		10.60	117.35
(ii) Trade payables	7	-	-
a. Total outstanding dues of micro and small enterprises		6.87	76.08
b. Total outstanding dues of other than (ii) (a) above		1.32	14.57
(iii) Other financial liabilities		3.65	40.40
Other current liabilities	8		
		<u>22.44</u>	<u>248.40</u>
Total liabilities		<u>36.00</u>	<u>398.53</u>
Total equity and liabilities		<u>64.32</u>	<u>712.05</u>

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH 2025

	Notes	GBP in Mn.	Rupees in crores
I Revenue from operations	9	3.79	40.86
II Other income	10	0.06	0.68
III Total Income (I + II)		<u>3.85</u>	<u>41.54</u>
IV Expenses:			
Cost of material consumed		5.29	57.88
Purchase of stock in trade		-	-
Changes in inventories of finished goods, Stock-in -trade and work-in-progress		0.37	3.14
Employee benefits expense	11	16.04	173.00
Finance costs	12	2.25	24.29
Depreciation and amortisation expense	13	6.22	67.06
Other expenses	14	10.39	112.03
		<u>40.56</u>	<u>437.40</u>
V Profit before exceptional items (III - IV)		(36.71)	(395.86)
VI Exceptional items		-	-
VII Profit before tax (V+ VI)		<u>(36.71)</u>	<u>(395.86)</u>
VIII Tax expense			
i) Current tax		(0.79)	(8.50)
ii) Deferred tax		-	-
IX Profit for the year (VII - VIII)		<u>(35.92)</u>	<u>(387.36)</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		(0.37)	(4.01)
Foreign currency translation adjustments		-	6.10
		<u>(0.37)</u>	<u>2.09</u>
XI Total Comprehensive Income (IX + X)		<u>(36.29)</u>	<u>(385.27)</u>
XII Earnings per equity share (Face value of GBP 1/- each)			
Basic & Diluted earnings per share (in GBP/ in rupees)		(0.23)	(24.63)

THE NORTON MOTORCYCLE CO. LIMITED

Notes on Accounts

1 PROPERTY, PLANT & EQUIPMENT AND INTANGIBLE ASSETS

GBP in Mn.

Description	Property, Plant & Equipment						Other Intangible			
	Building	Plant & equipments	Furniture and fixtures	Office equipments	Vehicles	Total	Brand names and trademarks	Development costs	Patents and Licenses	Total
Cost of assets										
Gross carrying value as at 01-04-2024	5.00	4.34	2.40	1.06	2.27	15.07	24.02	17.84	0.43	42.29
Additions	-	1.59	0.18	0.15	0.25	2.17	-	17.37	-	17.37
Sub-total	5.00	5.93	2.58	1.21	2.52	17.23	24.02	35.21	0.43	59.66
Transfers	-	-	-	-	-	-	-	-	-	-
Sales / deletion	-	0.10			0.17	0.27	-	-	-	-
Total	5.00	5.83	2.58	1.21	2.35	16.96	24.02	35.21	0.43	59.66
Depreciation / Amortisation										
Upto 31-03-2024	1.43	0.81	1.75	0.69	0.71	5.39	11.42	1.52	0.19	13.13
For the year	0.62	0.47	0.52	0.26	0.38	2.25	3.00	0.91	0.05	3.96
Sub-total	2.06	1.28	2.26	0.95	1.09	7.64	14.42	2.43	0.24	17.09
Withdrawn on assets sold / deleted	-	-	-	-	0.12	0.12	-	-	-	-
Total	2.06	1.28	2.26	0.95	0.97	7.52	14.42	2.43	0.24	17.09
Carrying value										
As at 31-03-2025	2.94	4.54	0.32	0.26	1.38	9.44	9.59	32.78	0.19	42.56

1 PROPERTY, PLANT & EQUIPMENT AND INTANGIBLE ASSETS - (continued)

Rupees in crores

Description	Property, Plant & Equipment						Other Intangible			
	Building	Plant & equipments	Furniture and fixtures	Office equipments	Vehicles	Total	Brand names and trademarks	Development Costs	Patents and Licenses	Total
Cost of assets										
Gross carrying value as at 01-04-2024	52.47	45.55	25.23	11.12	23.87	158.24	252.25	187.42	4.51	444.17
Additions	-	17.63	1.98	1.64	2.73	23.98	-	192.28	-	192.28
Foreign Currency translation reserve difference	2.83	2.46	1.36	0.60	1.29	8.54	13.62	10.12	0.24	23.98
Sales / deletion	-	1.14	-	-	1.89	3.03	-	-	-	-
Total	55.30	64.50	28.57	13.36	26.00	187.73	265.87	389.81	4.75	660.43
Depreciation / Amortisation										
Upto 31-03-2024	15.04	8.51	18.34	7.25	7.45	56.58	119.95	15.99	1.97	137.91
For the year	6.73	5.09	5.59	2.81	4.07	24.30	32.37	9.81	0.58	42.76
Foreign Currency translation reserve difference	0.99	0.59	1.14	0.47	0.51	3.70	7.33	1.12	0.12	8.58
Withdrawn on assets sold / deleted	-	-	-	-	1.31	1.31	-	-	-	-
Total	22.77	14.19	25.07	10.52	10.73	83.27	159.66	26.91	2.67	189.24
Carrying value										
As at 31-03-2025	32.53	50.31	3.50	2.85	15.27	104.46	106.21	362.91	2.08	471.19

THE NORTON MOTORCYCLE CO. LIMITED

Notes on accounts - (continued)

As at 31-03-2025			For the Year Ended 31-03-2025		
	GBP in Mn.	Rupees in crores		GBP in Mn.	Rupees in crores
2 INVENTORIES			9 REVENUE FROM OPERATIONS		
Raw materials and components	7.43	82.27	Sale of Product	3.29	35.52
Work in progress	0.06	0.68	Sale of service	0.10	1.03
Finished goods	1.08	11.98	Other operating revenues	0.40	4.31
	<u>8.57</u>	<u>94.93</u>		<u>3.79</u>	<u>40.86</u>
3 TRADE RECEIVABLES			10 OTHER INCOME		
Unsecured, considered good	0.59	6.56	Other non operating income	0.06	0.68
	<u>0.59</u>	<u>6.56</u>		<u>0.06</u>	<u>0.68</u>
4 OTHER CURRENT ASSETS			11 EMPLOYEE BENEFITS EXPENSE		
Vendor advance	0.40	4.46	Salaries, wages and bonus	15.42	166.34
Prepaid expenses	2.75	30.39	Contribution to provident and other funds	0.62	6.66
	<u>#REF!</u>	<u>#REF!</u>		<u>16.04</u>	<u>173.00</u>
5 EQUITY SHARE CAPITAL			12 FINANCE COST		
Issued, subscribed and fully paid up:			Interest expense	2.25	24.29
157,300,001 Ordinary shares of GBP 1 each	157.30	1,607.82		<u>2.25</u>	<u>24.29</u>
	<u>157.30</u>	<u>1,607.82</u>	13 DEPRECIATION		
6 OTHER EQUITY			Depreciation on property plant and equipment	2.25	24.30
Retained earnings	(128.14)	(1,316.04)	Amortisation on Intangible assets	3.96	42.76
Fair value of cash flow hedges	(0.84)	(8.71)		<u>6.22</u>	<u>67.06</u>
Foreign currency translation reserve	-	30.45	14 OTHER EXPENSES		
	<u>(128.98)</u>	<u>(1,294.30)</u>	(a) Rent	0.63	6.80
7 TRADE PAYABLES			(b) Insurance	0.53	5.75
Dues to Micro and Small Enterprises**	-	-	(c) Audit fees	0.05	0.59
Dues to enterprises other than Micro and Small Enterprises	6.87	76.08	(d) Other marketing expenses	1.12	12.10
	<u>6.87</u>	<u>76.08</u>	(e) Miscellaneous expenses	8.06	86.79
				<u>10.39</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	0.80	8.86			
Advance from customers	0.67	7.37			
Deferred income	2.18	24.17			
	<u>3.65</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 2025.

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 2025 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

Venu Sudarshan

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:

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 2025, 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 2025 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:

- (a) 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.
- (b) 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.
- (c) Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- (d) 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.
- (e) 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
Singapore,
29th April 2025

STATEMENT OF FINANCIAL POSITION AS AT 31 MARCH 2025

	Note	2025 S\$	2024 S\$
ASSETS			
Non-current assets:			
Plant and equipment	(8)	682,894	340,740
Intangible assets	(9)	155,118	440,315
Investments in associates	(10)	18,741,480	21,296,265
Other investment	(11)	6,780,039	-
Total non-current assets		26,359,531	22,077,320
Current assets:			
Trade and other receivables	(12)	901,626	2,393,707
Bank balances	(13)	2,896,525	493,418
Total current assets		3,798,151	2,887,125
Total assets		30,157,682	24,964,445

EQUITY AND LIABILITIES

Equity:			
Share capital	(14)	25,158,918	25,158,918
Share application money	(15)	6,700,000	1,700,000
Accumulated losses		(34,092,074)	(23,130,173)
Total (capital deficiency)/ equity		(2,233,156)	3,728,745
Non-current liability:			
Lease liability	(16)	428,760	-
Current liabilities:			
Current portion of lease liability	(16)	203,884	159,640
Trade and other payables	(17)	31,758,194	21,076,060
Total current liabilities		31,962,078	21,235,700
Total liabilities		32,390,838	21,235,700
Total equity and liabilities		30,157,682	24,964,445

The accompanying notes form an integral part of these financial statements

STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 MARCH 2025

	Note	2025 S\$	2024 S\$
Revenue	(18)	1,412,915	2,319,212
Cost of services		(1,094,270)	(879,212)
Gross profit		318,645	1,440,000
Other income	(19)	2,000	141,997
Administrative expenses		(9,186,586)	(9,462,808)
Impairment loss on trade receivables	(12)	(920,621)	-
Finance cost	(20)	(6,317)	(11,219)
Other expenses		(1,169,022)	(3,102,405)
Loss before income tax		(10,961,901)	(10,994,435)
Income tax expense	(21)	-	-
Loss for the year	(22)	(10,961,901)	(10,994,435)
Other comprehensive income		-	-
Total comprehensive loss for the year		(10,961,901)	(10,994,435)

The accompanying notes form an integral part of these financial statements

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 MARCH 2025

	Share Capital S\$	Share Application Money S\$	Accumulated Losses S\$	Total S\$
Balance as at 1 April 2023	25,158,918	9,654,992	(12,135,738)	22,678,172
Transfer to other payables	-	(9,654,992)	-	(9,654,992)
Share application money received	-	1,700,000	-	1,700,000
Total comprehensive loss for the year	-	-	(10,994,435)	(10,994,435)
Balance as at 31 March 2024	25,158,918	1,700,000	(23,130,173)	3,728,745
Share application money received	-	5,000,000	-	5,000,000
Total comprehensive 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)

The accompanying notes form an integral part of these financial statements

STATEMENT OF CASH FLOW
FOR THE YEAR ENDED 31 MARCH 2025

	Note	2025 S\$	2024 S\$
Cash flows from operating activities			
Loss before income tax		(10,961,901)	(10,994,435)
Adjustments for:			
Amortisation of intangible assets	(9)	285,197	446,767
Depreciation of plant and equipment	(8)	354,091	336,735
Impairment loss on trade receivables	(12)	920,621	-
Impairment loss on investment	(10)	-	2,762,653
Interest on lease liability		6,317	11,219
Reversal of accrued revenue		809,740	-
Operating cash flows before working capital changes		(8,585,935)	(7,437,061)
Trade and other receivables		(238,280)	(1,794,232)
Trade and other payables		(262,354)	649,846
Net cash used in operating activities		(9,086,569)	(8,581,447)
Investing activities:			
Other investment	(11)	(6,780,039)	-
Proceeds from disposal of investments		2,554,785	-
Purchase of plant and equipment	(8)	(47,569)	(68,000)
Net cash used in investing activities		(4,272,823)	(68,000)
Financing activities:			
Advances from holding company	(23)	10,941,891	7,576,736
Advances from related party	(23)	2,597	6,410
Repayment of advances to related party	(23)	-	(32,516)
Payment of principal portion of lease liability	(23)	(175,672)	(164,201)
Payment of interest portion of lease liability	(23)	(6,317)	(11,219)
Share application money received		5,000,000	1,700,000
Net cash generated from financing activities		15,762,499	9,075,210
Net increase in bank balances		2,403,107	425,763
Bank balances at beginning of year		493,418	67,655
Bank balances at end of year	(13)	2,896,525	493,418

The accompanying notes form an integral part of these financial statements

NOTES TO THE FINANCIAL STATEMENTS - 31 MARCH 2025

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 loss of S\$10,961,901 during the financial year ended 31 March 2025, and as of the date, the company's total liabilities exceed its total assets by 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 2025 were authorised for issue by the Board of Directors on _____.

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 2024. 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:

Reference	Description	Effective for annual periods beginning on or after
FRS 110 and FRS 28	Amendments to FRS 110 and FRS 28: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	Date to be determined
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 2026

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.

d) Subsequent expenditure

NOTES TO THE FINANCIAL STATEMENTS - 31 MARCH 2025 (Continued)

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 the 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 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 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

NOTES TO THE FINANCIAL STATEMENTS - 31 MARCH 2025 (Continued)

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 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 time frame established by the market concerned.

NOTES TO THE FINANCIAL STATEMENTS - 31 MARCH 2025 (Continued)

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

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.

NOTES TO THE FINANCIAL STATEMENTS - 31 MARCH 2025 (Continued)

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:

	2025	2024
	S\$	S\$
Financial assets		
At amortised cost:		
- Trade and other receivables	874,332	2,181,710
- Bank balances	2,896,525	493,418
At fair value through other comprehensive income:		
- Other investment	6,780,039	-
	<u>10,550,896</u>	<u>2,675,128</u>
Financial liabilities		
At amortised cost:		
- Lease liability	632,644	159,640
- Trade and other payables	31,757,195	21,076,060
	<u>32,389,839</u>	<u>21,235,700</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 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:

NOTES TO THE FINANCIAL STATEMENTS - 31 MARCH 2025 (Continued)

- 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 three customers (2024: two customers) amounted to S\$1,460,817 (2024: S\$338,179), which accounted for 92% (2024: 84%) 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.

The company's exposure to foreign currency exchange rate risk in equivalent Singapore dollar is as follows:

	2025	2024
In United States dollar	S\$	S\$
Financial assets		
Other investment at FVTOCI	6,780,039	-
Trade and other receivables	707,064	1,443,964
Bank balances	2,337,304	15,227
	9,824,407	1,459,191
Financial liabilities		
Trade and other payables	185,893	263,409
Net exposure	9,638,514	1,195,782

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:

	2025	2024
	S\$	S\$
US\$ impact	(963,851)	(119,578)
INR impact	60,878	9,606

NOTES TO THE FINANCIAL STATEMENTS - 31 MARCH 2025 (Continued)

Contractual un discounted 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

Contractual un discounted 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%	159,640	163,254	-	-	163,254
Trade and other payables	-	21,076,060	21,076,060	-	-	21,076,060
		21,235,700	21,235,700	-	-	21,235,700

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 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 2025, 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.

iii) Assets measured at fair value

Assets			Fair Value Hierarchy	Valuation Technique and Key Impact	Significant unobservable input	Relationship of unobservable inputs to fair value
Financial Asset	2025 S\$	2024 S\$				
At fair value through other comprehensive income						
Other investments - Equity securities (unquoted)	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.

NOTES TO THE FINANCIAL STATEMENTS - 31 MARCH 2025 (Continued)

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.

	2025	2024
	S\$	S\$
Trade and other payables	31,758,194	21,076,060
Lease liability	632,644	159,640
Less: Bank balances	(2,896,525)	(493,418)
Net debt	29,494,313	20,742,282
Total equity	(2,233,156)	3,728,745
Total capital	27,261,157	24,471,027
Gearing ratio	108.2%	84.8%

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:

	2025	2024
	S\$	S\$
Service income	-	274,831
Recovery of manpower cost	-	(257,771)

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:

	2025	2024
	S\$	S\$
Service income	326,666	174,963
Recovery of manpower cost	-	(59,536)
Staff augmentation expense	(1,300,167)	-

(b) Key management personnel compensation:

	2025	2024
	S\$	S\$
Salaries, bonus, allowances and severance pay	2,177,063	1,136,868
Performance bonus	-	2,631,270
Employer's contribution to Central Provident Fund	12,240	15,242

8. PLANT AND EQUIPMENT

	Computer and IT Equipment	Renovation	Leasehold Property	Total
	S\$	S\$	S\$	S\$
Cost				
At 01.04.2023	12,393	387,687	363,217	763,297
Additions	39,500	28,500	-	68,000
At 31.03.2024	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
Accumulated depreciation				
At 01.04.2023	9,811	102,101	41,910	153,822
Charged for the year	5,845	163,252	167,638	336,735
At 31.03.2024	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
Carrying amount				
At 31.03.2024	36,237	150,834	153,669	340,740
At 31.03.2025	52,237	-	630,657	682,894

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.

NOTES TO THE FINANCIAL STATEMENTS - 31 MARCH 2025 (Continued)

9. INTANGIBLE ASSETS

	Computer Software	Software Under Development	Total
	S\$	S\$	S\$
Cost			
At 1.04.2023	874,945	465,355	1,340,300
Additions	465,355	(465,355)	-
At 31.03.2024 and 31.03.2025	1,340,300	-	1,340,300
Accumulated amortisation			
At 1.04.2023	453,218	-	453,218
Charged for the year	446,767	-	446,767
At 31.03.2024	899,985	-	899,985
Charged for the year	285,197	-	285,197
At 31.03.2025	1,185,182	-	1,185,182
Carrying amount			
At 31.03.2024	440,315	-	440,315
At 31.03.2025	155,118	-	155,118

10. INVESTMENT IN ASSOCIATES

	2025	2024
	S\$	S\$
Unquoted equity shares at cost:		
At beginning of the year	21,296,265	24,058,918
Less: Disposal	(2,554,785)	-
At end of the year	18,741,480	24,058,918
Less: Impairment loss	-	(2,762,653)
Carrying amount	18,741,480	21,296,265

The movement in allowance for impairment of investment in associates was as follows:

	2025	2024
	S\$	S\$
At beginning of the year	2,762,653	-
Addition during the year	-	2,762,653
Write off during the year	(2,762,653)	-
At end of the year	-	2,762,653

Details of the associates are as follows:

Name of associate/ Country of incorporation	Principal activity	Proportion of ownership Interest	
		2025	2024
Tagbox Pte Ltd Singapore	Providing Internet of Things (IoT) based solutions for sensing, monitoring and analysis across supply chain activities	-	24.3%
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%	21.7%

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.

In 2025, the company disposed all of its shares in Tagbox Pte Ltd.

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.

As a result of the review, management had impaired the cost of investment in Tagbox Pte Ltd by S\$2,762,653 for the financial year ended 31 March 2024. Management is of the view that no further impairment is necessary for its investment in associates for the financial year ended 31 March 2025.

11. OTHER INVESTMENT

	2025	2024
	S\$	S\$
Equity instruments		
At fair value through other comprehensive income:		
Unquoted equity investment:		
At beginning of the year	-	-
Addition	6,780,039	-
At end of the year	6,780,039	-

Details of the other investment are as follows:

Name of company	Country of incorporation	Proportion of ownership Interest	
		2025	2024
Commeasure Pte. Ltd.	Singapore	2.06%	-

Other investment is denominated in United States Dollar.

12. TRADE AND OTHER RECEIVABLES

	2025	2024
	S\$	S\$
Trade receivables – third parties	1,589,907	62,622
Trade receivables – intermediate holding company (Note 6)	-	246,000
Trade receivables – related parties (Note 7)	2,902	92,179
	1,592,809	400,801
Less: Allowance for impairment of trade receivables	(920,621)	-
Accrued revenue	39,092	1,623,961
	711,280	2,024,762
Deposits	147,729	156,948
Other receivable – third party	15,323	-
GST receivables	16,012	19,830
Prepayments	11,282	58,500
	901,626	2,393,707

Trade receivables are non-interest bearing and they are normally settled on 30 to 360 days' (2024: 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.

TVS DIGITAL PTE. LTD.

NOTES TO THE FINANCIAL STATEMENTS - 31 MARCH 2025 (Continued)

The credit risk profile of trade receivables is presented based on their past due status as follows:

2025	Not past due	< 30 days	Days past due		>90 days	Total
			31 to 60 days	61 to 90 days		
	S\$	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						
2024	Not past due	< 30 days	Days past due		>90 days	Total
			31 to 60 days	61 to 90 days		
	S\$	S\$	S\$	S\$	S\$	S\$
Trade receivables						
- gross amounts	339,292	31,951	29,558	-	-	400,801
Expected credit						
Loss (ECL)	-*	-*	-*	-*	-*	-*
						400,801

Allowance for expected credit loss

The movement in allowance for expected credit loss of trade receivables computed based on lifetime ECL was as follows:

	2025	2024
	S\$	S\$
At beginning of year	-	-
Add: Additional allowance	920,621	-
At end of year	920,621	-

Trade and other receivables are denominated in the following currencies: Singapore dollar

	2025	2024
	S\$	S\$
	150,881	604,190
United States dollar	707,064	1,443,964
Indian rupee	2,902	160,617
Indonesia rupee	23,254	9,881
Philippine peso	17,525	175,055
	901,626	2,393,707

13. BANK BALANCES

	2025	2024
	S\$	S\$
Cash at bank	2,896,525	493,418
Bank balances are denominated in the following currencies:		
	2025	2024
	S\$	S\$
Singapore dollar	559,221	478,191
United States dollar	2,337,304	15,227
	2,896,525	493,418

14. SHARE CAPITAL

	2025	2024	2025	2024
	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

15. SHARE APPLICATION MONEY

The share application money is advance receipt for future subscription of shares in the company.

NOTES TO THE FINANCIAL STATEMENTS - 31 MARCH 2025 (Continued)

16. LEASE LIABILITY

	2025	2024
	S\$	S\$
<i>Maturity analysis:</i>		
Within one year	230,892	163,254
Within two to five years	450,591	-
	681,483	163,254
Less: future finance charges	(48,839)	(3,614)
	632,644	159,640
<i>Analysed as:</i>		
Current	203,884	159,640
Non-current	428,760	-
	632,644	159,640

The company leases office premises for its operations (Note 8). The effective interest rate is 4.5% - 5% (2024: 4.5%) per annum.

Total cash outflows for the lease during the financial year ended 31 March 2025 amounted to S\$181,989 (2024: S\$175,420).

Lease liability is denominated in Singapore dollar.

17. TRADE AND OTHER PAYABLES

	2025	2024
	S\$	S\$
Trade payables:		
- third parties	262,611	234,057
- intermediate holding company (Note 6)	249,408	256,680
- related parties (Note 7)	166,053	97,944
	678,072	588,681
Amount due to immediate holding company (Note 6)	28,173,619	17,231,728
Amount due to intermediate holding company (Note 6)	362,274	362,274
Amount due to a related party (Note 7)	748,768	746,171
Accrued expenses	1,779,014	2,129,086
Advance billing	999	-
Deposit received	6,955	6,955
Other payables	8,493	11,165
	31,758,194	21,076,060

Trade payables are unsecured, non-interest bearing and they are normally settled on 30 to 60 days' (2024: 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:

	2025	2024
	S\$	S\$
Indian rupee	611,682	256,680
Singapore dollar	30,759,178	20,486,434
United States dollar	186,892	263,409
Philippine Peso	23,643	15,879
Indonesia Rupiah	176,799	53,658
	31,758,194	21,076,060

19. OTHER INCOME

	2025	2024
	S\$	S\$
CPF Transition Offset	-	603
CIT cash grant	2,000	-
Foreign currency exchange gain	-	20,124
Insurance claim	-	32,516
Jobs Growth Incentive	-	58,396
Other miscellaneous income	-	30,358
	2,000	141,997

20. FINANCE COST

	2025	2024
	S\$	S\$
Interest on lease liability	6,317	11,219

21. INCOME TAX

The income tax benefit varied from the amount of income tax determined by applying the Singapore income tax rate of 17% (2024: 17%) to loss before income tax due to the following

	2025	2024
	S\$	S\$
Loss before income tax	(10,961,901)	(10,994,435)
Income tax benefit at statutory rate of 17% (2024: 17%)	(1,863,523)	(1,869,054)
Income tax effect of:		
- non-deductible expense	78,882	575,445
- tax losses carried forward	1,784,641	1,293,609
	-	-

The company has unutilised tax losses carry forward available for offsetting against future taxable income as follow:

	2025	2024
	S\$	S\$
At beginning of year	18,415,369	10,805,906
Addition during the year	10,497,890	7,609,463
At end of year	28,913,259	18,415,369
Deferred tax benefit on above unrecorded	4,915,254	3,130,613

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 2024 for unutilised tax losses have been adjusted for based on the latest income tax return.

22. LOSS FOR THE YEAR

Loss for the year has been arrived at after charging/ (crediting):

	2025	2024
	S\$	S\$
Amortisation of intangible assets	285,197	446,767
Cloud service cost	760,413	356,560
Depreciation of plant and equipment	354,091	336,735
Foreign currency exchange loss/ (gain)	2,796	(20,124)
Insurance expense	168,684	182,258
Manpower costs	-	317,307
Office expense	50,849	66,959
Professional and consultancy fees	329,321	407,359
Staff augmentation expense	2,343,630	557,470
Short-term employee's benefits	5,580,493	7,559,221
Cost of defined benefits plans included in employee benefits expenses	189,953	228,808

NOTES TO THE FINANCIAL STATEMENTS - 31 MARCH 2025 (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.

	2025	2024
	S\$	S\$
Lease liability (Note 16)		
At beginning of the year	159,640	323,841
<i>Financing cash flows:</i>		
Less: Payment of principal	(175,672)	(164,201)
Less: Payment of interest	(6,317)	(11,219)
	(181,989)	(175,420)
<i>Non-cash transactions:</i>		
Add: New lease (Note 8)	648,676	-
Add: Interest expense	6,317	11,219
At the end of year	632,644	159,640
	2025	2024
	S\$	S\$
Amount due to immediate holding company (Note 17)		
At beginning of the year	17,231,728	-
<i>Financing cash flow:</i>		
Add: Advances received	10,941,891	7,576,736
<i>Non-cash transaction:</i>		
Add: Transfer from share application monies	-	9,654,992
At the end of year	218,173,619	17,231,728
	2025	2024
	S\$	S\$
Amount due to a related party (Note 17)		
At beginning of the year	746,171	772,277
<i>Financing cash flows:</i>		
Add: Advances received	2,597	6,410
Less: Repayment of advances	-	(32,516)
	2,597	(26,106)
At the end of year	748,768	746,171

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 financial year.

DETAILED STATEMENT OF PROFIT OR LOSS

	2025	2024
	S\$	S\$
Revenue	1,412,915	2,319,212
Cost of service		
Amortisation of intangible assets	(285,197)	(446,767)
Cloud service cost	(760,413)	(356,560)
Service cost	(17,205)	(49,072)
Customer support	(31,455)	(26,813)
	(1,094,270)	(879,212)
Gross profit	318,645	1,440,000
Add: other income		
CPF Transition Offset	-	603
CIT cash grant	2,000	-
Foreign currency exchange gain	-	20,124
Jobs Growth Incentive	-	58,396
Insurance claim	-	32,516
Other miscellaneous income	-	30,358
	2,000	141,997
Total income	320,645	1,581,997
Less: Expenses		
- Schedule 'A'	(11,282,546)	(12,576,432)
Loss before income tax	(10,961,901)	(10,994,435)

This schedule does not form part of the statutory audited financial statements.

EXPENSES

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2025

	2025	2024
	S\$	S\$
Administrative expenses		
Auditors' remuneration	18,000	18,000
Bank charges	5,647	10,480
Computer and IT expenses	5,794	5,761
Cloud development expense	136,206	135,098
CPF contribution	189,953	228,808
Equalization tax	17,710	9,569
Equipment leasing	5,160	4,730
General expense	11,478	5,710
Gifts	1,671	556
Insurance expense	168,684	182,258
Manpower costs	-	317,307
Marketing	10,386	11,593
Medical expense	2,591	4,204
Meeting and events expense	7,514	2,810
Office expense	50,849	66,959
Postage & courier	2,755	2,241
Professional and consultancy fees	329,321	407,359
Printing & Stationery	5,105	4,449
Recruitment expense	129,189	40,986
Refreshments & entertainments	33,459	26,331
Retainer fee and incentive	-	11,100
Salary and bonus	5,212,175	7,119,176
SDL	1,755	2,188
Service charge	23,559	-
Staff welfare	6,557	23,562
Subscription and membership fee	10,252	7,093
Software expenses	178,595	35,754
Staff augmentation expense	2,343,630	557,470
Telecommunications & internet	25,624	33,557
Training and development expense	533	1,213
Transport	11,427	14,455
Travelling expenses	231,596	165,694
Utilities	4,540	5,138
Vehicle expense	4,871	1,199
Impairment loss on financial assets		
Impairment loss on trade receivables	920,621	-
Finance cost		
Interest on lease liability	6,317	11,219
Other expense		
Depreciation of plant and equipment	354,091	336,735
Foreign currency exchange loss	2,796	-
Impairment loss on investment	-	2,762,653
Reversal of accrued revenue	809,740	
Withholding tax	2,395	3,017
	11,282,546	12,576,432

RE-STATED ACCOUNTS OF
TVS DIGITAL PTE. LTD.

BALANCE SHEET AS AT 31ST MARCH 2025

	Notes	SGD in Mn.	Rupees in crores
ASSETS			
Non-current assets			
Property, plant and equipment	1	0.05	0.33
Other intangible assets	1	0.16	0.99
Right of use asset		0.63	4.02
Investments Accounted Using Equity Method	2	18.74	109.61
Financial assets	3		
Non current investments		6.78	43.20
		<u>26.36</u>	<u>158.15</u>
Current assets			
Financial assets			
Trade receivables	4	0.67	4.28
Cash and cash equivalents	5	2.90	18.45
Other current assets	6	0.22	1.36
		<u>3.79</u>	<u>24.09</u>
Total Assets		<u>30.14</u>	<u>182.24</u>
EQUITY AND LIABILITIES			
Equity			
Equity share capital	7	25.16	138.78
Other equity	8	(34.09)	(205.35)
		<u>(8.93)</u>	<u>(66.57)</u>
Share application money pending allotment		6.70	42.55
Liabilities			
Non-Current liabilities			
Financial liabilities			
Lease liability		0.43	2.73
		<u>0.43</u>	<u>2.73</u>
Current liabilities			
Financial liabilities			
(i) Lease liability		0.20	1.30
(i) Trade payables	9		
a. Total outstanding dues of micro and small enterprises		-	-
b. Total outstanding dues of other than (i) (a) above		29.98	191.03
Other Current liabilities	10	1.76	11.20
		<u>31.94</u>	<u>203.53</u>
Total liabilities		<u>32.37</u>	<u>206.26</u>
Total equity and liabilities		<u>30.14</u>	<u>182.24</u>

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH 2025

	Notes	SGD in Mn.	Rupees in crores
I Revenue from operations	11	1.41	8.93
II Other income		-	-
III Total Income (I +II)		<u>1.41</u>	<u>8.93</u>
IV Expenses:			
Employee benefits expense	12	6.56	41.41
Finance costs	13	0.01	0.04
Depreciation and amortisation expense	14	0.64	4.03
Other expenses	15	5.16	32.71
		<u>12.37</u>	<u>78.19</u>
V Profit before exceptional items (III - IV)		(10.96)	(69.26)
VI Exceptional items		-	-
VII Profit before tax (V+ VI)		<u>(10.96)</u>	<u>(69.26)</u>
VIII Tax expense			
i) Current tax		-	-
ii) Deferred tax		-	-
IX Profit for the year (VII - VIII)		<u>(10.96)</u>	<u>(69.26)</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		-	6.82
		<u>-</u>	<u>6.82</u>
XI Total Comprehensive Income (IX + X)		<u>(10.96)</u>	<u>(62.44)</u>
XII Earnings per equity share (Face value of SGD 1/- each)			
Basic & Diluted earnings per share (in SGD / in rupees)		(0.44)	(27.53)

TVS DIGITAL PTE. LTD.

Notes on Accounts

1. PROPERTY, PLANT & EQUIPMENT AND INTANGIBLE ASSETS

SGD in Mn.

Description	Property, Plant & Equipment				Other Intangible	
	Building	Office equipment	Right of use asset	Total	Software	Total
	1	2	3	4	5	6
Cost of assets						
Gross carrying value as at 01-04-2024	0.41	0.05	0.53	0.99	1.34	1.34
Additions	-	0.05	0.65	0.70	-	-
Sub-total	0.41	0.10	1.18	1.69	1.34	1.34
Sales / deletion	-	-	0.16	0.16	-	-
Total	0.41	0.10	1.02	1.53	1.34	1.34
Depreciation / Amortisation						
Upto 31-03-2024	0.26	0.02	0.22	0.50	0.90	0.90
For the year	0.15	0.03	0.17	0.35	0.29	0.29
Sub-total	0.41	0.05	0.39	0.85	1.19	1.19
Withdrawn on assets sold / deleted	-	-	-	-	-	-
Total	0.41	0.05	0.39	0.85	1.19	1.19
Carrying value						
As at 31-03-2025	-	0.05	0.63	0.68	0.16	0.16

1 Property, Plant & Equipment

Rupees in crores

Description	Property, Plant & Equipment				Other Intangible	
	Building	Office equipment	Right of use asset	Total	Software	Total
	1	2	3	4	5	6
Cost of assets						
Gross carrying value as at 01-04-2024	2.53	0.31	3.28	6.12	8.27	8.27
Additions	-	0.30	4.13	4.44	-	-
Foreign Currency translation reserve difference	0.08	0.01	0.11	0.20	0.50	0.50
Sales / deletion	-	-	1.02	1.02	-	-
Sub-total	2.61	0.62	6.50	10.76	8.54	8.77
Total	2.61	0.62	6.50	10.76	8.54	8.77
Depreciation / Amortisation						
Upto 31-03-2024	1.61	0.12	1.33	3.06	2.29	2.29
For the year	0.94	0.20	1.08	2.23	1.80	1.80
Foreign Currency translation reserve difference	0.06	(0.03)	0.07	0.10	3.46	3.46
Withdrawn on assets sold / deleted	-	-	-	-	-	-
Sub-total	2.61	0.29	2.48	5.38	7.55	7.55
Total	2.61	0.29	2.48	5.38	7.55	7.55
Carrying value						
As at 31-03-2025	0.00	0.33	4.02	4.35	0.99	0.99

TVS DIGITAL PTE. LTD.

Notes on accounts - (continued)

As at 31-03-2025			As at 31-03-2025		
	SGD in Mn.	Rupees in crores		SGD in Mn.	Rupees in crores
2 Investments Accounted Using Equity Method			10 OTHER CURRENT LIABILITIES		
Investment in Associates					
24,827 fully paidup equity shares of Predictronics Corp, USA (face value of USD 0.01 each)	4.36	22.36	Employee Related Liability	1.49	9.48
8,06,429 fully paidup equity shares of Altizon Inc, USA (face value of USD 0.00001 each)	4.66	25.34	Other Payables	0.27	1.72
22,73,941 fully paidup equity shares of Scienaptic Systems Inc, USA (face value of USD 0.001 each)	9.72	61.91		<u>1.76</u>	<u>11.20</u>
	<u>18.74</u>	<u>109.61</u>			
3 NON-CURRENT INVESTMENTS			11 REVENUE FROM OPERATIONS		
78,703 fully paidup equity shares of GWC Family Fund Investment Pte Ltd (Commeasure Pte Ltd)	6.78	43.20	Sale of service	<u>1.41</u>	<u>8.93</u>
	<u>6.78</u>	<u>43.20</u>		<u>1.41</u>	<u>8.93</u>
4 TRADE RECEIVABLES			12 EMPLOYEE BENEFITS EXPENSE		
Unsecured, considered good	0.67	4.28	Salaries, wages and bonus	5.09	32.15
	<u>0.67</u>	<u>4.28</u>	Contribution to provident and other funds	0.19	1.20
5 CASH AND CASH EQUIVALENTS			Staff Welfare Expenses	1.28	8.06
Balances with banks in current accounts	2.90	18.45		<u>6.56</u>	<u>41.41</u>
	<u>2.90</u>	<u>18.45</u>			
6 OTHER CURRENT ASSETS			13 FINANCE COST		
Prepaid expenses	0.01	0.07	Interest on lease liabilities	0.01	0.04
Trade deposits	0.15	0.94		<u>0.01</u>	<u>0.04</u>
Accrued Revenue	0.04	0.25			
Advances made	0.02	0.10	14 DEPRECIATION		
	<u>0.22</u>	<u>1.36</u>	Depreciation on property plant and equipment	0.18	1.15
7 EQUITY SHARE CAPITAL			Depreciation on Lease asset	0.17	1.08
Issued, subscribed and fully paid up:			Amortisation on intangible assets	0.29	1.80
25,158,918 Ordinary shares of SGD 1 each	25.16	138.78		<u>0.64</u>	<u>4.03</u>
	<u>25.16</u>	<u>138.78</u>			
8 OTHER EQUITY			15 OTHER EXPENSES		
Retained earnings	(34.09)	(206.24)	(a) Cost of services	0.81	5.11
Foreign currency translation reserve	-	0.89	(b) Rent	0.02	0.15
	<u>(34.09)</u>	<u>(205.35)</u>	(c) Insurance	0.17	1.07
9 TRADE PAYABLES			(d) Rates and taxes (excluding taxes on income)	0.02	0.11
Dues to Micro and Small Enterprises**			(e) Administrative expenses	2.03	12.89
Dues to enterprises other than Micro and Small Enterprises	29.98	191.03	(f) Other expenses	2.11	13.38
	<u>29.98</u>	<u>191.03</u>		<u>5.16</u>	<u>32.71</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 2024/2025 amounts to a loss of USD 182,471 (2023/2024: a loss of USD 128,054).

Summary of activities

The main activities of the Company consist of holding and financing activities.

PROFIT AND LOSS ACCOUNT FOR THE PERIOD 1 APRIL 2024 UP TO AND INCLUDING 31 MARCH 2025

	31 March 2025		31 March 2024	
	USD	USD	USD	USD
General expenses	168,349		122,477	
Total general expenses		168,349		122,477
Operational result (loss)		(168,349)		(122,477)
Interest expense and similar	9,221		4,881	
Result on foreign currency translations	4,901		696	
Financial result (loss)		(14,122)		(5,577)
Result before taxation (loss)		(182,471)		(128,054)
Corporation tax		-		-
Result after taxation (loss)		(182,471)		(128,054)

BALANCE SHEET AS AT 31 MARCH 2025

(After appropriation of result)

	31 March 2025		31 March 2024	
	USD	USD	USD	USD
ASSETS				
Fixed assets				
Financial fixed assets	3,754,748		3,754,748	
		3,754,748		3,754,748
Current assets				
Receivables and prepayments	10,466		14,613	
Cash and cash equivalents	664		9,814	
		11,130		24,427
		3,765,878		3,779,175
EQUITY & LIABILITIES				
Equity				
Share capital	24,366,303		24,357,292	
Other reserves	(20,984,336)		(20,792,853)	
		3,381,967		3,564,439
Current liabilities				
	383,911		214,736	
		383,911		214,736
		3,765,878		3,779,175

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 head of a Group, which is in scope of Pillar 2 tax (P2T) and is the P2T reporting entity. Since the Group has profitable participations in jurisdictions with an effective tax rate less than 15%, a P2T charge is due and included in these financial statements.

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.

TVS MOTOR COMPANY (EUROPE) B.V.

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.

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 2025
	USD

A summary of the financial fixed assets is included below:

Participation

PT. TVS Motor Company Indonesia	3,754,748
	3,754,748

	Place, Country	Valuation method	Share in issued capital
			%
PT. TVS Motor Company Indonesia	Kuningan, Indonesia	cost price	17.09

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 1.0815 (2023/2024: 1.0811). The conversion result for the year 2024/2025 of (USD 9,012) is carried directly to other reserves.

Other reserves	31 Mar 2025
	USD
Balance as at 31 March 2024	(20,792,853)
Share capital revaluation	(9,012)
Loss for the year	(182,471)
Movement	(191,483)
Balance as at 31 March 2025	(20,984,336)

Proposed appropriation of result for the financial year 2024/2025

The board of directors proposes that the result for the financial year 2024/2025 amounting to a loss of USD 182,471 should be transferred to the other reserves. This proposal has been incorporated in the financial statements.

Contingent assets and liabilities

The Company has no contingent assets and liabilities that are not already included in the financial statements.

Notes to the balance sheet as at 31 March 2025

Current liabilities	31 Mar 2025	31 Mar 2024
	USD	USD
Trade payables	6,477	26,067
Other payables	1,819	6,000
Other payables group	77,598	-
Bank overdraft	1,838	-
Loan payable to group company	281,113	176,837
Interest payable to group company	15,066	5,832
	383,911	214,736

Trade Payables ageing schedule

Particulars	Outstanding for following periods from due date of payment		
	Not due	<1 Yr.	Total
(i) MSME			
(ii) Others		6,477	6,477
(iii) Disputed dues – MSME			
(iv) Disputed dues – Others			
		6,477	6,477
Accrued Expense			1,819
Total Trade payable		6,477	8,296

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	281,113	100%

Loan payable to group company

The amounts payable to group company TVS Motor (Singapore) Pte Limited as at 31 March 2025 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 2025, the outstanding loan balance is USD 81,113 (EUR 75,000) and the interest due is USD 6,356 (EUR 5,877).

(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 2025, the outstanding loan balance is USD 100,000 and the interest due is USD 5,800.

(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 2025, the outstanding loan balance is USD 100,000 and the interest due is USD 2,910.

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 2025	31 Mar 2024
	USD	USD
The Finance expenses consists of:		
Interest expenses and similar expenses		
Interest expense on loan	9,221	4,881
	<u>9,221</u>	<u>4,881</u>

General expenses

Management fee	13,668	13,833
Domiciliation fee	2,633	2,033
Legal fees	4,693	1,519
Administrative fees	132,866	95,686
Bank charges	6,640	6,737
Tax advisory fees	(2,074)	2,669
Other expenses	9,923	-
	<u>168,349</u>	<u>122,477</u>

Result on foreign currency translations

Currency exchange loss	4,901	696
	<u>4,901</u>	<u>696</u>

EBIT

The Earnings Before Interest and Taxation (EBIT) for the current financial year amounts to a loss of USD 168,349 (2024: loss of USD 122,477).

Average number of employees

The Company had no employees during the year under review (2023/2024: none).

Board of directors

K.N. Radhakrishnan
Director

A. Bhugra
Director

IQ EQ Management (Netherlands) B.V.
Director

Amsterdam, 22 April 2025

RE-STATED ACCOUNTS OF
TVS MOTOR COMPANY (EUROPE) B.V.

TVS MOTOR COMPANY (EUROPE) B.V.

BALANCE SHEET AS AT 31 MARCH 2025

	Notes	USD in Mn.	Rupees in crores
ASSETS			
Non-current assets			
Non-current investments	1	3.75	19.51
		<u>3.75</u>	<u>19.51</u>
Current assets			
Financial assets			
Cash and cash equivalents	2	-	0.01
Other current assets	3	0.01	0.09
		<u>0.01</u>	<u>0.10</u>
Total Assets		<u>3.77</u>	<u>19.61</u>
EQUITY AND LIABILITIES			
Equity			
Equity share capital	4	24.37	99.24
Other equity	5	(20.98)	(82.92)
		<u>3.39</u>	<u>16.32</u>
Liabilities			
Non-Current liabilities			
Financial liabilities			
Borrowings	6	0.28	2.40
		<u>0.28</u>	<u>2.40</u>
Liabilities			
Current liabilities			
Financial liabilities			
(i) Borrowings		-	0.02
(ii) Trade payables	7		
a. Total outstanding dues of micro and small enterprises		0.11	0.87
b. Total outstanding dues of other than (ii) (a) above			
		<u>0.11</u>	<u>0.89</u>
Total liabilities		<u>0.39</u>	<u>3.29</u>
Total equity and liabilities		<u>3.77</u>	<u>19.61</u>

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH 2025

	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	8	0.01
	Other expenses	9	0.17
		<u>0.18</u>	<u>1.55</u>
V	Profit before exceptional items (III - IV)	(0.18)	(1.55)
VI	Exceptional items	-	-
VII	Profit before tax (V+ VI)	<u>(0.18)</u>	<u>(1.55)</u>
VIII	Tax expense		
	i) Current tax	-	-
	ii) Deferred tax	-	-
IX	Profit for the year (VII - VIII)	<u>(0.18)</u>	<u>(1.55)</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	-	0.06
		<u>-</u>	<u>0.06</u>
XI	Total Comprehensive Income (IX + X)	<u>(0.18)</u>	<u>(1.49)</u>
XII	Earnings per equity share (Face value of EUR 100/- each)		
	Basic & Diluted earnings per share (in USD / in rupees)	(0.80)	(68.80)

TVS MOTOR COMPANY (EUROPE) B.V.

Notes on Accounts

		As at 31-03-2025		For the YE 31-03-2025	
		USD in Mn.	Rupees in crores	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	19.51		
		<u>3.75</u>	<u>19.51</u>		
2	CASH AND CASH EQUIVALENTS				
	Balances with banks in current accounts	-	0.01		
		<u>-</u>	<u>0.01</u>		
3	OTHER CURRENT ASSETS				
	Prepaid expenses	0.01	0.09		
		<u>0.01</u>	<u>0.09</u>		
4	EQUITY SHARE CAPITAL				
	Authorised, issued, subscribed and fully paid up:				
	Authorised:				
	500,000 Ordinary shares of Euro 100/- each	66.78	311.64		
	Issued, subscribed and fully paid up:				
	225,301 Ordinary shares of Euro 100/- each	24.37	99.24		
		<u>24.37</u>	<u>99.24</u>		
5	OTHER EQUITY				
	Retained earnings	(20.98)	(94.67)		
	Foreign currency translation reserve	-	11.75		
		<u>(20.98)</u>	<u>(82.92)</u>		
6	FINANCIAL LIABILITIES - BORROWINGS (NON CURRENT)				
	Loan from Holding	0.28	2.40		
		<u>0.28</u>	<u>2.40</u>		
7	TRADE PAYABLES				
	Dues to Micro and Small Enterprises**	-	-		
	Dues to enterprises other than Micro and Small Enterprises	0.11	0.87		
		<u>0.11</u>	<u>0.87</u>		
8	FINANCE COST				
	Interest expenses			0.01	0.08
				<u>0.01</u>	<u>0.08</u>
9	OTHER EXPENSES				
	(a) Legal fees	-	0.04		
	(b) Bank charges	0.01	0.06		
	(c) Domiciliation and management fees	0.02	0.14		
	(d) Administrative expenses	0.13	1.11		
	(e) Foreign Exchange Loss	-	0.04		
	(f) Miscellaneous expenses	0.01	0.08		
		<u>0.17</u>	<u>1.47</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.

Independent Auditors' Report

No. 00363/2.1265/AU.1/04/0565-1/11/2024

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, 2025, 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, 2025, 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

Fanny Alimin, CPA
Public Accountant License No. AP.1687

April 29, 2025

PT. TVS MOTOR COMPANY INDONESIA

STATEMENT OF FINANCIAL POSITION MARCH 31, 2025

	Notes	March 31, 2025	March 31, 2024
		Rp	Rp
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	5	69,204,667,401	122,805,247,441
Trade accounts receivable	6		
Related party	26	88,461,944,485	601,435,870
Third parties - net		821,414,110,487	951,857,845,652
Other accounts receivable			
Related parties	7,26	27,717,610,040	21,524,251,401
Third parties		8,206,862,805	2,203,967,807
Inventories - net	8	369,923,774,493	427,182,758,965
Prepaid taxes	9	270,188,472,470	138,204,755,590
Advances to suppliers	10	26,385,376,577	16,460,134,483
Other current assets		6,966,146,199	6,445,104,008
Total Current Assets		1,688,468,964,957	1,687,285,501,217
NON-CURRENT ASSETS			
Deferred tax assets - net	25	7,142,701,539	6,946,593,318
Right-of-use assets - net		15,450,525,273	2,751,973,385
Property, plant, and equipment - net	11	473,080,596,483	419,446,187,096
Security deposits		2,030,009,832	1,828,506,460
Total Non-current Assets		497,703,833,127	430,973,260,259
TOTAL ASSETS		2,186,172,798,084	2,118,258,761,476

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, 2025 (Continued)

	Notes	March 31, 2025 Rp	March 31, 2024 Rp
LIABILITIES AND EQUITY			
CURRENT LIABILITIES			
Bank loans	12	642,130,207,250	562,271,485,109
Trade accounts payable	13		
Related party	26	593,316,664,180	742,904,137,148
Third parties		93,283,806,440	67,276,232,448
Other accounts payable	14		
Related party	26	25,055,056,963	20,446,460,651
Third parties		16,462,368,927	10,171,715,364
Taxes payable	15	4,662,979,740	1,470,870,946
Accrued expenses	16	123,007,440,428	44,932,713,072
Loan from shareholder	17,26	-	31,706,000,000
Deposit from customers		1,212,342,344	2,206,478,442
Contract liabilities	22	17,478,722,524	17,702,110,039
Current maturity of long-term lease liabilities		5,777,208,700	2,167,979,401
Total Current Liabilities		<u>1,522,386,797,496</u>	<u>1,503,256,182,620</u>
NON-CURRENT LIABILITIES			
Long-term lease liabilities - net of current maturity		5,571,096,958	341,009,586
Post-employment benefits obligation	18	26,921,759,000	23,205,091,000
Total Non-current Liabilities		<u>32,492,855,958</u>	<u>23,546,100,586</u>
TOTAL LIABILITIES		<u>1,554,879,653,454</u>	<u>1,526,802,283,206</u>
EQUITY			
Capital stock - Rp 97,400 (USD 10) par value per share			
Authorized - 17,500,000 shares			
Subscribed and paid-up - 16,791,187 shares	19	1,635,461,613,800	1,635,461,613,800
Foreign exchange rate difference on paid-in capital	20	216,192,517,840	216,192,517,840
Revaluation surplus	21	276,495,214,244	276,495,214,244
Other comprehensive income		12,303,776,600	11,683,955,060
Accumulated deficit		(1,509,159,977,854)	(1,548,376,822,674)
TOTAL EQUITY		<u>631,293,144,630</u>	<u>591,456,478,270</u>
TOTAL LIABILITIES AND EQUITY		<u>2,186,172,798,084</u>	<u>2,118,258,761,476</u>

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, 2025

	Notes	2025 Rp	2024 Rp
NET SALES	22,26	1,730,960,907,099	1,514,042,865,722
COST OF GOODS SOLD	23,26	(1,473,755,914,839)	(1,313,882,462,884)
GROSS PROFIT		257,204,992,260	200,160,402,838
Marketing expenses	24	(27,753,778,097)	(35,259,145,950)
General and administrative expenses	24,26	(126,763,091,472)	(62,626,547,289)
Finance cost		(42,429,961,917)	(45,616,647,170)
Loss on foreign exchange - net		(16,156,016,201)	(11,306,423,525)
Interest income		205,721,942	306,830,407
Loss on sale of property, plant and equipment	11	(28,250,255)	(82,140,302)
Other (gains) losses - net		(1,585,761,015)	1,690,530,545
PROFIT BEFORE TAX		42,693,855,245	47,266,859,554
INCOME TAX EXPENSE	25	(3,477,010,425)	(20,216,556,655)
PROFIT FOR THE YEAR		39,216,844,820	27,050,302,899
OTHER COMPREHENSIVE INCOME			
Items that will not be reclassified subsequently to profit or loss:			
Remeasurement of defined benefits obligation	18	794,643,000	1,102,279,000
Related tax expense	25	(174,821,460)	(242,501,380)
Total other comprehensive income, net of tax		619,821,540	859,777,620
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		39,836,666,360	27,910,080,519

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, 2025

	Capital stock	Foreign exchange rate difference on paid-in capital	Revaluation surplus	Other comprehensive income Remeasurement of defined benefits obligation	Accumulated deficit	Total equity
	Rp	Rp	Rp	Rp	Rp	Rp
Balance as of April 1, 2023	1,635,461,613,800	216,192,517,840	276,495,214,244	10,824,177,440	(1,575,427,125,573)	563,546,397,751
Profit for the year	-	-	-	-	27,050,302,899	27,050,302,899
Other comprehensive income, net of tax	-	-	-	859,777,620	-	859,777,620
Balance as of March 31, 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

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, 2025

	Note	2025 Rp	2024 Rp
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before tax per statement of profit or loss and other comprehensive income		42,693,855,245	47,266,859,554
Adjustments for:			
Depreciation of property, plant and equipment and right-of-use assets		19,758,677,423	17,274,511,078
Loss on sale and disposal of property, plant and equipment	11	28,250,255	82,140,302
Provision for post-employment benefits	18	5,273,951,000	5,013,620,000
Reversal of expected credit losses	6	-	(4,500,000,000)
Allowance for inventory obsolescence	8	10,377,361,782	2,220,353,633
Interest and finance charges		37,434,573,623	40,135,735,607
Interest income		(205,721,942)	(306,830,407)
Adjustment from tax assessment letter		-	575,490,363
Net unrealized loss on foreign exchange		7,350,480,799	21,282,190,412
Operating cash flows before changes in working capital		122,711,428,185	129,044,070,542
Changes in working capital:			
Trade accounts receivable		50,554,328,400	(98,392,908,229)
Other accounts receivable		(13,005,464,770)	(12,713,580,944)
Inventories		46,881,622,690	(78,252,968,822)
Prepaid taxes		(131,983,716,880)	8,759,930,730
Advances to suppliers		(9,925,242,094)	(110,729,075)
Other current assets		(521,042,191)	223,608,217
Trade accounts payable		(107,668,811,866)	95,512,488,065
Other accounts payable		10,004,824,142	701,295,382
Taxes payable		275,673,231	503,579,554
Accrued expenses		73,760,945,901	(11,093,855,258)
Deposit from customers		(994,136,097)	(419,087,912)
Contract liabilities		(223,387,515)	10,186,178,506
Net cash generated from operations		39,867,021,136	43,948,020,755
Employee benefits paid	18	(762,640,000)	(997,171,000)
Income tax paid	25	(931,504,543)	(869,243,347)
Proceeds from tax refund		-	987,307,000
Net Cash Provided by Operating Activities		38,172,876,593	43,068,913,408
CASH FLOWS FROM INVESTING ACTIVITIES			
Acquisitions of property, plant and equipment	11,31	(69,999,433,378)	(30,121,870,429)
Proceeds from sale of property, plant and equipment	11	-	25,225,225
Decrease in security deposits		(182,939,704)	(360,774,560)
Interest received		205,721,942	306,830,407
Net Cash Used in Investing Activities		(69,976,651,140)	(30,150,589,357)

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, 2025 (Continued)

	Note	2025 Rp	2024 Rp
CASH FLOWS FROM FINANCING ACTIVITIES			
Payments of bank loans		(3,281,623,370,301)	(2,188,413,474,762)
Payments of loan from shareholders		(31,706,000,000)	-
Payments of lease liabilities		(7,218,904,000)	(2,286,212,456)
Interest and finance charges paid		(37,136,569,328)	(40,135,735,607)
Proceeds from bank loans		3,335,888,038,136	2,230,896,656,318
Proceeds from loan from shareholder		-	31,376,000,000
Net Cash (Used in) Provided by Financing Activities		(21,796,805,493)	31,437,233,493
NET (DECREASE) INCREASE IN CASH AND CASH EQUIVALENTS		(53,600,580,040)	44,355,557,544
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR		122,805,247,441	78,449,689,897
CASH AND CASH EQUIVALENTS AT END OF YEAR		69,204,667,401	122,805,247,441

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, 2025 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 change in the Articles of Association by Notarial Deed No. 54 dated May 31, 2024 of Susanna Tanu, S.H., notary in Jakarta, related to the expand the Company's business scope to also include the manufacturing and distribution of batteries for electric motor vehicles, in addition to carrying out its existing business activities, and to align with the Indonesian Standard Industrial Classification (Klasifikasi Baku Lapangan Usaha Indonesia - KBLI). The change was approved by the Minister of Law and Human Rights of the Republic of Indonesia in its Decision Letter No. AHU-0032140.AH.01.02. Tahun 2024 dated June 3, 2024.

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 Wirusaha Building, 3rd Floor, Jl. HR. Rasuna Said, Kav. C5 Kuningan, Jakarta. As of March 31, 2025, the Company has 557 employees (2024: 492 employees) (unaudited).

The Company's management at March 31, 2025 and 2024 consists of the following:

	March 31, 2025	March 31, 2024
President	Kunnath Narayanan	Kunnath Narayanan
Commissioner	Radhakrishnan	Radhakrishnan
Commissioners	Ramaswami Anandakrishnan	Ramaswami Anandakrishnan
	Parthasarathi Gopalan	Parthasarathi Gopalan
President Director	-	Jeyanandan Thangarajan
Director	Rajesh Ramani	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

Beginning January 1, 2024, references to the individual PSAKs and ISAKs have been changed as published by Dewan Standar Akuntansi Keuangan Ikatan Akuntan Indonesia ("DSAK - IAI").

In the current year, the Company has applied a number of amendments/improvements to PSAK that are relevant to its operations and effective for accounting period beginning on or after January 1, 2024. The adoption of these new/revised PSAKs does not result in changes to the Company's accounting policies and has no material effect on the amounts reported in these financial statements.

b. Standard and Amendments/Improvements to Standards Issued not yet Adopted

At the date of authorization of these financial statements, the following standard, interpretation, and amendments to PSAKs relevant to the Company were issued but not effective, with early application permitted:

Effective for periods beginning on or after January 1, 2025

- PSAK 221 (amendment) The Effects of Changes in Foreign Exchange Rates: Lack of Exchangeability.

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
- Annual Improvement 2024 SAK Indonesia

As of the issuance date of the financial statements, the effects of adopting these standards, amendments and interpretations on the financial statements are not known nor reasonably estimable by management.

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 that are 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.

The statement of cash flows is prepared using the indirect method with classifications of cash flows into operating, investing, and financing activities.

The Director have, 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, they continue 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.

PT. TVS MOTOR COMPANY INDONESIA

NOTES TO FINANCIAL STATEMENTS

March 31, 2025 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.

All regular way purchases or sales of financial assets are recognized and derecognized on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace.

All recognized financial assets are measured subsequently in their entirety at either amortized cost or fair value, depending on the classification of the financial assets.

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.

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.

For financial instruments other than purchased or originated credit-impaired financial assets, the effective interest rate is the rate that exactly discounts estimated future cash receipt (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. For purchased or originated creditimpaired financial assets, a credit adjusted effective interest rate is calculated by discounting the estimated future cash flows, including expected credit losses, to the amortized cost 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 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 360 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 expected credit losses

For financial assets, the expected credit loss 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 determine 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.

Where lifetime ECL is measured on a collective basis to cater for cases where evidence of significant increases in credit risk at the individual instrument level may not yet be available, the financial instruments are grouped on the following basis:

- Nature of financial instruments;
- Past-due status;
- Nature, size, and industry of debtors;
- External credit ratings where available.

Derecognition of financial assets

The Company derecognizes a financial asset only when the contractual rights to the cash flows from the asset expires, or when 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.

NOTES TO FINANCIAL STATEMENTS

March 31, 2025 and for the year then ended(Continued)

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

Classification as debt or equity

Debt and equity instruments issued by the Company are classified according to the substance of the contractual arrangements entered into and the definitions of a financial liability and an equity instrument.

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 are recorded at the proceeds received, net of direct issue costs.

Financial liabilities

Financial liabilities, including trade and other payables, accrued expenses, loan from shareholder 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.

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 liability, 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 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 2025 and 2024.

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. When a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest group of cash-generating units for which a reasonable and consistent allocation basis can be identified.

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 pretax discount rate that reflects current market assessment 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 a 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.

When an impairment loss subsequently reverses, the carrying amount of the asset (or a cash generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been 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 Company assesses whether a contract is or contains a lease, at the inception of the contract. The Company 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 Company 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.

Lease payments included in the measurement of the lease liability comprise:

- fixed lease payments (including in-substance fixed payments), less any lease incentives;
- variable lease payments that depend on an index or rate, initially measured using the index or rate at the commencement date;

NOTES TO FINANCIAL STATEMENTS

March 31, 2025 and for the year then ended (Continued)

- the amount expected to be payable by the lessee under residual value guarantees;
- the exercise price of purchase options, if the lessee is reasonably certain to exercise the options; and
- payments of penalties for terminating the lease if the lease term reflects the exercise of an option to terminate the lease.

The lease liability is presented as a separate line in the statement of financial position.

The lease liability is subsequently measured by increasing the carrying amount to reflect the interest on the lease liability (using the effective interest method) and by reducing the carrying amount to reflect the lease payments made.

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.

The costs are included in the related right-of-use asset unless those costs are incurred to produce inventories.

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 of 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.

k. After Sales Warranty

The Company makes a provision to cover possible cost on after sales warranty granted to customers. Such provision is recognized based on certain percentage of sales by comparing the actual claim with sales.

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 asset 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

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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 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 receivables are disclosed in Note 6.

Allowance for Decline in Value of Inventories

The Company provides allowance for decline in value of inventories based on estimated future usage of such inventories. While it is believed that the assumptions used in the estimation of the allowance for decline in value of inventories are appropriate and reasonable, significant changes in these assumptions may materially affect the assessment of the allowance for decline in value of inventories, which ultimately will impact the result of the Company's operations. The carrying amount of inventories is disclosed in Note 8.

Fair Value of Land

Effective April 1, 2013, the Company's land is measured at fair value. In estimating the fair value of land, management engages third party qualified appraisal to perform the valuation. Management works closely with the qualified external appraisal to establish the appropriate valuation techniques and inputs. Any changes in the inputs and valuation techniques may have a material effect in the financial statements.

The carrying value of land is disclosed in Note 11.

5. CASH AND CASH EQUIVALENTS

	March 31, 2025	March 31, 2024
	Rp	Rp
Cash on hand		
Rupiah	49,930,90	8,054,900
US Dollar	139,438,894	90,457,377
Cash in banks		
Rupiah	16,031,822,936	44,711,716,142
US Dollar	50,293,856,881	77,995,019,022
Euro	1,689,617,790	-
Time deposits		
Rupiah	1,000,000,000	-
Total	69,204,667,401	122,805,247,441
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, 2025	March 31, 2024
	Rp	Rp
a. By debtor		
Related parties (Note 26)		
TVS Company Philippines Branch	86,968,561,680	-
TVS Motor Company Limited, India	1,493,382,805	601,435,870
Subtotal	88,461,944,485	601,435,870
Third parties	857,251,707,310	987,695,442,475
Allowance for credit losses	(35,837,596,823)	(35,837,596,823)
Net	821,414,110,487	951,857,845,652
Total	909,876,054,972	952,459,281,522
b. By currency		
US Dollar	930,533,529,297	972,111,521,073
Rupiah	15,180,122,498	16,185,357,272
Subtotal	945,713,651,795	988,296,878,345
Allowance for credit losses	(35,837,596,823)	(35,837,596,823)
Total	909,876,054,972	952,459,281,522

As at April 1, 2023, trade receivables with customers amounted to Rp 849,566,373,293 (net of allowance for credit losses of Rp 40,337,596,823). The average credit period on sale of goods are 30 to 150 days in 2025 and 2024. 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.

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ECL on trade accounts receivable using provision matrix - assessed collectively

	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
	March 31, 2024							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	2.94%	4.41%	6.02%	7.53%	8.33%	9.01%	10.53%	
Estimated total gross carrying amount at default	82,569,957,109	57,817,952,397	8,846,862,993	1,110,270,008	2,502,987,606	720,048,163	6,451,870,647	160,019,948,923
Lifetime ECL	(2,423,736,516)	(2,549,163,983)	(532,680,997)	(83,638,211)	(208,536,111)	(64,846,571)	(679,451,665)	(6,542,054,054)
Total								153,477,894,869

The movements in allowance for credit losses are as follows:

	March 31, 2025		
	Lifetime ECL - Not credit impaired		
	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
Loss reversal recognized in profit or loss during the year (Note 23)	(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
	March 31, 2024		
	Lifetime ECL - Not credit impaired		
	Assessed collectively	Assessed individually	Total
	Rp	Rp	Rp
Balance at beginning of year	7,010,922,560	33,326,674,263	40,337,596,823
Loss (reversal) recognized in profit or loss during the year (Note 23)	(468,868,506)	(4,031,131,494)	(4,500,000,000)
Balance at end of year	6,542,054,054	29,295,542,769	35,837,596,823

7. OTHER ACCOUNTS RECEIVABLE FROM A RELATED PARTY

Other accounts receivable from a related party represents service fees and claim for reimbursements in 2025 and 2024 from TVS Motor Company Limited, India (Note 26).

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March 31, 2025 and for the year then ended(Continued)

8. INVENTORIES

	March 31, 2025	March 31, 2025
	Rp	Rp
Finished goods	48,350,270,297	37,072,121,183
Materials, components and spare parts	344,743,985,879	405,707,247,221
Others	1,930,517,855	1,460,847,304
Total	395,204,774,031	444,240,215,708
Allowance for inventory obsolescence	(25,100,999,538)	(17,057,456,743)
Net	369,923,774,493	427,182,758,965

The change in allowance for inventory obsolescence is as follows:

	March 31, 2025	March 31, 2025
	Rp	Rp
Balance at beginning of year	17,057,456,743	17,062,304,560
Provision during the year	10,377,361,782	2,220,353,633
Write-off during the year	(2,333,818,987)	(2,225,201,450)
Balance at end of year	25,100,999,538	17,057,456,743

Management believes that allowance for inventory obsolescence is adequate.

9. PREPAID TAXES

	March 31, 2025	March 31, 2024
	Rp	Rp
Prepaid value added tax	262,564,660,501	130,427,038,286
Claim for tax refund		
Income taxes - Article 28A (Note 25)		
Fiscal Year 2023 (March 2024)	869,243,347	869,243,347
Fiscal Year 2022 (March 2023)	1,628,688,893	1,628,688,893
Fiscal Year 2021 (March 2022)	5,125,879,729	5,125,879,729
Value added tax		
Fiscal Year 2022 (March 2023)	-	153,905,335
Total	270,188,472,470	138,204,755,590

Value added tax - Fiscal Year 2022 (March 2023)

The Company received a total of Rp 138,501,575,875, with partial payments in October 2023, November 2023, February 2024, and March 2024, out of its total claim of Rp 139,340,986,353. The remaining Rp 153,684,542 was received in April 2024 and a difference of Rp 685,725,936 was recorded as part of 'Other gains and losses - net' in profit or loss in 2024.

Corporate income tax - Fiscal Year 2021 (March 2022)

On March 21, 2025, the Directorate General of Taxes ("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. As of the issuance date of these financial statements, the Company has not yet received the refund from the DGT and is still in the process of evaluating the further action.

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 will be submitted as an objection to the DGT and the remaining of Rp 1,156,585,690 recorded by the Company as expense. As of the issuance date of these financial statements, the Company has not yet settled the underpayment with the DGT.

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.

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NOTES TO FINANCIAL STATEMENTS

March 31, 2025 and for the year then ended (Continued)

11. PROPERTY, PLANT AND EQUIPMENT

	April 1, 2024	Additions	Deductions	March 31 2025
	Rp	Rp	Rp	Rp
Revalued amount:				
Land	304,162,000,000	-	-	304,162,000,000
Cost:				
Buildings	102,705,148,353	4,755,064,253	-	107,460,212,606
Machinery and tools	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
Office 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
Construction in progress	-	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
Office 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
	April 1, 2023	Additions	Deductions	March 31, 2024
	Rp	Rp	Rp	Rp
Revalued amount:				
Land	304,162,000,000	-	-	304,162,000,000
Cost:				
Buildings	91,256,118,760	11,449,029,593	-	102,705,148,353
Machinery and tools 120,890,759,492	3,817,263,199	(413,825,000)	124,294,197,691	
Moulds and dies	105,166,281,492	13,460,054,467	118,626,335,959	
Office equipment and furnitures	13,803,032,057	1,395,523,170	(166,339,305)	15,032,215,922
Vehicles	1,516,367,941	-	(26,268,000)	1,490,099,941
Total	636,794,559,742	30,121,870,429	(606,432,305)	666,309,997,866
Accumulated depreciation:				
Buildings	65,073,862,029	4,721,017,513	-	69,794,879,542
Machinery and tools	103,690,335,433	3,207,373,269	(306,459,473)	106,591,249,229
Moulds and dies	50,338,060,913	6,468,273,814	-	56,806,334,727
Office equipment and furnitures	11,352,762,680	1,179,581,893	(166,339,305)	12,366,005,268
Vehicles	1,263,688,187	67,921,817	(26,268,000)	1,305,342,004
Total	231,718,709,242	15,644,168,306	(499,066,778)	246,863,810,770
Net carrying value	405,075,850,500			419,446,187,096

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NOTES TO FINANCIAL STATEMENTS

March 31, 2025 and for the year then ended (Continued)

Depreciation expense was allocated to the following:

	2025	2024
	Rp	Rp
Manufacturing cost	15,250,072,081	14,396,664,597
General and administrative expenses (Note 24)	1,446,940,855	1,247,503,709
Total	16,697,012,936	15,644,168,306

The Company owns land located in Karawang, Ciampel - Kutaneegara, Jawa Barat, with a total area of 126,541 square meters as of March 31, 2025 and 2024, 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 were acquired legally and supported by sufficient evidence of ownership.

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 of property, plant and equipment are as follows:

	2025	2024
	Rp	Rp
Proceeds from sale of property, plant and equipment	-	25,225,225
Net carrying value	(28,250,255)	(107,365,527)
Loss on sale of property, plant and equipment	(28,250,255)	(82,140,302)

12. BANK LOANS

	2024	2023
	Rp	Rp
Short-term bank loans		
Rupiah		
PT Bank DBS Indonesia	9,160,422,417	-
MUFG Bank, Ltd., Jakarta Branch	-	4,213,222,782
US Dollar		
MUFG Bank, Ltd., Jakarta Branch (USD 15,550,000 in 2025 and USD 10,750,000 in 2024)	257,943,400,000	170,419,751,585
Citibank, N.A. (USD 11,587,220 in 2025 and USD 16,000,000 in 2024)	192,208,805,360	253,648,000,000
Standard Chartered Bank Indonesia (USD 5,599,355 in 2025 and USD 7,114,047 in 2024)	92,882,100,740	112,778,990,262
PT Bank Mizuho Indonesia (USD 4,000,000 in 2025)	66,352,000,000	-
PT Bank DBS Indonesia (USD 1,249,463 in 2025 and USD 1,052,978 in 2024)	20,726,087,931	16,692,863,405
China Yuan		
PT Bank DBS Indonesia (CNH 1,252,802 in 2025 and CNH 1,247,212 in 2024)	2,857,390,802	2,725,507,820
MUFG Bank, Ltd., Jakarta Branch (Nil in 2025 and CNH 820,558 in 2024)	-	1,793,149,255
Total	642,130,207,250	562,271,485,109

The amortized cost of the bank loans are as follows:

	2025	2024
	Rp	Rp
Bank loans	642,130,207,250	562,271,485,109
Accrued interest	3,987,124,910	6,109,532,584
Amortized cost	646,117,332,160	568,381,017,693

PT Bank DBS Indonesia

In May 2013, the Company obtained uncommitted omnibus trade facility from PT Bank DBS Indonesia with a maximum limit of USD 5,000,000 with sub-facility comprise of import letter credit facility, account payables financing facility, SKBDN export bill letter of credit and revolving credit facility, which also can be drawn in Indonesian Rupiah and Chinese Yuan. The facility is unsecured.

As of March 31, 2023, the outstanding US Dollar, Indonesian Rupiah and Chinese Yuan denominated loan represents account payables financing facility. In 2023, interest rate per annum is at 7.30% for US Dollar denominated loan, at 10.00% for Indonesian Rupiah denominated loan and at 6.50% for Chinese Yuan denominated loan.

As of March 31, 2024, the outstanding US Dollar and Chinese Yuan denominated loan represents import letter credit facility. The agreement has been amended several times, with the latest change relating to the extension of the facility period extended until March 31, 2024.

The Company amended the loan agreement with PT Bank DBS Indonesia in July 2024 which obtained uncommitted omnibus trade facility from PT Bank DBS Indonesia with a maximum limit of USD 7,000,000 with sub-facility comprise of import letter credit facility, purchase invoice financing facility, and SKBDN export bill letter of credit. The Company also obtained the uncommitted revolving credit facility for maximum credit limit of USD 1,000,000. This facility is valid up to June 30, 2025.

As of March 31, 2025, the outstanding US Dollar, Chinese Yuan, and Indonesian Rupiah denominated loan represents import/local letter credit facility.

MUFG Bank, Ltd., Jakarta Branch

The Company obtained credit facilities from MUFG Bank, Ltd., Jakarta Branch, in May 2021 and May 2022, which was jointly renewed in December 2023, for maximum credit limit of USD 10,000,000 which is an omnibus facility with sub-limits comprising of uncommitted short-term loan, SKBDN, LC import/local facilities, import settlement, invoice financing and foreign exchange facilities. This facility is valid up to December 31, 2024. The facility is secured by lien on receivables and inventory to the extent of credit limit.

On December 31, 2024, the Company entered a new loan agreement with MUFG Bank, Ltd., Jakarta Branch, for maximum credit limit of USD 18,000,000 which is a facility with sub-limits comprising of uncommitted short-term loan, SKBDN, LC import/local facilities, import settlement, invoice financing and payable finance facilities. This facility is valid up to December 31, 2025. The facility is unsecured.

As of March 31, 2025, the outstanding loan for US Dollar denominated loans represents uncommitted short-term loan, with interest rate ranging at 5.28 % - 5.59% (2024: ranging at 7.17% - 7.20%).

Citibank, N.A.

In September 2023, the Company obtained revolving credit facility from Citibank, N.A., with maximum credit limit of USD 20,000,000 with comprise of Working Capital Loan for USD 15,000,000 and Trade Payables Financing for USD 5,000,000. The facility is unsecured and due by September 30, 2025.

In 2025, interest rate is ranging at 5.60% - 6.32% (2024: 7.43% - 7.62%).

Standard Chartered Bank Indonesia

In June 2022 and renewed in June 2023, the Company obtained an uncommitted banking facility with maximum credit limit of USD 10,000,000 with sub-limits of Short-term Loan (STL) for USD 7,500,000, Export Invoice Financing for USD 10,000,000 and Import L/C for USD 5,000,000. The facility is unsecured.

As of March 31, 2025, the outstanding loan is towards STL. The loan interest rate is ranging at 6.93% - 6.95% per annum (2024: 8.18% - 8.25%).

As per loan agreement, this facility shall be automatically extended for every twelve months period basis until terminated by both parties.

PT Bank Mizuho Indonesia

On December 20, 2024, the Company entered a new loan agreement with PT Bank Mizuho Indonesia, for maximum credit limit of USD 10,000,000 which is a facility with sub-limits comprising of LC facility, account payable financing facility, and bank guarantee facility. The facility is unsecured and valid up to December 20, 2025.

In 2025, interest rate is at 5.64%.

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March 31, 2024 and for the year then ended(Continued)

13. TRADE ACCOUNTS PAYABLE

	March 31, 2025	March 31, 2024
	Rp	Rp
a. By creditors		
Related party (Note 26)		
TVS Motor Company Limited India	593,316,664,180	742,904,137,148
Third parties	93,283,806,440	67,276,232,448
Total	686,600,470,620	810,180,369,596
b. By currency		
US Dollar	627,759,015,157	769,644,520,664
Rupiah	48,683,819,604	32,925,888,720
Chinese Yuan	10,134,802,859	7,495,496,371
India Rupee	22,833,000	114,463,841
Total	686,600,470,620	810,180,369,596

The average credit period on purchases of goods is 30 - 60 days in 2025 and 2024. No interest is charged on the outstanding balance.

14. OTHER ACCOUNTS PAYABLE

	March 31, 2025	March 31, 2024
	Rp	Rp
Related party (Note 26)		
TVS Motor Company Limited, India	25,055,056,963	20,446,460,651
Third parties	16,462,368,927	10,171,715,364
Total	41,517,425,890	30,618,176,015

Other accounts payable to a related party mostly represents information technology service fees and freight fees.

15. TAXES PAYABLE

	March 31, 2025	March 31, 2024
	Rp	Rp
Income taxes		
Article 21	1,442,884,322	1,234,111,477
Article 22	40,234,931	33,561,520
Article 23	128,833,477	93,205,359
Article 26	25,328,862	25,886,013
Article 4(2) Final	109,262,585	84,106,577
Article 29 (Note 25)	2,916,435,563	-
Total	4,662,979,740	1,470,870,946

16. ACCRUED EXPENSES

	March 31, 2025	March 31, 2024
	Rp	Rp
Management fee (Note 27)	49,764,000,000	-
Provision for sales and marketing	24,112,540,866	22,413,177,383
Freight, storage and clearance	12,718,211,289	1,776,332,006
Research and development	10,263,205,428	4,393,204,443
Supply and logistics	4,405,580,056	-
Warranty expense	4,131,945,688	4,149,388,067
Interest	3,987,124,910	6,405,449,913
Professional fees	2,476,000,000	1,625,000,000
Taxes	2,318,884,414	-
Repair and maintenance	1,824,698,120	158,130,706
Information technology	843,948,929	825,049,601
Others	6,161,300,728	3,186,980,953
Total	123,007,440,428	44,932,713,072

17. LOAN FROM SHAREHOLDER

On February 1, 2024, the Company signed loan facility agreement with TVS Motor (Singapore) Pte., Ltd., with maximum loan facility of USD 2,000,000.

The loan shall be repaid entirely on or before January 31, 2025. Interest shall be calculated at fixed rate of 6% per annum from the outstanding principal amount of the facility disbursed until final settlement date.

The Company has fully paid the loan on April 30, 2024.

As of March 31, 2025, the Company's loan balance is nil (March 31, 2024: USD 2,000,000 or equivalent to Rp 31,706,000,000).

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 550 employees in 2025 (2024: 476 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:

	2025	2024
	Rp	Rp
Current service cost:	3,781,465,000	2,946,066,000
Interest cost	1,492,486,000	1,430,632,000
Adjustment related to change in fix allowance	-	636,922,000
Components of defined benefits cost recognised in profit or loss	5,273,951,000	5,013,620,000
Remeasurement on the net defined benefit obligation:		
Actuarial (gains) losses arising from changes in financial assumptions	(600,260,000)	191,568,000
Actuarial gains arising from experience adjustments	(194,383,000)	(1,293,847,000)
Components of defined benefit costs recognised in other comprehensive income	(794,643,000)	(1,102,279,000)
Total	4,479,308,000	3,911,341,000

Movements in the present value of the defined benefit obligations are as follows:

	2024	2023
	Rp	Rp
Balance at beginning of year	23,205,091,000	20,290,921,000
Component of defined benefit cost recognized in profit or loss	5,273,951,000	5,013,620,000
Component of defined benefit cost recognized in other comprehensive income	(794,643,000)	(1,102,279,000)
Benefits payment	(762,640,000)	(997,171,000)
Balance at end of year	26,921,759,000	23,205,091,000

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:

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March 31, 2024 and for the year then ended(Continued)

	2025	2024
Discount rate per annum	7.20%	6.90%
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
Mortality rate	TMI IV (2019)	TMI III
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 III

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 25,011,319,000 (increase to Rp 29,099,942,000) (2024: decrease to Rp 21,439,611,000 (increase to Rp 25,219,848,000)).
- 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, 2025 is 14.38 years (March 31, 2024: 14.79 years).

19. CAPITAL STOCK

Name of Stockholders	March 31, 2025 and 2024		
	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

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. NET SALES

	2024	2023
	Rp	Rp
Type of goods		
Sale of vehicles	1,443,919,800,789	1,528,449,025,807
Sale of spare parts	70,123,064,933	54,642,573,193
Total	1,514,042,865,722	1,583,091,599,000
Geographical markets		
Export	1,372,713,473,689	1,477,216,430,370
Domestic	141,329,392,033	105,875,168,630
Total	1,514,042,865,722	1,583,091,599,000

The aggregate amount of the transaction price allocated to performance obligations that are unsatisfied (or partially unsatisfied) for sales of goods on March 31, 2025 is Rp 17,478,722,524 (2024: Rp 17,702,110,039) and are presented as contract liabilities.

5.81% (2024: 0.01%) of the total sales were made with related parties in 2025 (Note 26).

Details of net sales to dealers representing more than 10% of the sales are as follows:

Name of Customers	2025	2024
	Rp	Rp
Robustrade DMCC	521,858,796,019	392,177,733,474
Wandel International Nigeria Ltd	306,083,536,482	191,210,616,241
Sunshine., Ltd	298,474,766,110	288,115,740,376
Global Automobile Traders FZCO	10,616,285,798	249,068,381,061
Total	1,137,033,384,409	1,120,572,471,152

23. COST OF GOODS SOLD

	2025	2024
	Rp	Rp
Raw materials and components used	1,299,211,490,265	1,165,373,035,172
Direct labor	31,165,815,564	26,003,132,070
Overhead	154,656,758,124	124,665,757,951
Total manufacturing cost	1,485,034,063,935	1,316,041,925,193
Finished goods		
At beginning of year	37,072,121,183	34,912,658,874
At end of year	(48,350,270,297)	(37,072,121,183)
Cost of goods sold	1,473,755,914,839	1,313,882,462,884

45% (2024: 53%) of the total purchases of raw materials and components were made from TVS Motor Company Limited, India, the ultimate holding company, in 2025 (Note 26).

24. OPERATING EXPENSES

	2025	2024
	Rp	Rp
Marketing		
Advertising and market research	25,393,572,626	33,395,783,062
Free service charges	987,867,500	853,408,500
Warranty	684,467,281	229,112,274
Others	687,870,690	780,842,114
Total	27,753,778,097	35,259,145,950
General and administrative		
Management fee (Note 27)	49,764,000,000	-
Salaries, allowances and benefits	34,551,467,455	32,533,882,116
Short term and low value leases	8,374,054,441	6,454,421,749

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	2025	2024
	Rp	Rp
Consultancy fees	7,550,811,313	4,318,699,537
Training and development	5,427,296,683	5,019,726,556
Travel and transportation	4,479,009,668	4,562,922,872
Depreciation of right-of-use assets	3,061,664,487	1,630,342,772
Insurance	2,746,158,389	2,149,758,952
Data processing (Note 26d)	2,444,280,164	1,580,826,036
Professional fees	1,519,998,985	1,473,976,500
Depreciation of property, plant and equipment (Note 11)	1,446,940,855	1,247,503,709
Reversal of expected credit losses (Note 6)	-	(4,500,000,000)
Others	5,397,409,032	6,154,486,490
Total	126,763,091,472	62,626,547,289

25. INCOME TAX

Income tax expense (benefit) of the Company consists of the following:

	2025	2024
	Rp	Rp
Current tax	3,847,940,106	-
Deferred tax	(370,929,681)	20,216,556,655
Total tax expense	3,477,010,425	20,216,556,655

Deferred Tax

The detail of the Company's deferred tax assets is as follows:

	April 1, 2023	(Charged) credited to profit or loss for the year	Credited to other comprehensive income	March 31, 2024	(Charged) credited to profit or loss for the year	Credited to other comprehensive income	Adjustment to Deferred Tax	March 31, 2025
	Rp	Rp	Rp	Rp	Rp	Rp	Rp	Rp
Deferred tax asset (liabilities):								
Fiscal loss	20,291,412,812	(20,291,412,812)	-	-	-	-	-	-
Albwanee for credit losses	8,874,271,301	(990,000,000)	-	7,884,271,301	-	-	-	7,884,271,301
Accrued expenses	7,218,882,982	(1,375,118,583)	-	5,843,764,399	370,022,643	-	-	6,213,787,042
Property, plant and equipment	(13,442,918,362)	1,556,355,960	-	(11,886,562,402)	(18,103,100)	-	(141,664,130)	(12,046,329,632)
Right of Used Asset	-	-	-	-	186,296,212	-	29,234,836	215,531,048
Lease Liabilities	-	-	-	-	(1,047,200,000)	-	-	(1,047,200,000)
Post-employment benefits obligation	4,464,002,620	883 618 780	(242,501,380)	5,105,120,020	992,343,220	(174,821,460)	-	5,922,641,780
Deferred tax asset - net	27,405,651,353	(20,216,556,655)	(242,501,380)	6,946,593,318	483,358,975	(174,821,460)	(112,429,294)	7,142,701,539

A reconciliation between the tax expense (benefit) and the amounts computed by applying the effective tax rates to profit before tax is as follows:

	2025	2024
	Rp	Rp
Profit before tax per statements of profit or loss and other comprehensive income	42,693,855,245	47,266,859,554
Tax expense at effective tax rates	9,392,648,154	10,398,709,102
Tax effect of permanent differences	3,674,057,567	1,069,878,125
Deferred tax from fiscal loss not recognized	-	9,702,124,590
Utilized fiscal loss in current year	(9,702,124,590)	-
Others	112,429,294	(954,155,162)
Tax expense	3,477,010,425	20,216,556,655

Current tax

Reconciliation between profit before tax per statements of profit or loss and other comprehensive income and fiscal profit is as follows:

	2025	2024
	Rp	Rp
Profit before tax per statements of profit or loss and other comprehensive income	47,266,859,554	47,266,859,554
Temporary differences:		
Allowance for credit losses	(4,500,000,000)	(4,500,000,000)
Accrued expenses	(6,250,539,014)	(6,250,539,014)
Depreciation of property, plant and equipment	2,737,276,359	2,737,276,359
	-	-
	-	-
Employee benefits	4,016,449,000	4,016,449,000
Total	(3,996,813,656)	(3,996,813,656)
Permanent differences:		
Allowance for inventory obsolescence	2,220,353,633	2,220,353,633
Employee welfare	1,606,144,547	1,606,144,547
Tax expenses	1,090,880,365	1,090,880,365
Interest income already subjected to final tax	(306,830,407)	(306,830,407)
Others	252,534,247	252,534,247
Total	4,863,082,385	4,863,082,385
Fiscal profit before fiscal loss carryforward	48,133,128,284	48,133,128,284
Fiscal loss carryforward - net of expired portion	(92,233,694,602)	(92,233,694,602)
Total accumulated fiscal loss	(44,100,566,318)	(44,100,566,318)
Current tax	Nil	Nil

Pillar Two Global Minimum Tax

The Ministry of Finance Regulation No. PMK-136 Year 2024 (PMK-136) was enacted in Indonesia, the jurisdiction in which the Company is incorporated, and came into effect on January 1, 2025. Management assessed that the Company has no material current tax exposure.

26. NATURE OF RELATIONSHIP AND TRANSACTIONS WITH RELATED PARTIES

Nature of Relationship

- TVS Motor Company Limited, India ("TVS India") is the ultimate holding company and a stockholder of the Company
- 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 Company Philippines Branch.

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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 5,807,288,526 in 2025 (2024: Rp 6,157,240,607).
- Net sales to related parties accounted for 5.81% in 2025 (2024: 0.01%), of the total net sales. At reporting date, the receivables for these sales were presented as trade accounts receivable which constituted 4.05% of the total assets as of March 31, 2025 (2024: 0.03%).
- Purchases from a related party constituted 45% in 2025 (2024: 53%) 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 38% of the total liabilities as of March 31, 2025 (2024: 49%).
- The Company also entered non-trade transactions such as service fee (Note 27b), claim for reimbursements (Note 7), information technology services fees with a related party (Notes 14 and 24), management fee (Note 27c), and loan from shareholder (Note 17).

27. SIGNIFICANT CONTRACTS AND AGREEMENTS

- On April 1, 2022, the Company and TVS India, entered into a License and Technical Assistance Agreement, whereas the Company is engaged in the manufacture, assembly, and sale of certain models of TVS powered two-wheelers and three-wheelers, including electric power train and obtain the right to use industrial property rights and technical information in connection with the

manufacture, assembly, sale, and service of TVS two-wheelers and three-wheelers brands. As per agreement, the Company has to pay royalty of 2% on the net ex-factory price of every product and part sold. The payment of royalty will only begin when the combined production of two-wheelers and three-wheelers exceeds 20,000 units per month. This agreement will be valid for 5 years from effective date.

- The Company and TVS India entered into a Memorandum of Understanding on March 27, 2024, and valid for period April 1, 2024 to March 31, 2025. As per Memorandum, the Company is entitled to receive service fee of every three-wheeled vehicle, sold by TVS India, in the Cambodia region. During the year, the income from such service fee amounted to Rp 517,492,250 in 2025 (2024: Rp 526,025,175). As of the date of issuance of these financial statements, this agreement is still in the process of being extended.
- The Company and TVS Singapore entered into a Service Agreement on November 6, 2023, whereas TVS Singapore will provide the ad-hoc consulting services to the Company related to the advice, assistance and strategy in finance, manpower, and digitalization. During the year, the cost from such management fee amounted to Rp 49,764,000,000 in 2025 and recorded by the Company as part of general and administrative expenses (Note 24). As of the date of issuance of these financial statements, this agreement is still in the process of being extended.
- The Company and PT Industri Ion Mobilitas entered into Asset Transfer Agreement on March 11, 2025 and was formalized by Notarial Deed No. 51 dated March 27, 2025 of Ardy Putra, S.H., M.Kn., notary in Jakarta, related to the acquisition of property and equipment owned by PT Industri Ion Mobilitas. Total property and equipment acquired by the Company amounting to Rp 12,446,249,998.

28. MONETARY ASSETS AND LIABILITIES DENOMINATED IN FOREIGN CURRENCIES

		March 31, 2025		March 31, 2024	
		Foreign Currency	Equivalent in Rp	Foreign Currency	Equivalent in Rp
Monetary Assets					
Cash and cash equivalents	USD	3,040,348	50,433,295,775	4,925,596	78,085,476,399
	EUR	94,429	1,689,617,790	-	-
Trade accounts receivable					
Related party	USD	5,332,888	88,461,944,485	37,938	601,435,870
Third parties	USD	50,763,901	842,071,584,812	61,282,412	971,510,085,203
Other accounts receivable					
Related parties	USD	1,670,943	27,717,610,040	1,332,307	21,121,062,395
Third parties	USD	342,775	5,685,951,700	138,960	2,202,927,807
Security deposits	USD	12,055	199,968,340	24,220	383,959,660
Total monetary assets			1,016,259,972,942		1,073,904,947,334
Monetary liabilities					
Bank loans	USD	37,986,038	630,112,398,344	34,917,026	553,539,605,252
	CNH	1,252,802	2,857,390,802	2,067,770	4,518,657,075
Trade accounts payable					
Related party	USD	35,767,824	593,316,664,180	46,862,054	742,904,137,148
Third parties	USD	2,076,341	34,442,350,977	1,686,771	26,740,383,517
	CNH	4,443,530	10,134,802,859		
	INR	119,865	22,833,000	333,490	63,012,973
		-	-	3,429,554	7,494,535,972
Other accounts payable					
Related party	USD	1,510,433	25,055,056,963	1,289,753	20,446,460,651
Third parties	USD	382,612	6,346,763,875	253,233	4,014,505,602
Loan from shareholder	USD	-	-	2,000,000	31,706,000,000
Total monetary liabilities			1,302,288,261,000		1,391,427,298,191
Net monetary liabilities			(286,028,288,058)		(317,522,350,856)

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The conversion rates used by the Company are as follows:

	March 31, 2025	March 31, 2024
	Rp	Rp
USD	16,588.00	15,853.00
EUR	17,893.00	17,161.00
CNH	2,280.80	2,185.28
RMB	2,283.75	2,193.06
INR	190.49	188.95

29. FINANCIAL INSTRUMENTS, FINANCIAL RISK AND CAPITAL RISK MANAGEMENT

a. Categories and Classes of Financial Instruments

	March 31, 2025		March 31, 2024	
	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	69,015,298,507	-	122,706,735,164	-
Trade accounts receivable				
Related parties	88,461,944,485	-	601,435,870	-
Third parties	821,414,110,487	-	951,857,845,652	-
Other accounts receivable				
Related parties	27,717,610,040	-	21,524,251,401	-
Third parties	8,206,862,805	-	2,203,967,807	-
Other current assets	4,558,667,656	-	4,721,632,303	-
Security deposits	2,030,009,832	-	1,828,506,460	-
Financial liabilities				
Bank loans	-	642,130,207,250	-	562,271,485,109
Trade accounts payable				
Related party	-	593,316,664,180	-	742,904,137,148
Third parties	-	93,283,806,440	-	67,276,232,448
Other accounts payable				
Related party	-	25,055,056,963	-	20,446,460,651
Third parties	-	16,462,368,927	-	10,171,715,364
Accrued expenses	-	123,007,440,428	-	44,932,713,072
Loan from shareholder	-	-	-	31,706,000,000
Deposit from customers	-	1,212,342,344	-	2,206,478,442
Total	1,021,404,503,812	1,494,467,886,532	1,105,444,374,657	1,481,915,222,234

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 2025, if interest rate had been 115 basis points (2024: 55 basis points) higher (lower) and the other variables held constant, the Company's profit after tax would decrease (increase) by Rp 5,760,070,588 (2024: Rp 2,432,538,609).

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, 2025 and 2024 is detailed in Note 28.

The following table details the Company's sensitivity to a 4% (2024: 3%) decrease in the Rupiah against U.S Dollar. 4% in 2025 (2024: 3%) is the sensitivity rate used when reporting foreign

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March 31, 2025 and for the year then ended(Continued)

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 2025 (2024: 3%). A negative number below indicates an increase in profit where the U.S. Dollar weakening 4% and 3% against the relevant currency. For a 4% and 3% 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	
	2025 Rp	2024 Rp
Net profit for the year	(11,788,286,279)	(9,125,285,629)

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. 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.

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 Rp	Loss allowance Rp	Net carrying amount Rp
March 31, 2025					
Cash in banks and cash equivalent (Note 5)	Performing	12-month ECL	69,015,298,507	-	69,015,298,507
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	4,558,667,656	4,558,667,656	
Security deposits	Performing	12-month ECL	2,030,009,832	2,030,009,832	
				(35 837 596 823)	
March 31, 2024					
Cash in banks and cash equivalent (Note 5)	Performing	12-month ECL	122,706,735,164	-	122,706,735,164
Trade accounts receivable (Note 6)	(i)	Lifetime ECL (simplified approach)	988,296,878,345	(35,837,596,823)	952,459,281,522
Other accounts receivable	Performing	12-month ECL	23,728,219,208	23,728,219,208	
Other current assets	Performing	12-month ECL	4,721,632,303	4,721,632,303	
Security deposits	Performing	12-month ECL	1,828,506,460	1,828,506,460	
				(35 837 596 823)	

PT. TVS MOTOR COMPANY INDONESIA

NOTES TO FINANCIAL STATEMENTS

March 31, 2025 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, 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	5.64% - 8.00%	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

March 31, 2024				
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	-	742,904,137,148	-	742,904,137,148
Third parties	-	67,276,232,448	-	67,276,232,448
Other accounts payable				
Related party	-	20,446,460,651	-	20,446,460,651
Third parties	-	10,171,715,364	-	10,171,715,364
Accrued expense	-	44,932,713,072	-	44,932,713,072
Variable interest rate instruments				
Bank loans	7.17% - 8.25%	568,381,017,693	-	568,381,017,693
Lease liabilities	7.60% - 10.90%	2,323,904,000	352,968,000	2,676,872,000
Fixed interest rate instruments				
Loan from shareholder	6.00%	33,291,300,000	-	33,291,300,000
Total		1,489,727,480,376	352,968,000	1,490,080,448,376

All financial assets are due within one year from the end of the reporting period.

PT. TVS MOTOR COMPANY INDONESIA

NOTES TO FINANCIAL STATEMENTS

March 31, 2025 and for the year then ended(Continued)

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 12) and loan from shareholder (Note 17) 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.

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 2024.

The gearing ratio at reporting date is as follows:

	March 31, 2025	March 31, 2024
	Rp	Rp
Debt	653,478,512,908	596,486,474,096
Cash and cash equivalents	69,204,667,401	122,805,247,441
Debt - net	584,273,845,507	473,681,226,655
Equity	631,293,144,630	591,456,478,270
Net debt to equity ratio	93%	80%

30. 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, 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
	596,486,474,096	15,339,763,835	41,652,274,977	653,478,512,908

	April 1, 2023	Financing cash flows	Non-cash transaction changes	March 31, 2024
	Rp	Rp	Rp	Rp
Bank loans	499,556,210,289	42,483,181,556	20,232,093,264	562,271,485,109
Loan from shareholder	-	31,376,000,000	330,000,000	31,706,000,000
Lease liabilities	3,917,144,025	(2,286,212,456)	878,057,418	2,508,988,987
	503,473,354,314	71,572,969,100	21,440,150,682	596,486,474,096

31. SUPPLEMENTAL DISCLOSURES ON NON-CASH ACTIVITIES

	2025	2024
	Rp	Rp
Acquisition of property and equipment through incurrence payable	360,239,200	-

32. MANAGEMENT'S RESPONSIBILITY AND APPROVAL OF FINANCIAL STATEMENTS

The preparation and fair presentation of the financial statements on pages 1 to 39 were the responsibilities of the management and were approved by Director and authorized for issuance on April 29, 2025.

RE-STATED ACCOUNTS OF
PT. TVS MOTOR COMPANY INDONESIA

PT. TVS MOTOR COMPANY INDONESIA

BALANCE SHEET AS AT 31ST MARCH 2025

	Notes	IDR in Mn.	Rupees in crores
ASSETS			
Non-current assets			
Property, plant and equipment	1	4,63,549.48	238.73
Right of use asset	1	15,450.53	7.96
Capital Work in Progress		9,531.12	4.91
Other Non Current Assets	2	2,030.01	1.05
Deferred tax Assets		7,142.70	3.68
		<u>4,97,703.84</u>	<u>256.33</u>
Current assets			
Inventories	3	3,69,923.77	190.51
Financial assets			
i. Trade receivables	4	9,45,800.52	487.09
ii. Cash and cash equivalents	5	69,204.67	35.64
Current tax assets (Net)		-	-
Other current assets	6	3,03,540.00	156.33
		<u>16,88,468.96</u>	<u>869.57</u>
Total Assets		<u>21,86,172.80</u>	<u>1,125.90</u>
EQUITY AND LIABILITIES			
Equity			
Equity share capital	7	16,35,461.61	906.08
Other equity	8	(10,04,168.47)	(580.93)
		<u>6,31,293.14</u>	<u>325.15</u>
Liabilities			
Non-current liabilities			
Financial liabilities			
i. Borrowings		-	-
ii. Lease Liabilities		5,571.10	2.87
Provisions	9	26,921.76	13.86
		<u>32,492.86</u>	<u>16.73</u>
Current liabilities			
Financial liabilities			
i. Borrowings	10	6,42,130.21	330.69
ii. Lease Liabilities		5,777.21	2.98
iii. Trade payables	11	-	-
a. Total outstanding dues of micro and small enterprises		-	-
b. Total outstanding dues other than (iii) (a) above		7,28,117.90	374.98
iv. Other financial liabilities	12	1,212.34	0.62
Current tax liabilities		4,662.98	2.40
Other current liabilities	13	1,40,486.16	72.35
		<u>15,22,386.80</u>	<u>784.02</u>
Total liabilities		<u>15,54,879.66</u>	<u>800.75</u>
Total equity and liabilities		<u>21,86,172.80</u>	<u>1,125.90</u>

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH 2025

	Notes	IDR in Mn.	Rupees in crores
I Revenue from operations	14	17,30,499.30	912.98
II Other income	15	667.33	0.35
III Total Income (I +II)		<u>17,31,166.63</u>	<u>913.33</u>
IV Expenses:			
Cost of material consumed	16	14,73,755.91	777.52
Changes in inventories of finished goods, stock-in -trade and work-in-progress	16	0.00	-
Employee benefits expense	17	34,552.37	18.23
Finance costs	18	42,429.96	22.39
Depreciation and amortisation expense	19	4,508.60	2.38
Other expenses	20	1,33,225.93	70.27
		<u>16,88,472.77</u>	<u>890.79</u>
V Profit before exceptional items,(III - IV)		42,693.86	22.54
VI Exceptional items		-	-
VII Profit before tax (V+ VI)		<u>42,693.86</u>	<u>22.54</u>
VIII Tax expense			
i) Current tax		-	-
ii) Deferred tax		3,477.01	1.83
IX Profit for the year (VII - VIII)		<u>39,216.85</u>	<u>20.71</u>
X Other Comprehensive Income			
A. Items that will not be reclassified to profit or loss			
Remeasurements of post employment benefit obligations		794.64	0.42
Income tax relating to the above items		(174.82)	(0.09)
B. Items that will be reclassified to profit or loss			
Foreign currency translation adjustments		-	85.09
		<u>619.82</u>	<u>85.42</u>
XI Total Comprehensive Income (IX+X)		<u>39,836.67</u>	<u>106.13</u>
XII Earnings per equity share (Face value of IDR.97,400/- each)			
Basic & Diluted earnings per share (in IDR / in rupees)		2,335.56	12.33

PT. TVS MOTOR COMPANY INDONESIA

Notes to Accounts

1 Property, Plant & Equipment

IDR in Millions

Description	Property, Plant & Equipment						
	Land	Buildings	Plant & equipment	Vehicles	Office Equipments	Right of use asset	Total
	1	2	3	4	5	6	7
Cost of assets							
Gross carrying value as at 01-04-2024	3,04,162.00	1,02,705.15	2,42,920.56	1,490.10	15,032.22	6,789.22	6,73,099.24
Additions	-	4,755.06	52,835.72	63.06	3,174.71	15,760.22	76,588.77
Sub-total	3,04,162.00	1,07,460.21	2,95,756.28	1,553.16	18,206.92	22,549.43	7,49,688.01
Sales / deletion	-	-	1,306.08	32.11	577.92	-	1,916.11
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 31-03-2024	-	69,794.88	1,63,397.61	1,305.34	12,366.01	4,037.24	2,50,901.08
For the year	-	5,206.63	10,043.44	47.73	1,399.21	3,061.66	19,758.68
Sub-total	-	75,001.51	1,73,441.05	1,353.07	13,765.22	7,098.91	2,70,659.76
Withdrawn on assets sold / deleted	-	-	1,306.08	15.08	566.71	-	1,887.87
Total	-	75,001.51	1,72,134.97	1,337.99	13,198.50	7,098.91	2,68,771.89
Carrying value							
As at 31-03-2025	3,04,162.00	32,458.70	1,22,315.23	183.06	4,430.50	15,450.53	4,79,000.01

1 Property, Plant & Equipment - (Continued)

Rupees in crores

Description	Property, Plant & Equipment						
	Land	Buildings	Plant & equipment	Vehicles	Office Equipments	Right of use asset	Total
	1	2	3	4	5	6	7
Cost of assets							
Gross carrying value as at 01-04-2024	159.69	53.92	127.53	0.78	7.89	3.56	353.38
Additions	-	2.45	27.21	0.03	1.63	8.12	39.44
Foreign Currency translation reserve difference	(3.04)	(1.03)	(2.43)	(0.01)	(0.15)	(0.07)	(6.73)
Sales / deletion	-	-	0.67	0.02	0.30	-	0.99
Total	156.65	55.34	151.64	0.78	9.08	11.61	385.10
Depreciation / Amortisation							
Upto 31-03-2024	-	36.64	85.78	0.69	6.49	2.12	131.72
For the year	-	2.75	5.30	0.03	0.74	1.62	10.42
Foreign Currency translation reserve difference	-	(0.76)	(1.74)	(0.01)	(0.13)	(0.08)	(2.73)
Withdrawn on assets sold / deleted	-	-	0.69	0.01	0.30	-	1.00
Total	-	38.63	88.65	0.69	6.80	3.66	138.42
Carrying value							
As at 31-03-2025	156.64	16.72	62.99	0.09	2.28	7.96	246.69

PT. TVS MOTOR COMPANY INDONESIA

Notes on accounts - (continued)

	IDR in Mn. As at 31-03-2025	Rupees in crores As at 31-03-2025		IDR in Mn. As at 31-03-2025	Rupees in crores As at 31-03-2025
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	2,030.01	1.05	OCI	12,303.78	6.35
	<u>2,030.01</u>	<u>1.05</u>	Retained earnings	(15,09,159.97)	(792.19)
			Foreign currency translation reserve	2,16,192.52	62.51
				<u>(10,04,168.47)</u>	<u>(580.93)</u>
3 INVENTORIES			9 NON - CURRENT LIABILITIES - PROVISIONS		
Raw materials and components	3,31,390.80	170.67	Provision for employee benefits - Pension	26,921.76	13.86
Finished goods	37,072.12	19.09		<u>26,921.76</u>	<u>13.86</u>
Stores and spares	1,460.85	0.75			
	<u>3,69,923.77</u>	<u>190.51</u>			
			10 FINANCIAL LIABILITIES - BORROWINGS (CURRENT)		
4 TRADE RECEIVABLES			Borrowings repayable on demand from banks		
Secured, considered good			Secured	3,84,186.81	197.85
Unsecured, considered good	9,45,800.52	487.09	Unsecured	2,57,943.40	132.84
	<u>9,45,800.52</u>	<u>487.09</u>		<u>6,42,130.21</u>	<u>330.69</u>
Less : Loss allowance	-	-			
	<u>9,45,800.52</u>	<u>487.09</u>			
			11 TRADE PAYABLES		
5 CASH AND CASH EQUIVALENTS			Dues to Micro and Small Enterprises **		
Balances with banks in current accounts	69,204.67	35.64	Dues to enterprises other than Micro and Small Enterprises	7,28,117.90	374.98
Cash on hand	-	-		<u>7,28,117.90</u>	<u>374.98</u>
	<u>69,204.67</u>	<u>35.64</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.		
6 OTHER CURRENT ASSETS			12 OTHER FINANCIAL LIABILITIES		
Vendor advance	26,385.38	13.59	Trade deposits	1,212.34	0.62
VAT receivable	2,70,188.47	139.15		<u>1,212.34</u>	<u>0.62</u>
Others	6,966.15	3.59			
	<u>3,03,540.00</u>	<u>156.33</u>			
			13 OTHER CURRENT LIABILITIES		
7 EQUITY SHARE CAPITAL			Accrued expenses	1,23,007.44	63.35
Authorised, issued, subscribed and fully paid up:			Advance received from customers	17,478.72	9.00
Authorised:				<u>1,40,486.16</u>	<u>72.35</u>
17,500,000 Ordinary shares of IDR.97,400 each	17,04,500.00	944.33			
Issued, subscribed and fully paid up:					
16,791,187 Ordinary shares of IDR.97,400 each	16,35,461.61	906.08			
	<u>16,35,461.61</u>	<u>906.08</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			17 EMPLOYEE BENEFITS EXPENSE		
Sale of products	17,28,690.57	912.02	Salaries, wages and bonus	34,552.37	18.23
Sale of service	1,015.40	0.54		<u>34,552.37</u>	<u>18.23</u>
Other operating revenue	793.33	0.42			
	<u>17,30,499.30</u>	<u>912.98</u>			
15 OTHER INCOME			18 FINANCE COSTS		
Interest income	205.72	0.11	Interest	<u>42,429.96</u>	<u>22.39</u>
Other non-operating income	461.61	0.24		<u>42,429.96</u>	<u>22.39</u>
	<u>667.33</u>	<u>0.35</u>			
16 MATERIAL COST :			19 DEPRECIATION AND AMORTISATION EXPENSE		
Cost of Materials Consumed			Depreciation on property plant and equipment	1,446.94	0.76
Opening stock of raw materials and components	3,88,649.79	181.52	Depreciation on right of use asset	3,061.66	1.62
Add: Purchases	<u>14,16,496.92</u>	<u>766.67</u>		<u>4,508.60</u>	<u>2.38</u>
	18,05,146.71	948.19			
Less: Closing stock of raw materials and components	<u>3,31,390.80</u>	<u>170.67</u>	20 OTHER EXPENSES		
	<u>14,73,755.91</u>	<u>777.52</u>	(a) Rent	8,374.05	4.42
Consumption of raw materials and components			(b) Repairs & Maintenance	293.70	0.15
			(c) Insurance	2,746.16	1.45
Changes in inventories of finished goods, work-in-progress and stock-in-trade:			(d) Rates and taxes (excluding taxes on income)	2,582.41	1.36
Opening stock:			(e) Audit fees	1,520.00	0.80
Finished goods	<u>37,072.12</u>	<u>19.09</u>	(f) Transportation Charges	4,479.01	2.36
(A)	<u>37,072.12</u>	<u>19.09</u>	(g) Training & Development	5,427.30	2.86
			(h) Advertisement and publicity	27,753.78	14.64
Closing stock:			(i) Foreign exchange loss	16,156.02	8.52
Finished goods	<u>37,072.12</u>	<u>19.09</u>	(j) Miscellaneous expenses	63,893.50	33.71
(B)	<u>37,072.12</u>	<u>19.09</u>		<u>1,33,225.93</u>	<u>70.27</u>
(A)-(B)	<u>0.00</u>	<u>-</u>			

THE GO CORPORATION

Report of the statutory auditor on the limited statutory examination to the General Meeting of Shareholders of the GO corporation, Zurich

Bassersdorf, April 15, 2025

As statutory auditor, we have examined the financial statements (balance sheet, income statement and notes) of the GO corporation for the financial year ended December 31, 2024.

These financial statements are the responsibility of the Board of Directors. Our responsibility is to perform a limited statutory examination on these financial statements. We confirm that we meet the licensing and independence requirements as stipulated by Swiss law.

We conducted our examination in accordance with the Swiss Standard on the Limited Statutory Examination. This standard requires that we plan and perform a limited statutory examination to identify material misstatements in the financial statements. A limited statutory examination consists primarily of inquiries of company personnel and analytical procedures as well as detailed tests of company documents as considered necessary in the circumstances. However, the testing of operational processes and the internal control system, as well as inquiries and further testing procedures to detect fraud or other legal violations, are not within the scope of this examination.

Based on our limited statutory examination, nothing has come to our attention that causes us to believe that the financial statements and the proposed appropriation of available earnings do not comply with Swiss law and the Company's articles of incorporation.

renius revisions ag

Tanja Jager
Dipl. Treuhandexpertin
Zugelassene Revisionsexpertin RAB
Leitende Revisorin

Enclosures:

- Financial Statements (Balance Sheet, Income Statement, Notes)
- Proposed appropriation of available earnings

BALANCE SHEET AS OF 31. DECEMBER

(in Swiss francs)

	2024	%	2023	%
Assets				
Current assets				
Cash and cash equivalents	2774'310.97		600'127.37	
Trade receivables				
From third parties	97'886.91		81'637.40	
From associated companies	310'234.80		299'502.24	
Other current receivables				
From third parties	124'837.85		187'381.28	
Inventories and non-invoiced services	2'044'529.00		3'850'535.63	
Accrued income and prepaid expenses	764'367.64		145'387.28	
Total Current assets	6'116'167.17	48%	5'164'571.20	45%
Non-current assets				
Financial assets				
Longterm receivables				
From associated companies	5'539'894.31		5'430'915.61	
Shareholdings	1.00		0.00	
Tangible fixed assets				
Property, plant and equipment				
Office equipment	105'206.99		184'897.08	
Computer equipment	6'300.78		24'997.38	
Vehicles	4'067.90		2'049.31	
Asset under construction	508'354.27		576'745.88	
Intangible fixed assets	463'815.10		0.00	
Total Non-current assets	6'627'640.35	52 %	6'219'605.26	55 %
Total Assets	12'743'807.52	100 %	11'384'176.46	100 %

	2024	%	2023	%
Liabilities and shareholders' equity				
Current liabilities				
Trade creditors				
To third parties	391'429.13		378'264.16	
Other current liabilities				
To third parties	113'922.14		178'422.34	
To associated companies	398'784.55		0.00	
Deferred income and accrued expenses	313'549.66		442'835.60	
Total Current liabilities	1'217'685.48	10 %	999'522.10	9%
Noncurrent liabilities				
Loans (Capital I)				
To third parties	5'995'000.00		6'475'000.00	
To Shareholders	523'050.55		414'999.18	
Other noncurrent financial liabilities				
To Shareholders	0.00		1'500'000.00	
Total Noncurrent liabilities	6'518'050.55	51 %	8'389'999.18	74%
Shareholders' equity				
Share capital	287'921.49		195'242.90	
Statutory capital reserves	9'206'733.69		15'584'602.72	
Voluntary retained earnings				
Balance to be carried forward				
Brought forward from previous year	0.00		-7'587'818.15	
Annual loss	-4'486'583.69		-6'197'372.29	
	-4'486'583.69	-35 %	-13'785'190.44	-121%
Total Shareholders' equity	5'008'071.49	39 %	1'994'655.18	18%
Total Liabilities and shareholders' equity	12'743'807.52	100 %	11'384'176.46	100%

THE GO CORPORATION

INCOME STATEMENT FOR THE YEAR ENDED 31, DECEMBER

(in Swiss francs)

	2024	%	2023	%
Operating income				
Net revenue from sales of goods and services	3'199'582.10		4'480'034.57	
Other operating income	5'570.00		125'257.99	
Deductions and discounts	-188'765.86		-722'386.11	
Total Operating income	3'016'386.24	100 %	3'882'906.45	100 %
Direct Expense				
Expense for materials goods and services	-2'282'622.00		-2'807'917.01	
Expense services	-768.64		-4'920.00	
Total Direct Expense	-2'283'390.64	-76 %	-2'812'837.01	-72 %
Gross profit I	732'995.60	24 %	1'070'069.44	28 %
Employee expenses				
Personnel expenses	-1'973'584.37		-3'079'716.42	
Social security expenses	-267'050.00		-383'499.80	
Other personnel expenses	-63'360.20		-164'114.36	
Total Employee expenses	-2'303'994.57	-76 %	-3'627'330.58	-93 %
Gross profit II	-1'570'998.97	-52 %	-2'557'261.14	-66 %
Other operating expense				
Rental expense	-584'396.97		-887'619.09	
Repairs, maintenance, leasing	-47'906.00		-41'144.22	
Vehicle expense	-1'840.94		-237'36.23	
Business Insurance	-22'133.00		-42'538.70	
Administrative	-339'622.77		-269'566.43	
Advertising expense	-380'651.70		-416'275.96	
Other operational expense	-73'891.60		-51'591.77	
Total Other operating expense	-1'450'442.98	-48 %	-1'732'472.40	-45 %
Earnings before interest, taxes, depreciation				
(EBITDA)	-3'021'441.95	-100 %	-4'289'733.54	-110 %
Depreciation on financial asset items	0.00		-409'951.28	
Depreciation on inventory	-946'198.27		-202'660.00	
Depreciation on fixed asset items	-195'949.40		-275'149.81	
Depreciation on intangible fixed asset items	-96'368.10		0.00	
Earnings before interest, taxes (EBIT)	-4'259'957.72	-141 %	-5'177'494.63	-133 %
Financial expense	-310'088.96		-429'091.85	
Leasing expenses	-14'961.66		-35'619.50	
Financial income	0.00		-242'116.90	
Operating result	-4'585'008.34	-152 %	-5'884'322.88	-152 %
Extraordinary expense	0.00		-321'842.13	
Extraordinary income	101'400.00		7'895.07	
Profit before tax (EBT)	-4'483'608.34	-149 %	-6'198'269.94	-160 %
Direct taxes	-2'975.35		897.65	
Annual loss (EAT)	-4'486'583.69	-149 %	-6'197'372.29	-160 %

THE GO CORPORATION

Notes to the financial statements December 31, 2024 (in Swiss francs)

1. Accounting policies used in the preparation of the financial statements

These financial statements 2024 were prepared under the provisions of the Swiss accounting law in particular the articles of the Swiss Code of Obligations about commercial bookkeeping and accounting (Art. 957 to 962).

The main accounting and valuation principles used, which are not already specified by the Code of Obligations, are described as follows.

2. Details and additional information to the financial statements

	2024	2023
2.1 Inventories		
Bikes and Accessoires	2'044'529	3'850'536

3. Further details required by law

	2024	2023
3.1 Net release of hidden reserves		
Total net release of hidden reserves	0	0

	2024	2023
3.2 Number of employees		
Headcount in full-time equivalents on annual average up to 10 full-time employees		
not over 50 full-time employees	x	x
not over 250 full-time employees		
over 250 full-time employees		

	2024	2023
3.3 Investments		
Business name, legal form, registered office		
EGO Movement Stuttgart GmbH (in EURO)		
Sharecapital	25'000	25'000
Paid in	100%	100%
Capital share in %	100%	100%
Voting share in %	100%	100%

	2024	2023
3.4 Own shares		
	Quantity	Value CHF
Own shares at beginning of period	0	0
Purchase of own shares	0	0
Sale of own shares	0	0
Own shares at the end of the period	0	0

	2024	2023
3.5 Total balance payable from purchase agreement like leasing or other leasing- or rental liabilities, with a term of more than twelve months after the balance sheet date.		
Purchase like leasing with a term of more than 12 months after the balance sheet date.	473'893	684'510

	2024	2023
3.6 Liabilities towards pension funds		
Total liabilities towards pension funds	114'335	125'743

	2024	2023
3.7 Total amount pledged as security for own liabilities or for those of third parties		
none		

	2024	2023
3.8 Contingent liabilities		
Rental guarantees	92'576	118'976

	2024	2023
3.9 Explanations about extraordinary, one-off items or items relating to other periods, in the income statement		
remaining	0	1'620
Consulting and capital increase expenses	0	131'400
Impairment accounts receivables	0	196'168
Correction KER	0	-7'346
Total expenses		321'842
Insurance refunds	0	7'890
various earnings	0	5
Reversal of provisions for the stamp duty	0	101'400
Total income	0	109'295
Total extraordinary, one-off items or items relating to other periods	0	431'137

3.10 Other significant events after the balance sheet date

TVS has purchased the remaining shares from the minority shareholders as per 25.03.2025 and has now 100% control over the GO corporation.

Proposal of the board of directors for appropriation of retained earnings December 31, 2024 (in Swiss francs)

	2024
Profit carried forward from previous year	000
Net income (loss) for the period	-4'486'583.69
Accumulated loss	-4'486'583.69

The Board of Directors proposes that the accumulated loss be offset as follows:

Statutory capital reserves	9'206'733.69
Offset of accumulated loss against statutory capital reserves:	-4'486'583.69
Statutory capital reserves carried forward to new account:	4'720'150.00

**RE-STATED ACCOUNTS OF
THE GO CORPORATION**

THE GO CORPORATION

BALANCE SHEET AS AT 31ST MARCH 2025

	Notes	CHF in Mn.	Rupees in crores
ASSETS			
Non-current assets			
Property, plant and equipment	1	0.10	0.98
Capital work-in-progress		0.54	5.25
Other Intangible assets	1	0.43	4.15
Deferred tax Assets			
		<u>1.07</u>	<u>10.38</u>
Current assets			
Inventories	2	3.42	33.15
Financial assets			
Trade receivables	3	0.61	5.91
Cash and cash equivalents	4	1.54	15.00
Other current assets	5	1.90	18.44
		<u>7.47</u>	<u>72.50</u>
Total Assets		<u>8.55</u>	<u>82.88</u>
EQUITY AND LIABILITIES			
Equity			
Equity share capital	6	0.29	2.63
Other equity	7	0.50	4.96
		<u>0.79</u>	<u>7.59</u>
Liabilities			
Non-Current liabilities			
Financial liabilities			
(i) Borrowing	8	1.68	16.28
		<u>1.68</u>	<u>16.28</u>
Current liabilities			
Financial liabilities			
(i) Borrowings	9	4.78	46.25
(ii) Trade payables	10		
a. Total outstanding dues of micro and small enterprises		-	-
b. Total outstanding dues of other than (ii) (a) above		0.93	9.10
Other Financial Liabilities	11	0.09	0.88
Other Current Liabilities	12	0.28	2.78
		<u>6.08</u>	<u>59.01</u>
Total liabilities		<u>7.76</u>	<u>75.29</u>
Total equity and liabilities		<u>8.55</u>	<u>82.88</u>

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH 2025

	Notes	CHF in Mn.	Rupees in crores
I Revenue from operations	13	2.30	21.94
II Other income		-	-
III Total Income (I + II)		<u>2.30</u>	<u>21.94</u>
IV Expenses:			
Purchases of stock-in-trade		(0.79)	(4.74)
Changes in inventories of Stock-in-trade		3.37	29.35
Employee benefits expense	14	2.23	21.28
Finance costs	15	0.39	3.70
Depreciation and amortisation expense	16	0.44	4.20
Other expenses	17	2.30	21.96
		<u>7.94</u>	<u>75.75</u>
V Profit before exceptional items (III - IV)		(5.64)	(53.81)
VI Exceptional items		-	-
VII Profit before tax (V+ VI)		<u>(5.64)</u>	<u>(53.81)</u>
VIII Tax expense			
i) Current tax		-	0.03
ii) Deferred tax		-	-
IX Profit for the year (VII - VIII)		<u>(5.64)</u>	<u>(53.84)</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		(0.18)	28.38
		<u>(0.18)</u>	<u>28.38</u>
XI Total Comprehensive Income (IX + X)		<u>(5.82)</u>	<u>(25.46)</u>
XII Earnings per equity share (Face value of CHF .01/- each)			
Basic & Diluted earnings per share (in CHF/ in rupees)		(0.20)	(18.70)

THE GO CORPORATION

Notes on Accounts

	CHF in Mn.	Rupees in crores		CHF in Mn.	Rupees in crores
	As at 31-03-2025	As at 31-03-2025		As at 31-03-2024	As at 31-03-2024
2 INVENTORIES			10 TRADE PAYABLES		
Stock in trade	3.42	33.15	Current		
	<u>3.42</u>	<u>33.15</u>	Dues to Micro and Small Enterprises**	-	-
			Dues to enterprises other than Micro and Small Enterprises	0.93	9.10
3 TRADE RECEIVABLES				<u>0.93</u>	<u>9.10</u>
Unsecured, considered good	1.16	11.22	** 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.		
Less: Loss allowance	0.55	5.31	11 OTHER FINANCIAL LIABILITIES		
	<u>0.61</u>	<u>5.91</u>	Interest accrued	0.09	0.88
4 CASH AND CASH EQUIVALENTS				<u>0.09</u>	<u>0.88</u>
Cash in hand	-	0.04	12 OTHER CURRENT LIABILITIES		
Cash at bank	1.54	14.96	Statutory dues	0.07	0.69
	<u>1.54</u>	<u>15.00</u>	Rental deposit	0.09	0.90
5 OTHER CURRENT ASSETS			Others	0.12	1.19
Vendor advance	1.57	15.24		<u>0.28</u>	<u>2.78</u>
Prepaid expenses	0.12	1.14			
Trade deposits	0.21	2.06			
	<u>1.90</u>	<u>18.44</u>		CHF in Mn.	Rupees in crores
6 EQUITY SHARE CAPITAL				For the year ended	For the year ended
Issued, subscribed and fully paid up:				31-03-2025	31-03-2025
2,87,93,149 Ordinary shares of CHF 0.01 each	0.29	2.63	13 REVENUE FROM OPERATIONS		
	<u>0.29</u>	<u>2.63</u>	Sale of Product	2.02	19.31
			Sale of service	0.28	2.63
7 OTHER EQUITY			Other operating revenues	-	-
Retained earnings	(8.79)	(79.01)		<u>2.30</u>	<u>21.94</u>
Capital reserve	9.21	73.59	14 EMPLOYEE BENEFITS EXPENSE		
Foreign currency translation reserve	0.08	10.38	Salaries, wages and bonus	1.90	18.14
	<u>0.50</u>	<u>4.96</u>	Contribution to provident and other funds	0.27	2.55
8 FINANCIAL LIABILITIES - BORROWINGS (NON CURRENT)			Staff welfare expenses	0.06	0.59
Unsecured				<u>2.23</u>	<u>21.28</u>
Term Loan from :			15 FINANCE COST		
Bank	1.23	11.92	Finance cost	0.39	3.70
Others	0.45	4.36		<u>0.39</u>	<u>3.70</u>
	<u>1.68</u>	<u>16.28</u>	16 DEPRECIATION		
9 FINANCIAL LIABILITIES - BORROWINGS (CURRENT)			Depreciation on property plant and equipment	0.19	1.82
Unsecured			Amortisation on intangible assets	0.25	2.38
Short term loans from others (Unsecured)	4.48	43.34		<u>0.44</u>	<u>4.20</u>
Current maturity of LTB	0.30	2.91	17 OTHER EXPENSES		
	<u>4.78</u>	<u>46.25</u>	(a) Rent	0.70	6.72
			(b) Other marketing expenses	0.45	4.32
			(c) Miscellaneous expenses	1.15	10.92
				<u>2.30</u>	<u>21.96</u>

THE GO CORPORATION

Notes on Accounts

1 PROPERTY, PLANT & EQUIPMENT AND INTANGIBLE ASSETS

CHF in Mn.

Description	Property, Plant & Equipment					Other Intangible			
	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 01-04-2024	0.39	0.13	0.01	0.06	0.59	0.76	0.07	0.10	0.93
Additions during the year	0.08	-	-	-	0.08	0.13	-	-	0.13
Sub-total	0.47	0.13	0.01	0.06	0.67	0.89	0.07	0.10	1.06
Sales / deletion	-	-	-	-	-	-	-	-	-
Total	0.47	0.13	0.01	0.06	0.67	0.89	0.07	0.10	1.06
Depreciation / Amortisation									
Upto 31-03-2024	0.21	0.13	0.01	0.03	0.38	0.33	0.02	0.02	0.37
For the year	0.16	-	-	0.03	0.19	0.18	-	0.07	0.25
Sub-total	0.37	0.13	0.01	0.06	0.57	0.51	0.02	0.09	0.62
Withdrawn on assets sold / deleted	-	-	-	-	-	-	-	-	-
Total	0.37	0.13	0.01	0.06	0.57	0.51	0.02	0.09	0.62
Carrying value									
As at 31-03-2025	0.10	-	-	-	0.10	0.38	0.05	0.00	0.43

1 PROPERTY, PLANT & EQUIPMENT AND INTANGIBLE ASSETS

Rupees in crores

Description	Property, Plant & Equipment					Other Intangible			
	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 01-04-2024	3.59	1.20	0.09	0.55	5.43	6.99	0.64	0.87	8.50
Additions	0.77	-	-	-	0.77	1.26	-	-	1.26
Foreign Currency translation reserve difference	0.19	0.06	0.01	0.03	0.28	0.37	0.04	-	0.41
Sales / deletion	-	-	-	-	-	-	-	-	-
Sub-total	4.55	1.26	0.10	0.58	6.49	8.62	0.68	0.87	10.17
Total	4.55	1.26	0.10	0.58	6.49	8.62	0.68	0.87	10.17
Depreciation / Amortisation									
Upto 31-03-2024	1.93	1.20	0.09	0.28	3.50	3.04	0.19	0.18	3.41
For the year	1.53	-	-	0.29	1.81	1.72	-	0.67	2.38
Foreign Currency translation reserve difference	0.12	0.06	0.00	0.02	0.21	0.18	0.01	0.02	0.21
Withdrawn on assets sold / deleted	-	-	-	-	-	-	-	-	-
Sub-total	3.58	1.26	0.10	0.58	5.52	4.94	0.20	0.87	6.01
Total	3.58	1.26	0.10	0.58	5.52	4.94	0.20	0.87	6.01
Carrying value									
As at 31-03-2025	0.98	-	-	-	0.98	3.68	0.47	(0.00)	4.15

REPORT OF THE DIRECTOR FOR THE YEAR ENDED 31 MARCH 2025

The directors present their report with the financial statements of the company for the year ended 31 March 2025.

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

EBCO 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.

During the year, TVS Motor (Singapore) Pte Limited acquired the remaining 30% stake in EBCO making it a wholly owned subsidiary.

The sales for FY 2025 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, EBCO is well placed to capture additional market share in FY 2026.

DIRECTORS

S M Mishra has held office during the whole of the period from 1 April 2024 to the date of this report.

Other changes in directors holding office are as follows:

R Ramanathan - appointed 26 March 2025

D B Kataria - appointed 26 March 2025

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.

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

28th April 2025

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF EBCO LIMITED

Opinion

We have audited the financial statements of EBCO Limited (the 'company') for the year ended 31 March 2025 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 2025 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;
- Reviewing minutes of meetings of those charged with governance; 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
29 April 2025

**INCOME STATEMENT
FOR THE YEAR ENDED 31 MARCH 2025**

		2025	2024
	Notes	£	£
TURNOVER		1,128,268	635,011
Cost of sales		1,509,943	815,792
GROSS LOSS		(381,675)	(180,781)
Administrative expenses		976,473	987,371
		(1,358,148)	(1,168,152)
Other operating income		16,636	-
OPERATING LOSS	4	(1,341,512)	(1,168,152)
Interest payable and similar expenses		252,448	197,509
LOSS BEFORE TAXATION		(1,593,960)	(1,365,661)
Tax on loss		-	-
LOSS FOR THE FINANCIAL YEAR		(1,593,960)	(1,365,661)

BALANCE SHEET AS AT 31 MARCH 2025

	Notes	2025		2024	
		£	£	£	£
FIXED ASSETS					
Intangible assets	5		44,270		59,954
Tangible assets	6		5,715		11,026
			49,985		70,980
CURRENT ASSETS					
Stocks	7	1,284,230		2,769,582	
Debtors	8	408,175		329,146	
Cash in hand		250		-	
		1,692,655		3,098,728	
CREDITORS					
Amounts falling due within one year	9	1,913,683		5,586,791	
NET CURRENT LIABILITIES			(221,028)		(2,488,063)
TOTAL ASSETS LESS CURRENT LIABILITIES			(171,043)		(2,417,083)
CAPITAL AND RESERVES					
Called up share capital	11		2,020		100
Share premium	12		4,058,050		219,970
Retained earnings	12		(4,231,113)		(2,637,153)
			(171,043)		(2,417,083)

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 28 April 2025 and were signed on its behalf by:

R. Ramanathan
Director
Company Registration No. 07176978

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2025

1 STATUTORY INFORMATION

EBCO 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 made significant losses in the current financial year as it has been investing in advertising and additional staffing costs to accommodate future sales of a new bike range that is due to be launched. At the balance sheet date the company had net current liabilities of £221,028 (2024 - £2,488,063) and total net liabilities of £171,043 (2024-£2,417,083).

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 as such 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.

Hire purchase and leasing commitments

Rentals paid under operating leases are charged to profit or loss on a straight line basis over the period of the lease.

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.

NOTES TO THE FINANCIAL STATEMENTS - 31 MARCH 2025 (Continued)

3. EMPLOYEES AND DIRECTORS

The average number of employees during the year was 8 (2024 - 10).

4. OPERATING LOSS

The operating loss is stated after charging:

	2025	2024
	£	£
Depreciation - owned assets	5,311	4,016
Goodwill amortisation	-	3,750
Website, trademarks and branding amortisation	15,684	14,624
Auditors' remuneration	11,000	9,000

5. INTANGIBLE FIXED ASSETS

	Goodwill £	Website, trademarks and branding £	Totals £
COST			
At 1 April 2024 and 31 March 2025	25,000	114,412	139,412
AMORTISATION			
At 1 April 2024	25,000	54,458	79,458
Amortisation for year	-	15,684	15,684
At 31 March 2025	25,000	70,142	95,142
NET BOOK VALUE			
At 31 March 2025	-	44,270	44,270
At 31 March 2024	-	59,954	59,954

6. TANGIBLE FIXED ASSETS

	Plant & machinery £	Fixtures & fittings £	Office equipment £	Totals £
COST				
At 1 April 2024 and 31 March 2025	15,000	3,064	19,135	37,199
DEPRECIATION				
At 1 April 2024	8,816	3,064	14,293	26,173
Charge for year	1,002	-	4,309	5,311
At 31 March 2025	9,818	3,064	18,602	31,484
NET BOOK VALUE				
At 31 March 2025	5,182	-	533	5,715
At 31 March 2024	6,184	-	4,842	11,026

NOTES TO THE FINANCIAL STATEMENTS - 31 MARCH 2025 (Continued)

	2025	2024
	£	£
7. STOCKS		
Raw materials	18,044	22,986
Finished goods	1,266,186	2,746,596
	<u>1,284,230</u>	<u>2,769,582</u>

8. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

Trade debtors	335,364	287,843
Other debtors	72,811	41,303
	<u>408,175</u>	<u>329,146</u>

9. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

Bank loans and overdrafts	1,369,756	1,937,034
Trade creditors	335,185	243,686
Amounts owed to related parties	1,930	3,141,930
Taxation and social security	56,968	38,210
Other creditors	149,844	225,931
	<u>1,913,683</u>	<u>5,586,791</u>

During the year, the company ordered a shipment of e-bikes which were damaged in transit amounting to £105,764 and are subject to an insurance claim at the year end. The company is confident of receiving the full insurance payout and have provided against this invoice. The trade creditors have been reduced by a further £300,915 due to the company rejecting three shipments of e-bikes arising from quality issues. The bikes have been returned to the supplier and they believe they have no obligation to pay for them. A further £13,576 has been provided for relating to ancillary costs of receiving the faulty bikes that the company also expect to be refunded.

Amounts owed to related parties has reduced considerably during the year, due to a convertible debt upon issue of 1,920 Ordinary £1 shares, payable at a premium of £1,999 per share, with the debt being applied in paying up the shares in full, thus reducing the company of its liability to repay the debt to the equivalent value of £3,840,000.

10. SECURED DEBTS

The following secured debts are included within creditors:

Bank overdrafts	1,369,756	1,937,034
Invoice factoring	254,430	173,201
	<u>1,624,186</u>	<u>2,110,235</u>

The invoice factoring liability within trade 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

During the year, there was an allotment of 1,920 Ordinary £1 shares, paid at a premium of £1,999 per share. The shares were issued to the TVS Motor (Singapore) Pte Ltd and it was agreed that the issue of the shares will reduce the Company's liability to repay the debt to the parent company by £3,840,000. The debt shall be applied in paying up the shares which releases the company from its liability to repay the debt of the aforementioned value.

12. RESERVES

	Retained earnings	Share premium	Totals
	£	£	£
At 1 April 2024	(2,637,153)	219,970	(2,417,183)
Deficit for the year	(1,593,960)	-	(1,593,960)
Cash share issue	-	3,838,080	3,838,080
At 31 March 2025	(4,231,113)	4,058,050	(173,063)

Retained earnings

Retained earnings represent cumulative retained profits and losses from incorporation.

Share premium

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 £11,552 (2024 - £7,073).

The outstanding pension contributions due from the company and amounted to £2,000 (2024 - £2,140).

14. ULTIMATE CONTROLLING PARTY

During the year, TVS Motor (Singapore) Pte Ltd, acquired the remaining 30% shareholding in the company. At the balance sheet date the company was 100% owned by TVS Motor (Singapore) Pte Ltd, a company incorporated in Singapore.

The ultimate parent company was 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.

15. CONTROLLING INTERESTS

The directors are considered to be the ultimate controlling parties by virtue of their ability to act in concert in respect of the financial and operating policies of the company.

EBCO LIMITED

NOTES TO THE FINANCIAL STATEMENTS - 31 MARCH 2025 (Continued)

	2025		2024	
	£	£	£	£
Sales		1,128,268		635,011
Cost of sales				
Opening stock	2,769,583		805,610	
Purchases	13,573		2,741,610	
Foreign exchange losses	11,017		38,155	
	2,794,173		3,585,375	
Closing stock	(1,284,230)		(2,769,583)	
		1,509,943		815,792
GROSS LOSS		(381,675)		(180,781)
Other income				
Sundry receipts		16,636		-
		(365,039)		(180,781)
Expenditure				
Wages	500,776		503,808	
Social security	63,608		51,618	
Pensions	11,552		7,073	
Rent	93,393		42,349	
Rates and water	7,058		7,522	
Insurance	60,095		51,944	
Light and heat	65		6,366	
Telephone	3,065		5,246	
Post and stationery	2,536		1,537	
Travelling	60,540		78,886	
Motor expenses	20,563		24,407	
Repairs and renewals	426		1,140	
Factoring charges	28,308		18,608	
Computer costs	6,229		4,934	
Sundry expenses	3,911		11,778	
Accountancy	11,390		17,695	
Subscriptions	1,590		10,657	
Late payment penalties	125		-	
Legal and professional fees	6,308		8,688	
Marketing consultancy	-		14,823	
Auditors' remuneration	11,000		9,000	
Amortisation of intangible fixed assets	-		3,750	
Goodwill				
Website, trademarks and branding	15,684		14,624	
Advertising	55,637		78,312	
Entertainment	357		174	
Bad debts	-	-	9,961	
Carried forward	964,216	(365,039)	984,900	(180,781)

This page does not form part of the statutory financial statements

EBCO LIMITED

NOTES TO THE FINANCIAL STATEMENTS - 31 MARCH 2025 (Continued)

	2025		2024	
	£	£	£	£
Brought forward	964,216	(365,039)	984,900	(180,781)
		964,216		984,900
		(1,329,255)		(1,165,681)
Finance costs				
Bank charges	6,260		2,932	
Credit card	686		523	
Bank interest	144,731		110,651	
Other interest	107,717		86,858	
		259,394		200,964
		(1,588,649)		(1,366,645)
Depreciation				
Plant and machinery	1,002		1,103	
Computer equipment	4,309		2,913	
		5,311		4,016
		(1,593,960)		(1,370,661)
Profit on disposal of fixed assets				
Motor vehicles		-		5,000
NET LOSS		(1,593,960)		(1,365,661)

**RE-STATED ACCOUNTS OF
EBCO LIMITED**

BALANCE SHEET AS AT 31ST MARCH 2025

	Notes	GBP in Mn.	Rupees in crores
ASSETS			
Non-current assets			
Property, plant and equipment	1	0.01	0.06
Capital work-in-progress		-	-
Intangible assets	1	0.04	0.49
Deferred tax Assets		-	-
		<u>0.05</u>	<u>0.55</u>
Current assets			
Inventories	2	1.29	14.22
Financial assets			
Trade receivables	3	0.34	3.71
Cash and cash equivalents		-	-
Other financial assets		-	-
Other current assets	4	0.07	0.81
		<u>1.70</u>	<u>18.74</u>
Total Assets		<u>1.75</u>	<u>19.29</u>
EQUITY AND LIABILITIES			
Equity			
Equity share capital	5	-	0.02
Other equity	6	(0.17)	(1.91)
		<u>(0.17)</u>	<u>(1.89)</u>
Liabilities			
Non-Current liabilities			
Financial liabilities			
(i) Borrowing		-	-
(ii) Lease liability		-	-
Provisions		-	-
		<u>-</u>	<u>-</u>
Current liabilities			
Financial liabilities			
(i) Borrowing	7	1.37	15.18
(ii) Lease liability		-	-
(iii) Trade payables	8		
a. Total outstanding dues of micro and small enterprises		-	-
b. Total outstanding dues of other than (iii) (a) above		0.37	4.05
Other current liabilities	9	0.18	1.95
		<u>1.92</u>	<u>21.18</u>
Total liabilities		<u>1.92</u>	<u>21.18</u>
Total equity and liabilities		<u>1.75</u>	<u>19.29</u>

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH 2025

	Notes	GBP in Mn.	Rupees in crores
I Revenue from operations	10	1.13	12.17
II Other income	11	0.02	0.18
III Total Income (I + II)		<u>1.15</u>	<u>12.35</u>
IV Expenses:			
Purchases of stock-in-trade		0.03	1.41
Changes in inventories of Stock-in -trade		1.48	14.87
Employee benefits expense	12	0.57	6.21
Finance costs	13	0.25	2.72
Depreciation and amortisation expense	14	0.03	0.23
Other expenses	15	0.38	4.09
		<u>2.74</u>	<u>29.53</u>
V Profit before exceptional items (III - IV)		(1.59)	(17.18)
VI Exceptional items		-	-
VII Profit before tax (V+ VI)		<u>(1.59)</u>	<u>(17.18)</u>
VIII Tax expense			
i) Current tax		-	-
ii) Deferred tax		-	-
IX Profit for the year (VII - VIII)		<u>(1.59)</u>	<u>(17.18)</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		-	(2.85)
		<u>-</u>	<u>(2.85)</u>
XI Total Comprehensive Income (IX + X)		<u>(1.59)</u>	<u>(20.03)</u>
XII Earnings per equity share (Face value of GBP 1/- each)			
Basic & Diluted earnings per share (in GBP/ in rupees)		<u>(787.13)</u>	<u>(85,049.50)</u>

Notes on Accounts
1 PROPERTY, PLANT & EQUIPMENT AND INTANGIBLE ASSETS

GBP in Mn.

Description	Property, Plant & Equipment			Intangible Assets		
	Plant & equipments	Office Equipment	Total	Website	Trade marks	Total
	1	2	3	4	5	6
Cost of assets						
Gross carrying value as at 01-04-2024	0.02	0.02	0.04	0.09	0.01	0.11
Additions	-	-	-	-	-	-
Sub-total	0.02	0.02	0.04	0.09	0.01	0.11
Sales / deletion	-	-	-	-	-	-
Total	0.02	0.02	0.04	0.09	0.01	0.11
Depreciation / Amortisation						
Upto 31-03-2024	0.01	0.01	0.03	0.04	0.01	0.05
For the year	0.00	0.00	0.01	0.01	0.00	0.02
Sub-total	0.01	0.02	0.04	0.05	0.01	0.06
Withdrawn on assets sold / deleted	-	-	-	-	-	-
Total	0.01	0.02	0.04	0.05	0.01	0.06
Carrying value						
As at 31-03-2025	0.01	0.00	0.01	0.04	0.00	0.04

1 PROPERTY, PLANT & EQUIPMENT AND INTANGIBLE ASSETS - (continued)

Rupees in crores

Description	Property, Plant & Equipment			Intangible Assets		
	Plant & equipments	Office Equipment	Total	Website	Trade marks	Total
	1	2	3	4	5	6
Cost of assets						
Gross carrying value as at 01-04-2024	0.16	0.20	0.41	0.97	0.15	1.11
Additions	-	-	0.05	-	-	-
Foreign Currency translation reserve difference	0.01	0.01	0.02	0.05	0.01	0.06
Sales / deletion	-	-	-	-	-	-
Sub-total	0.17	0.21	0.48	1.02	0.15	1.17
Total	0.17	0.21	0.48	1.02	0.15	1.17
Depreciation / Amortisation						
Upto 31-03-2024	0.09	0.15	0.35	0.40	0.09	0.48
For the year	0.01	0.05	0.06	0.15	0.02	0.17
Foreign Currency translation reserve difference	0.01	0.01	0.01	0.03	0.01	0.03
Withdrawn on assets sold / deleted	-	-	-	-	-	-
Sub-total	0.11	0.21	0.42	0.57	0.11	0.68
Total	0.11	0.21	0.42	0.57	0.11	0.68
Carrying value						
As at 31-03-2025	0.06	0.01	0.06	0.45	0.04	0.49

EBCO LIMITED

Notes on accounts - (continued)

As at 31-03-2025			For the Year Ended 31-03-2025		
	GBP in Mn.	Rupees in crores		GBP in Mn.	Rupees in crores
2 INVENTORIES			10 REVENUE FROM OPERATIONS		
Stock in trade	1.29	14.22	Sale of Product	1.13	12.17
	<u>1.29</u>	<u>14.22</u>		<u>1.13</u>	<u>12.17</u>
3 TRADE RECEIVABLES			11 OTHER INCOME		
Unsecured, considered good	0.34	3.71	Other non operating income	0.02	0.18
	<u>0.34</u>	<u>3.71</u>		<u>0.02</u>	<u>0.18</u>
4 OTHER CURRENT ASSETS			12 EMPLOYEE BENEFITS EXPENSE		
Trade Deposits	0.07	0.81	Salaries, wages and bonus	0.50	5.40
	<u>0.07</u>	<u>0.81</u>	Pension Cost	0.01	0.12
			Social Security Cost	0.06	0.69
5 EQUITY SHARE CAPITAL				<u>0.57</u>	<u>6.21</u>
Issued, subscribed and fully paid up: 2020 Ordinary shares of GBP 1 each	-	0.02	13 FINANCE COST		
	<u>-</u>	<u>0.02</u>	Finance cost - Others	0.11	1.16
			Finance cost	0.14	1.56
6 OTHER EQUITY				<u>0.25</u>	<u>2.72</u>
Retained earnings	(4.23)	(43.87)	14 DEPRECIATION		
Capital reserve	4.06	45.30	Depreciation on property plant and equipment	0.01	0.06
Foreign currency translation reserve	-	(3.34)	Amortisation on intangible assets	0.02	0.17
	<u>(0.17)</u>	<u>(1.91)</u>		<u>0.03</u>	<u>0.23</u>
7 FINANCIAL LIABILITIES - BORROWINGS (CURRENT)			15 OTHER EXPENSES		
Unsecured			(a) Audit Fees	0.01	0.12
Borrowings repayable on demand from banks:	1.37	15.16	(b) Bank Charges	0.01	0.07
Current Maturities of long term borrowings:	-	0.02	(c) Rates and Taxes	0.01	0.08
	<u>1.37</u>	<u>15.18</u>	(d) Rent	0.09	1.01
8 TRADE PAYABLES			(e) Insurance	0.06	0.65
Dues to Micro and Small Enterprises**	-	-	(f) Advertisement and Publicity	0.06	0.60
Dues to enterprises other than Micro and Small Enterprises	0.37	4.05	(g) Miscellaneous expenses	0.14	1.56
	<u>0.37</u>	<u>4.05</u>		<u>0.38</u>	<u>4.09</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	0.06	0.63			
Advance from customers	0.10	1.13			
Others	0.02	0.19			
	<u>0.18</u>	<u>1.95</u>			

SWISS E-MOBILITY GROUP (HOLDING) AG

Consolidated income statement in TCHF

	Notes	2024	2023
Net sales from goods and services	1	56'862	67'540
Other income		465	235
Total income		57'327	67'775
Manufacturing costs / cost of goods		-45'820	-53'834
Gross Profit		11'507	13'941
Personnel expenses	2	-16'835	-19'490
Rental expenses		-4'532	-4'046
Logistics expenses		-2'634	-1'471
Marketing expenses		-3'716	-3'800
Other operating expenses	3	-5'331	-5'970
EBITDA		-21'541	-20'836
Depreciation on tangible fixed assets	9	-1'545	-976
Amortization of intangible assets	10	-3'079	-3'142
Profit from disposal of property, plant and equipment		-2	3
EBIT		-26'167	-24'951
Financial result	4	-2'743	-2'418
Ordinary result		-28'910	-27'369
Extraordinary result	14	-158	0
EBT		-29'068	-27'369
Income taxes	5	-14	-741
Net result		-29'082	-28'110

SWISS E-MOBILITY GROUP (HOLDING) AG

Consolidated balance sheet in TCHF

Assets	Notes	31.12.2024	31.12.2023
Cash and cash equivalents		6'119	1'882
Trade receivables	6	2'487	6'015
Other current receivables	7	1'504	3'222
Prepayments to vendors		2'716	3'746
Inventories	8	24'056	35'309
Accrued income and prepaid expenses		870	370
Current assets		37'752	50'544
Property, plant and equipment	9	5'488	5'486
Intangible assets	10	12'635	11'742
Deferred tax assets	5	3'940	3'940
Non-current assets		22'063	21'168
Total assets		59'815	71'712
Liabilities and shareholder's equity			
Current financial liabilities	12	200	200
Trade payables		4'880	5'353
Prepayments from clients		520	1'563
Other current liabilities	11	1'270	2'625
Accrued liabilities and deferred income		2'115	1'706
Current liabilities		8'985	11'447
Non-current financial liabilities	12	41'200	82'000
Other liabilities		18	19
Non-current liabilities		41'218	82'019
Total Liabilities		50'203	93'466
Share capital		270	153
Capital reserves		70'630	10'238
Retained earnings, accumulated losses		-61'288	-32'145
Equity		9'613	-21'754
Total liabilities and equity		59'815	71'712

SWISS E-MOBILITY GROUP (HOLDING) AG

Consolidated cash flow statement

in TCHF

	Notes	2024	2023
Net profit		-29'082	-28'110
Depreciation and amortization	9, 10	4'624	4'118
Income tax expenses	5	14	741
Other non-cash adjustments		-113	552
Profit from disposal of property, plant and equipment		2	-3
Cash flow before changes in net working capital and provisions		-24'555	22'702
Change in trade receivables		3'530	-3'911
Change in inventories		11'309	-5'043
Change in other current receivables, prepayments and accrued income		2'254	-977
Change current liabilities		-2'488	-8'290
Change of other non-current liabilities		-1	12
Paid income taxes (net)		-14	-158
Operating cash flow		-9'965	-41'069
Investment in property, plant and equipment	9,10	-6'012	-5'094
Inflows from disposal of tangible and intangible assets	9,10	504	23
Acquisitions	15	0	-1'004
Cash flow from investing activities		-5'508	-6'075
Issuance/repayment of short-term financial liabilities		0	-20'680
Issuance/repayment of long-term financial liabilities		19'709	66'650
Cash flow from financing activities		19'709	45'970
Total cash flow		4'236	-1'174
Cash and cash equivalents at the beginning of the period		1'882	3'065
Total cash flow		4'236	-1'174
Currency translation effect on cash		1	-9
Cash and cash equivalents at the end of the period		6'119	1'882
Paid interest (included in cash flow from operating activities)		-2'235	-2'189
Received interest (included in cash flow from operating activities)		3	66

SWISS E-MOBILITY GROUP (HOLDING) AG

Consolidated balance sheet
in TCHF

	Share capital*	Capital reserves	Treasury shares	Retained earnings, accumulated losses			Equity
				Profit/losses carried forward	Accumulated translation differences	Total	
01.01.2023	153	10'238	0	-4'534	154	-4'380	6'011
Net result				-28'110		-28'110	-28'110
Currency translation differences				345	345	345	345
31.12.2023	153	10'2380	0	-32 '644	499	-32'145	-21'754
Net result				-29'082		-29'082	-29'082
Capital increase	117	60'392				60'509	
Currency translation differences				9	-70	-61	-61
31.12.2024	270	70'630	0	-61'717	430	-61'288	9'613
Total non-distributable statutory or legal reserves							365
* The share capital is divided into 269'831 registered shares of CHF 1.00							

SWISS E-MOBILITY GROUP (HOLDING) AG

Principles of consolidation

General information

Swiss E-Mobility Group (Holding) AG ("SEMG") is an investment of TVS Motor (Singapore) Pte Limited. SEMG, 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 SEMG. In the e-commerce business, SEMG is represented by its German and Austria subsidiary Colag E-Mobility GmbH and Swiss E-Mobility Group (Österreich) GmbH, respectively, thus acts as a comprehensive omni-channel provider for e-bike products in the market.

SEMG 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 SEMG and its subsidiaries as of December 31, 2024, 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 of 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 SEMG and the Group companies in which SEMG 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 20 to the consolidated financial statements.

Changes in scope of consolidation

... in the year under review (2024)

The scope of consolidation is unchanged from the previous year.

in the previous year (2023)

In September 2023, SEMG started its operation in Austria by setting up company Swiss E-Mobility Group (Österreich) GmbH as part of our expansion plan in DACH region.

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 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

	31.12.24	31.12.23
1 EUR	0.9412	0.9260

Annual average rates in CHF

	2024	2023
1 EUR	0.9526	0.9714

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 (Holding) 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.

Badwill (negative Goodwill)

After the individual assets acquired have been adjusted and the necessary restructuring provisions have been created, badwill is deferred and reversed over time depending on the economic reasons for its occurrence. The costs incurred for the integration are taken into account in the reversal. The badwill is reported under provisions, depending on the planned reversal date under current or non-current.

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 protects capital. As of 31 December 2024, 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 16 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.

SWISS E-MOBILITY GROUP (HOLDING) AG

Erläuterungen zur Konzernrechnung in TCHF

1 Net sales from goods and services

	2024	2023
Trading income E-bikes & bicycles	55,185	66,423
Other trading income	51	53
Service income	2,247	2,360
Reduction of income	-621	-1,296
Net sales from goods and services	56,862	67,540

2 Personnel expenses

In the current year, no short-time compensation has been received. In the previous year, short-time work compensation in the amount of TCHF 91 was recognised as a reduction in personnel expenses.

3 Other operative expenses

	2024	2023
Maintenance and repair	-391	-284
Duties, fees, permits, taxes	-170	-133
Administration expenses	-3,205	-2,086
IT expenses	-1,529	-2,047
Research and development	-165	-107
Energy and consumables	-283	-205
Exchange differences	437	-947
Other	-25	-161
Total	-5,331	-5,970

4 Financial result

	2024	2023
Financial income	3	65
Total financial income	3	65
Interest expenses	-2,235	-2,189
Other financial expenses	-511	-294
Total financial expenses	-2,746	-2,483

Net financial result	-2,743	-2,418

5 Income taxes

	2024	2023
Current income tax expenses	-14	-86
Deferred tax income/(expenses)	0	-655
Total	-14	-741
Mathematically weighted average tax rate	0.0%	-2.7%

Deferred tax assets / deferred tax liabilities

	31-12-2024	31-12-2023
Deferred income tax asset for unused loss carryforwards	3,940	4,595
Deferred tax liabilities on valuation differences	0	-655
Net deferred tax assets	3,940	3,940

6 Trade receivables

	31-12-2024	31-12-2023
Trade receivables, nominal	2,525	6,053
Allowance for doubtful accounts	-38	-38
Trade receivables, net	2,487	6,015

7 Other current receivables

	31-12-2024	31-12-2023
Claims against government agencies	72	520
Transfer account	-39	50
Other current receivables	1,471	2,652
Total	1,504	3,222

8 Inventories

As of 31 December 2024, the Group has inventories worth CHF 24.1m (CHF 35.1m as of 31 December 2023). CHF 21.3 or almost 88% of the total inventory is in Switzerland (as of 31 December 2023: CHF 32.2, around 91%). The remaining inventory is held by the German company Colag E-Mobility GmbH and Swiss E-Mobility Group (Österreich) GmbH.

SWISS E-MOBILITY GROUP (HOLDING) AG

9 Property, plant and equipment

	Machinery and technical equipment	Assets under construction	Furniture and fittings	Vehicles	Total
Historical cost, 31.12.22	6,319	0	4,405	169	10,893
Additions	2,377	1,221	627	0	4,225
Disposals	0	0	0	-40	-40
Reclassifications	35	0	9	0	44
Currency translation differences	-52	0	-9	-2	-63
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
Accum. depreciation, 31.12.22	-4,354	0	-4,121	-104	-8,579
Depreciations	-834	0	-124	-18	-976
Disposals	0	0	0	20	20
Reclassifications	-35	0	-9	0	-44
Currency translation differences	1	0	4	1	6
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
Net book value, 31.12.2022	1,965	0	284	65	2,314
Net book value, 31.12.2023	3,457	1,221	782	26	5,486
Net book value, 31.12.2024	3,193	0	2,281	14	5,488

SWISS E-MOBILITY GROUP (HOLDING) AG

10 Intangible assets

	Software	Trade marks, patents, licences	Development costs	Assets under construction	Goodwill	Total
Historical cost, 31.12.22	5,383	861	287	0	18,555	25,086
Additions	741	127	0	0	0	868
Disposals	0	0	0	0	0	0
Reclassifications	0	0	0	0	0	0
Currency translation differences	0	0	-8	0	0	-8
Historical cost, 31.12.23	6,124	988	279	0	18,555	25,946
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
Accum. amortisations, 31.12.2022	-3,435	-836	-278	0	-6,520	-11,069
Amortisations	-1,234	-44	-8	0	-1,855	-3,141
Disposals	0	0	0	0	0	0
Reclassifications	0	0	0	0	0	0
Currency translation differences	0	0	7	0	-1	6
Accum. amortisations, 31.12.2023	-4,669	-880	-279	0	-8,376	-14,204
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, 31.12.2024	-4,194	-369	0	-281	-10,231	-15,075
Net book value, 31.12.2022	1,948	25	9	0	12,035	14,017
Net book value, 31.12.2023	1,455	108	0	0	10,179	11,742
Net book value, 31.12.2024	1,359	122	0	2,830	8,324	12,635

11 Other current liabilities

	31-12-2024	31-12-2023
Other liabilities to government agencies	0	14
Liabilities from employee benefits	1,214	2426
Other current liabilities third parties	56	185
Total	1,270	2,625

SWISS E-MOBILITY GROUP (HOLDING) AG

12 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	0	40,000	0	40,000
Covid19-loans	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**

31-12-2023

	Residual terms up to 1 year	Residual terms 1 to 5 years	Residual terms over 5 years	Total
Bank loans ¹⁾	0	46,000	0	46,000
Covid19-loans ²⁾	200	1,400	0	1,600
Shareholder loans	0	34,600	0	34,600
Total	200	82,000	0	82,200

Current financial liabilities **200**

Non-current financial liabilities **82,000**

¹⁾ Joint guarantee given to Credit Suisse (Schweiz) AG was dissolved in 2023 with repayment of the related loan and a new guarantee was issued to DBS bank for loan facility of CHF 30000'000.

²⁾ Swiss E-Mobility Group (Schweiz) 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 are subject to the restrictions under the COVID-19 Act and the Hardship Case Ordinance.

13 Employee benefit schemes

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	
	31-12-24	31-12-24	31-12-23		2024	2023
Pension schemes with excess cover	-	-	-	-	-681	-789
Total	-	-	-	-	-681	-789

14 Extraordinary result

	2024	2023
Payment from an insured event	-140	0
Other extraordinary expenses	-18	0
Total	-158	0

SWISS E-MOBILITY GROUP (HOLDING) AG

15 Acquisitions

	2024	2023
Cash and cash equivalents	0	0
Trade receivables	0	0
Other current receivables	0	0
Inventories	0	0
Accrued income and prepaid expenses	0	0
Property, plant and equipment	0	0
Prepayments from clients	0	0
Other current liabilities	0	0
Accrued liabilities and deferred income	0	0
Deferred tax liabilities	0	0
Total net assets acquired	0	0
Goodwill	0	0
Acquired cash	0	0
Remaining purchase price liability	0	0
Net cash outflow for acquisitions made in respective period	0	0
Settlement of purchase price liability	0	1,004
Net cash outflow for acquisitions made	0	1,004

As per share purchase agreement (SPA) entered with Alexand'Ro Edouard'O Passion Velo Sàrl in La Chaux-de Fonds, the final settlement was done in previous year for TCHF 1'004.

16. Derivative financial instruments

There are no open forward transaction as on 31 December 2024, as well as of 31 December 2023.

17 Off-balance sheet leasing/rental obligations

	31-12-2024	31-12-2023
up to 1 year	3,965	3,213
1 to 5 years	9,474	8,234
> 5 years	569	973
Total	14,009	12,420

20 Summary of consolidated companies

Company	Head office	Business activity	Capital		Capital share (=voting share)	31-12-23
			Currency	Amount		
Swiss E-Mobility Group (Holding) AG	Zürich, CH	Holding	CHF	2,69,831		
Swiss E-Mobility Group (Schweiz) AG (formerly: m-way ag)	Zürich, CH	Trading	CHF	10,00,000	100%	100%
Colag E-Mobility 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	100%	100%
Swiss E-Mobility Group (Österreich) GmbH	Wien, AT	Trading	EUR	35,000	100%	100%

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	31.12.2024	31.12.2023
Sales	529	14
Purchase	541	785
Other income	18	59
Other operating expenses	278	48
Financial expenses	596	762
Total	1'962	1'668
Balance Sheet		
Loan from parent entity	0	34'600
Receivables	312	-
Paya bles	683	71
Accrued expenses and deferred income	596	908
Total	1'591	35'579

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 Go Corporation AG - Held by same Parent entity
4. The Norton Motorcycle Co. Limited — Held by same Parent entity

19. Subsequent Events

The Board of Directors intends to perform for restructuring purposes a merger between the companies within the group. The merger is expected to take place by 30 June 2025.

From the balance sheet date, until the financial statements were approved by the Board of Directors on 15 April 2025, no other major events occurred, which could have adversely affected the validity of the consolidated financial statements for 2024 or which would have to be disclosed.

**RE-STATED ACCOUNTS OF
SEMG**

SWISS E-MOBILITY GROUP (HOLDING) AG

BALANCE SHEET AS AT 31ST MARCH 2025

	Notes	CHF in Mn.	Rupees in crores
ASSETS			
Non-current assets			
Property, plant and equipment	1	5.16	50.00
Capital work-in-progress		0.31	3.00
Goodwill		8.24	79.75
Other Intangible assets	1	4.07	39.38
Deferred tax Assets		3.94	38.15
		<u>21.72</u>	<u>210.28</u>
Current assets			
Inventories	2	32.00	309.84
Financial assets			
Trade receivables	3	3.29	31.87
Cash and cash equivalents	4	4.49	43.50
Other financial assets	5	0.69	6.72
Other current assets	6	3.20	31.01
		<u>43.67</u>	<u>422.94</u>
Total Assets		<u>65.39</u>	<u>633.22</u>
EQUITY AND LIABILITIES			
Equity			
Equity share capital	7	0.27	2.15
Other equity	8	2.97	29.21
		<u>3.24</u>	<u>31.36</u>
Liabilities			
Non-Current liabilities			
Financial liabilities			
(i) Borrowing	9	1.00	9.68
(ii) Lease liability		-	-
Provisions		-	-
		<u>1.00</u>	<u>9.68</u>
Current liabilities			
Financial liabilities			
(i) Borrowing	10	50.70	490.98
(ii) Lease liability		-	-
(iii) Trade payables	11		
a. Total outstanding dues of micro and small enterprises		-	-
b. Total outstanding dues of other than (iii) (a) above		9.06	87.75
Other current liabilities	12	1.40	13.45
		<u>61.16</u>	<u>592.18</u>
Total liabilities		<u>62.16</u>	<u>601.86</u>
Total equity and liabilities		<u>65.39</u>	<u>633.22</u>

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH 2025

	Notes	CHF in Mn.	Rupees in crores
I Revenue from operations	13	52.48	500.58
II Other income	14	0.61	5.82
III Total Income (I +II)		<u>53.09</u>	<u>506.40</u>
IV Expenses:			
Purchases of stock-in-trade		36.33	365.23
Changes in inventories of Stock-in-trade		10.21	78.68
Employee benefits expense	15	17.11	163.28
Finance costs	16	2.39	22.77
Depreciation and amortisation expense	17	4.88	46.52
Other expenses	18	18.39	175.50
		<u>89.31</u>	<u>851.98</u>
V Profit before exceptional items (III - IV)		(36.22)	(345.58)
VI Exceptional items		-	-
VII Profit before tax (V+ VI)		<u>(36.22)</u>	<u>(345.58)</u>
VIII Tax expense			
i) Current tax		0.67	6.35
ii) Deferred tax		-	-
IX Profit for the year (VII - VIII)		<u>(36.89)</u>	<u>(351.93)</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		-	(34.84)
		<u>-</u>	<u>(34.84)</u>
XI Total Comprehensive Income (IX + X)		<u>(36.89)</u>	<u>(386.77)</u>
XII Earnings per equity share (Face value of CHF 1/- each)			
Basic & Diluted earnings per share (in CHF/ in rupees)		(136.72)	(1,304.26)

SWISS E-MOBILITY GROUP (HOLDING) AG

Notes on accounts - (continued)

1 PROPERTY, PLANT & EQUIPMENT AND INTANGIBLE ASSETS

CHF in Mn.

Description	Property, Plant & Equipment						Other Intangible			
	Land	Building	Plant & equipments	Furniture and fixtures	Vehicles	Total	Software	Trade marks, patents, licences	Design Development	Total
	1	2	3	4	5	6	7	8	9	10
Cost of assets										
Gross carrying value as at 01-04-2024	-	-	4.40	1.54	0.10	6.04	4.54	0.24	0.07	4.85
Additions	-	-	1.06	1.63	-	2.69	0.14	-	2.85	2.99
Sub-total	-	-	5.46	3.17	0.10	8.73	4.68	0.24	2.92	7.84
Sales / deletion	-	-	-	-	-	-	-	-	-	-
Total	-	-	5.46	3.17	0.10	8.73	4.68	0.24	2.92	7.84
Depreciation / Amortisation										
Upto 31-03-2024	-	-	1.57	0.58	0.08	2.23	2.42	0.05	0.07	2.54
For the year	-	-	0.84	0.49	0.01	1.34	1.06	0.09	0.08	1.23
Sub-total	-	-	2.41	1.07	0.09	3.57	3.48	0.14	0.15	3.77
Withdrawn on assets sold / deleted	-	-	-	-	-	-	-	-	-	-
Total	-	-	2.41	1.07	0.09	3.57	3.48	0.14	0.15	3.77
Carrying value										
As at 31-03-2025	-	-	3.05	2.10	0.01	5.16	1.20	0.10	2.77	4.07

1 PROPERTY, PLANT & EQUIPMENT AND INTANGIBLE ASSETS - (continued)

Rupees in crores

Description	Property, Plant & Equipment						Other Intangible			
	Land	Building	Plant & equipments	Furniture and fixtures	Vehicles	Total	Software	Trade marks, patents, licences	Design Development	Total
	1	2	3	4	5	6	7	8	9	10
Cost of assets										
Gross carrying value as at 01-04-2024	-	-	40.47	14.17	0.92	55.56	41.79	2.21	0.64	44.64
Additions	-	-	10.27	15.78	-	26.05	1.36	-	27.60	28.96
Foreign Currency translation reserve difference	-	-	2.11	0.74	0.05	2.90	2.18	0.12	0.03	2.33
Sales / deletion	-	-	-	-	-	-	-	-	-	-
Sub-total	-	-	52.85	30.70	0.97	84.51	45.32	2.32	28.28	75.92
Total	-	-	52.85	30.70	0.97	84.51	45.32	2.32	28.28	75.92
Depreciation / Amortisation										
Upto 31-03-2024	-	-	14.45	5.34	0.74	20.52	22.30	0.46	0.64	23.41
For the year	-	-	8.01	4.67	0.10	12.78	10.11	0.86	0.76	11.73
Foreign Currency translation reserve difference	-	-	0.82	0.35	0.04	1.20	1.32	0.04	0.05	1.40
Withdrawn on assets sold / deleted	-	-	-	-	-	-	-	-	-	-
Sub-total	-	-	23.28	10.36	0.87	34.51	33.73	1.36	1.45	36.54
Total	-	-	23.34	10.36	0.87	34.51	33.73	1.36	1.45	36.54
Carrying value										
As at 31-03-2025	-	-	29.51	20.34	0.10	50.00	11.59	0.97	26.82	39.38

SWISS E-MOBILITY GROUP (HOLDING) AG

Notes on accounts - (continued)

	CHF in Mn. As at 31-03-2025	Rupees in crores As at 31-03-2025		CHF in Mn. As at 31-03-2025	Rupees in crores As at 31-03-2025
2 INVENTORIES			9 FINANCIAL LIABILITIES - BORROWINGS (NON CURRENT)		
Stock in trade	32.00	309.84	Unsecured		
	32.00	309.84	Term Loan from :		
3 TRADE RECEIVABLES			Bank	-	-
Unsecured, considered good	3.29	31.87	Others	1.00	9.68
	3.29	31.87		1.00	9.68
4 CASH AND CASH EQUIVALENTS			10 FINANCIAL LIABILITIES - BORROWINGS (CURRENT)		
Balances with banks in current accounts	4.34	42.07	Unsecured		
Cash on hand	0.15	1.43	Borrowings repayable on demand from banks:	50.50	489.04
	4.49	43.50	Current Maturities of long term borrowings:	0.20	1.94
5 FINANCIAL ASSETS - OTHERS (CURRENT)				50.70	490.98
Unsecured, considered good :			11 TRADE PAYABLES		
Claims receivable	0.69	6.72	Dues to Micro and Small Enterprises**	-	-
	0.69	6.72	Dues to enterprises other than Micro and Small Enterprises	9.06	87.75
6 OTHER CURRENT ASSETS				9.06	87.75
Vendor advance	2.75	26.63			
Prepaid expenses	0.45	4.38			
	3.20	31.01			
7 EQUITY SHARE CAPITAL			12 OTHER CURRENT LIABILITIES		
Issued, subscribed and fully paid up:			Statutory dues	0.16	1.50
269,831 Ordinary shares of CHF 1 each	0.27	2.15	Advance from customers	0.86	8.28
	0.27	2.15	Employee related	0.35	3.38
8 OTHER EQUITY			Others	0.03	0.29
Retained earnings	(68.79)	(631.45)		1.40	13.45
Capital reserve	71.76	681.08			
Foreign currency translation reserve	-	(20.42)			
	2.97	29.21			

** 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.

SWISS E-MOBILITY GROUP (HOLDING) AG

Notes on accounts - (continued)

	'CHF in Mn. For the Year ended 31-03-2025	Rupees in crores For the Year ended 31-03-2025		'CHF in Mn. For the Year ended 31-03-2025	Rupees in crores For the Year ended 31-03-2025
13 REVENUE FROM OPERATIONS			16 FINANCE COST		
Sale of Product	49.33	470.55	Interest	2.39	22.77
Sale of service	3.15	30.03			
	<u>52.48</u>	<u>500.58</u>		<u>2.39</u>	<u>22.77</u>
14 OTHER INCOME			17 DEPRECIATION		
Other non operating income	0.61	5.82	Depreciation on property plant and equipment	4.88	46.52
	<u>0.61</u>	<u>5.82</u>		<u>4.88</u>	<u>46.52</u>
15 EMPLOYEE BENEFITS EXPENSE			18 OTHER EXPENSES		
Salaries, wages and bonus	14.67	139.97	(a) Rent	4.87	46.49
Contribution to provident and other funds	2.30	21.99	(b) Marketing expenses	3.90	37.23
Staff welfare expenses	0.14	1.32	(c) Miscellaneous expenses	9.62	91.78
	<u>17.11</u>	<u>163.28</u>		<u>18.39</u>	<u>175.50</u>

TVS MOTOR COMPANY DMCC

Balance Sheet as at 31st March 2025

S No	Particulars	In AED
		As at 31-03-2025
I	ASSETS	
1	Non-current assets	
	Property, plant and equipment	18,14,31,429.30
	Capital work-in-progress	17,62,800.00
		<u>18,31,94,229.30</u>
2	Current assets	
	Financial assets	
	i. Cash and cash equivalents	72,03,758.89
	II. Other financial assets	40,000.00
		<u>72,43,758.89</u>
	Total assets	<u>19,04,37,988.19</u>
II	EQUITY AND LIABILITIES	
1	Equity	
	Equity share capital	9,20,00,000.00
	Other equity	(22,61,961.81)
		<u>8,97,38,038.19</u>
2	Liabilities	
	Non-current liabilities	
	Financial liabilities	
	i. Borrowings	9,91,57,500.00
		<u>9,91,57,500.00</u>
3	Current liabilities	
	Financial liabilities	
	i. Other financial liabilities	15,42,450.00
		<u>15,42,450.00</u>
	Total liabilities	<u>10,06,99,950.00</u>
	Total equity and liabilities	<u>19,04,37,988.19</u>

TVS MOTOR COMPANY DMCC

Statement of profit and loss for the period ended 31st March 2025

S No	Particulars	In AED
		Year Ended 31-03-2025
I	Revenue from operations	
II	Other income	70,777.78
III	Total income (I + II)	70,777.78
IV	Expenses :	
	Finance costs	15,42,450.00
	Other expenses	7,90,289.59
	Total expenses	23,32,739.59
V	Profit before exceptional items and tax (III - IV)	(22,61,961.81)
VI	Profit/ (Loss) for the year	(22,61,961.81)
VII	Other comprehensive income	
	Foreign currency translation adjustments	
VIII	Total comprehensive income for the year	(22,61,961.81)

RE-STATED ACCOUNTS OF
TVS MOTOR COMPANY DMCC

BALANCE SHEET AS AT 31ST MARCH 2025

	Notes	AED in Mn.	Rupees in crores
ASSETS			
Non-current assets			
Property, plant and equipment	1	181.43	422.19
Capital work-in-progress		1.76	4.10
Other Intangible assets		-	-
		<u>183.19</u>	<u>426.29</u>
Current assets			
Inventories		-	-
Financial assets			
Trade receivables		-	-
Cash and cash equivalents	2	7.20	16.76
Other financial assets	3	0.04	0.09
Other current assets		-	-
		<u>7.24</u>	<u>16.85</u>
Total Assets		<u>190.43</u>	<u>443.14</u>
EQUITY AND LIABILITIES			
Equity			
Equity share capital	4	92.00	210.78
Other equity	5	(2.26)	(1.97)
		<u>89.74</u>	<u>208.81</u>
Liabilities			
Non-Current liabilities			
Financial liabilities			
(i) Borrowing	6	99.15	230.74
(ii) Lease liability		-	-
Provisions		-	-
		<u>99.15</u>	<u>230.74</u>
Current liabilities			
Financial liabilities			
(i) Borrowing		-	-
(ii) Lease liability		-	-
(iii) Trade payables			
a. Total outstanding dues of micro and small enterprises		-	-
b. Total outstanding dues of other than (iii) (a) above		-	-
Other current liabilities	7	1.54	3.59
		<u>1.54</u>	<u>3.59</u>
Total liabilities		<u>100.69</u>	<u>234.33</u>
Total equity and liabilities		<u>190.43</u>	<u>443.14</u>

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH 2025

	Notes	AED in Mn.	Rupees in crores
I Revenue from operations		-	-
II Other income	8	0.07	0.16
III Total Income (I + II)		<u>0.07</u>	<u>0.16</u>
IV Expenses:			
Purchases of stock-in-trade		-	-
Changes in inventories of Stock-in-trade		-	-
Employee benefits expense		-	-
Finance costs	9	1.54	3.55
Depreciation and amortisation expense		-	-
Other expenses	10	0.79	1.83
		<u>2.33</u>	<u>5.38</u>
V Profit before exceptional items (III - IV)		(2.26)	(5.22)
VI Exceptional items		-	-
VII Profit before tax (V+ VI)		<u>(2.26)</u>	<u>(5.22)</u>
VIII Tax expense			
i) Current tax		-	-
ii) Deferred tax		-	-
IX Profit for the year (VII - VIII)		<u>(2.26)</u>	<u>(5.22)</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		-	3.25
		<u>-</u>	<u>3.25</u>
XI Total Comprehensive Income (IX + X)		<u>(2.26)</u>	<u>(1.97)</u>
XII Earnings per equity share (Face value of AED 1000 each)			
Basic & Diluted earnings per share (in AED 1000 each)		(24.57)	(567.39)

TVS MOTOR COMPANY DMCC

Notes on accounts - (continued)

1 PROPERTY, PLANT & EQUIPMENT AND INTANGIBLE ASSETS

AED in Mn.

Description	Property, Plant & Equipment								Other Intangible			
	Land	Building	Plant & equipments	Furniture and fixtures	Office equipments	Vehicles	Right of use	Total	Software	Trade marks, patents, licences	Design Development	Total
	1	2	3	4	5	6	7	8	9	10	11	12
Cost of assets												
Gross carrying value as at 01-04-2024	-	-	-	-	-	-	-	-	-	-	-	-
Additions	181.43	-	-	-	-	-	-	181.43	-	-	-	-
Sub-total	181.43	-	-	-	-	-	-	181.43	-	-	-	-
Sales / deletion	-	-	-	-	-	-	-	-	-	-	-	-
Total	181.43	-	-	-	-	-	-	181.43	-	-	-	-
Depreciation / Amortisation												
Upto 31-03-2024	-	-	-	-	-	-	-	-	-	-	-	-
For the year	-	-	-	-	-	-	-	-	-	-	-	-
Sub-total	-	-	-	-	-	-	-	-	-	-	-	-
Withdrawn on assets sold / deleted	-	-	-	-	-	-	-	-	-	-	-	-
Total	-	-	-	-	-	-	-	-	-	-	-	-
Carrying value												
As at 31-03-2025	181.43	-	-	-	-	-	-	181.43	-	-	-	-

1 PROPERTY, PLANT & EQUIPMENT AND INTANGIBLE ASSETS - (continued)

Rupees in crores

Description	Property, Plant & Equipment								Other Intangible			
	Land	Building	Plant & equipments	Furniture and fixtures	Office equipments	Vehicles	ROU	Total	Software	Trade marks, patents, licences	Design Development	Total
	1	2	3	4	5	6	7	8	9	10	11	12
Cost of assets												
Gross carrying value as at 01-04-2024	-	-	-	-	-	-	-	-	-	-	-	-
Additions	422.19	-	-	-	-	-	-	422.19	-	-	-	-
Foreign Currency translation reserve difference	-	-	-	-	-	-	-	-	-	-	-	-
Sales / deletion	-	-	-	-	-	-	-	-	-	-	-	-
Sub-total	422.19	-	-	-	-	-	-	422.19	-	-	-	-
Total	422.19	-	-	-	-	-	-	422.19	-	-	-	-
Depreciation / Amortisation												
Upto 31-03-2024	-	-	-	-	-	-	-	-	-	-	-	-
For the year	-	-	-	-	-	-	-	-	-	-	-	-
Foreign Currency translation reserve difference	-	-	-	-	-	-	-	-	-	-	-	-
Withdrawn on assets sold / deleted	-	-	-	-	-	-	-	-	-	-	-	-
Sub-total	-	-	-	-	-	-	-	-	-	-	-	-
Total	-	-	-	-	-	-	-	-	-	-	-	-
Carrying value												
As at 31-03-2025	422.19	-	-	-	-	-	-	422.19	-	-	-	-

TVS MOTOR COMPANY DMCC

Notes on accounts - (continued)

	AED in Mn. As at 31-03-2025	Rupees in crores As at 31-03-2025		AED in Mn. As at 31-03-2025	Rupees in crores As at 31-03-2025
2 CASH AND CASH EQUIVALENTS			8 OTHER INCOME		
Balances with banks	7.20	16.76	Interest on Deposits	0.07	0.16
Cash on hand	-	-		<u>0.07</u>	<u>0.16</u>
	<u>7.20</u>	<u>16.76</u>			
3 OTHER FINANCIAL ASSETS			9 FINANCE COST		
Deposits made	0.04	0.09	Interest expenses	1.54	3.55
	<u>0.04</u>	<u>0.09</u>		<u>1.54</u>	<u>3.55</u>
4 EQUITY SHARE CAPITAL			10 OTHER EXPENSES		
Issued, subscribed and fully paid up: 92,000 Ordinary shares of AED 1000 each	92.00	210.78	(a) Bank Charges	-	0.01
	<u>92.00</u>	<u>210.78</u>	(b) Consultancy Charges	0.11	0.26
			(c) Legal Expenses	0.58	1.33
			(d) Foreign exchange loss (Net)	0.08	0.18
			(e) Miscellaneous expenses	0.02	0.05
5 OTHER EQUITY				<u>0.79</u>	<u>1.83</u>
Retained earnings	(2.26)	(5.22)			
Capital reserve	-	-			
Foreign currency translation reserve	-	3.25			
	<u>(2.26)</u>	<u>(1.97)</u>			
6 FINANCIAL LIABILITIES - BORROWINGS (NON CURRENT)					
Unsecured Term Loan from :					
Bank	-	-			
Others	99.15	230.74			
	<u>99.15</u>	<u>230.74</u>			
7 OTHER CURRENT LIABILITIES					
Interest Payable	1.54	3.59			
	<u>1.54</u>	<u>3.59</u>			