# TVS MOTOR COMPANY LIMITED

Our Company was originally incorporated as Sundaram Auto Engineers (India) Private Limited on June 10, 1992, at Chennai as a limited company under the Companies Act, 1956 and a certificate of incorporation was issued by the Registrar of Companies, Chennai, Tamil Nadu (**"ROC"**) on June 10, 1992. Consequently, the Company got converted to a public company by deletion of word private from its name effective September 4, 1995. Further, the name of the Company was changed from Sundaram Auto Engineers (India) Limited to TVS Suzuki Limited on April 25, 2000. Further effective November 7, 2001 the Company's name was further changed from TVS Suzuki Limited to TVS Motor Company Limited ("**Company**" or "**Issuer**" or "**TVSM**"). There has been no change in the name of the Company since November 7, 2001. The Corporate Identification Number of the Company is L35921TN1992PLC022845 and PAN of our Company is AAACS7032B. The registered office of the Company is "Chaitanya", No.12, Khader Nawaz Khan Road, Nungambakkam Chennai- 600006. For further details about our Company, see section titled "*History and Certain Other Corporate Matters*" on page 58.

**Registered Office and Corporate Office:** Chaitanya, No.12, Khader Nawaz Khan Road, Nungambakkam Chennai– 600006 **Tel**: **044-28332115**
**E-mail:** contactus@tvsmotor.com; **Website:** www.tvsmotor.com
**Chief Financial Officer:** Mr. K Gopala Desikan, **Tel.**: +044 28232115; **E-mail**: kgd@tvsmotor.com
**Company Secretary & Compliance Officer**: Mr. K S Srinivasan, **Tel.**: +: 044 28232115; **E-mail**: srinivasan.ks@tvsmotor.com

**INFORMATION MEMORANDUM FOR LISTING OF 190,03,48,456 BONUS 6% CUMULATIVE NON-CONVERTIBLE REDEEMABLE PREFERENCE SHARES ("NCRPS") OF FACE VALUE ₹ 10 EACH ISSUED BY TVS MOTOR COMPANY LIMITED PURSUANT TO THE SCHEME OF ARRANGEMENT (THE "ISSUE"). THE COMPANY HAS ISSUED AND ALLOTED, BY WAY OF BONUS, 4 NCRPS OF FACE VALUE OF INR 10 EACH FULLY PAID UP TO EACH EQUITY SHAREHOLDER OF THE COMPANY HOLDING EVERY 1 EQUITY SHARE OF INR 1 EACH FULLY PAID UP, WHOSE NAME WAS RECORDED IN THE REGISTER OF MEMBERS OF THE COMPANY AND/OR THE RECORDS OF THE DEPOSITORY(IES) AS EQUITY SHAREHOLDER OF THE COMPANY ON THE RECORD DATE, BY UTILIZING ITS GENERAL RESERVES/ RETAINED EARNINGS.**

**NO EQUITY SHARES ARE PROPOSED TO BE SOLD OR OFFERED PURSUANT TO THIS INFORMATION MEMORANDUM**

## OUR PROMOTER

Our Promoter is TVS Holdings Limited *(Formerly known as Sundaram-Clayton Limited)*, **Tel.**: 044-28332115; **E-mail**: corpsec@tvsholdings.com

## GENERAL RISKS

Instruments offered through this Information Memorandum are Non-Convertible Redeemable Preference Shares and not debentures/bonds. They are riskier than debentures/bonds and may not carry any guaranteed coupon and can be redeemed only out of the distributable profits of the Company or out of the proceeds of a fresh issue of shares made, if any, by the Company for the purposes of the redemption. Specific attention of investors is invited to statement of "*Risk Factors*" on page 11 of this Information Memorandum. These risks are not, and are not intended to be, a complete list of all risks and considerations relevant to the NCRPS.

## ISSUER'S ABSOLUTE RESPONSIBILITY

The Issuer, having made all reasonable inquiries, accepts responsibility for and confirms that this Information Memorandum contains all information with regard to the Issuer and the Issue, which is material in the context of the Issue; that the information contained in the Information Memorandum is true and correct in all material aspects and is not misleading, that the opinions and intentions expressed herein are honestly stated and that there are no other facts, the omission of which make this document as a whole or any of such information or the expression of any such opinions or intentions misleading.

## DIVIDEND RATE, DIVIDEND PAYMENT FREQUENCY, REDEMPTION DATE, REDEMPTION AMOUNT & ELIGIBLE SHAREHOLDERS

For details relating to dividend rate, dividend payment frequency, redemption date, redemption amount & eligible shareholders of the NCRPS, please refer to section titled "*Issue Structure*" on page 89.

## CREDIT RATING

The NCRPS issued under the Issue have been rated "A1+" for an amount of ₹ 1,900.35 crore by CARE Ratings Limited vide their rating letter dated September 5, 2025 revalidated vide rating letter dated January 23, 2026 and press release for rating rationale dated September 5, 2025. The ratings provided by CARE Ratings Limited is valid as on the date of this Information Memorandum and shall remain valid on date of listing of the NCRPS on Stock Exchanges. The ratings provided by CARE Ratings Limited may be suspended, withdrawn or revised at any time by the assigning rating agency and should be evaluated independently of any other rating. These ratings are not a recommendation to buy, sell or hold securities and Investors should take their own decisions. Please refer to Annexure I of this Information Memorandum for the rating letter and rationale for the above ratings.

## LISTING

These NCRPS of our Company are proposed to be listed on the BSE Limited ("**BSE**") and National Stock Exchange of India Limited ("**NSE**"). NSE shall be the Designated Stock Exchange for the Issue. The Issuer shall comply with the requirements of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended from time to time to the extent applicable to it on a continuous basis. The Company has submitted this Information Memorandum with BSE and NSE and same will be available at the website of the Company viz. www.tvsmotor.com. The Information Memorandum will also be available on the website of BSE at www.bseindia.com and at NSE at www.nseindia.com. The Issue shall be subject to the provisions of the Companies Act, the Rules notified thereunder, SEBI Circulars, the Memorandum of Association and Articles of Association of the Issuer, the terms and conditions of the Information Memorandum filed with the Stock Exchanges and other documents in relation to the Issue.

| REGISTRAR AND TRANSFER AGENT | CREDIT RATING AGENCY | STATUTORY AUDITOR |
|---|---|---|
| **Integrated Registry Management Services Private Limited**<br>II Floor, "Kences Towers", No.1, Ramakrishna Street,<br>North Usman Road, T Nagar, Chennai - 600 017<br>**SEBI Registration No**: INR000000544<br>**Tel**: 044 – 28140801 - 803<br>**Fax**: 044 – 28140247<br>**E-mail**: einward@integratedindia.in<br>**Investor Grievance Email**: srirams@integratedindia.in<br>**Website**: https://www.integratedindia.in<br>**Contact Person**: Mr. Sriram S | **CARE Ratings Limited** 4th Floor, Godrej Coliseum, Somaiya Hospital Road, Off Eastern Express Highway, Sion (East),<br>Mumbai – 400 022, Maharashtra, India<br>**SEBI Registration No**: IN/CRA/004/1999<br>**Tel**: +91 22 67543456<br>**Fax**: +91 22 67543457<br>**E-mail**: Hardik.shah@careedge.in<br>**Website**: https://www.careratings.com/<br>**Contact Person**: Mr. Hardik Shah | **M/s Sundaram & Srinivasan, Chartered Accountants**<br>Old No. 23, New No. 4, C P Ramaswamy Road, Alwarpet, Chennai - 600018<br>**Tel**: 044 – 24988762; 044 – 24988463; 044 – 42106952<br>**E-mail**:sundaramandsrinivasan1948@gmail.com<br>**Website**: https://sundaramandsrinivasan.com/<br>**Contact Person**: Ms. S Usha, Partner |

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## SECTION I – GENERAL

## DEFINITIONS AND ABBREVIATIONS

In this Information Memorandum, unless the context otherwise indicates or implies, the following terms have the meanings as prescribed in this Information Memorandum, and references to any legislation, act, regulation, rules, guidelines or policies shall be to such legislation, act, regulation, rules, guidelines or policies as amended from time to time.

Further, unless the context otherwise indicates, all references in this Information Memorandum to "the Issuer", "our Company", "the Company" or "TVSM" or "we" or "us" or "our" are to TVS Motor Company Limited and references to "you" are to the Eligible Shareholders, as the case may be, in the NCRPS.

### COMPANY RELATED TERMS

| Term | Description |
|---|---|
| ₹ / Rs. / INR / Rupees / Indian Rupees | The lawful currency of the Republic of India |
| Articles / Articles of Association / AOA | The Articles of Association of our Company, as amended from time to time |
| Audited Financial Statements | The audited standalone and consolidated balance sheet of our Company as at March 31, 2025, March 31, 2024 and March 31, 2023 and the audited standalone and consolidated statement of profit and loss for the year ended March 31, 2025, March 31, 2024 and March 31, 2023 and the audited standalone and consolidated statement of changes in equity for the year ended March 31, 2025, March 31, 2024 and March 31, 2023 and the audited standalone and consolidated statement of cash flows for the year ended March 31, 2025, March 31, 2024 and March 31, 2023 and the related summary statement of significant accounting policies.<br><br>Our audited standalone and consolidated financial statements as at and for the years ended March 31, 2025, March 31, 2024 and March 31, 2023 audited under Ind-AS as per the Companies (Indian Accounting Standards) Rules, 2015 (as amended from time to time) and notified under Section 133 of the Companies Act, 2013 and presented in accordance with the requirements of the SEBI LODR Regulations. |
| Board / our Board | The Board of Directors of TVS Motor Company Limited |
| Company / our Company / SCL/ Issuer / we / us / our | Unless the context otherwise requires, refers to, TVS Motor Company Limited, a public limited company validly existing under the Companies Act, 2013 |
| Company Secretary and Compliance Officer | The Company Secretary and Compliance Officer of our Company, Mr. K S Srinivasan |
| Director(s) | Director of our Company, unless otherwise specified |
| Equity Shares | Equity shares of our Company of face value of ₹1 each |
| Independent Director | A Non-Executive, Independent Director as per the Companies Act, 2013 and the SEBI LODR Regulations, who are currently on the Board of our Company |
| Key Managerial Personnel | Key managerial personnel of our Company as disclosed in this Information Memorandum and appointed as Key Managerial Personnel in accordance with the definition of under Section 2(51) of the Companies Act, 2013 |
| Memorandum / Memorandum of Association / MoA | Memorandum of Association of our Company |
| Promoter | TVS Holdings Limited *(Formerly known as Sundaram-Clayton Limited)* |
| Promoter Group | **Individuals**: (i) Mr. Venu Srinivasan; (ii) Mr. Sudarshan Venu; (iii) Mrs. Mallika Srinivasan; and (iv) Dr. Lakshmi Venu<br><br>**Entities**: (i) VS Trust (Mr. Venu Srinivasan, Trustee); (ii) VS Trustee Private Limited; (iii) VS PTC Trust (Mr. Venu Srinivasan, Trustee); (iv) VEE ESS Trading Private Limited; (v) Cheema Venu Trust (Formerly known as VEE ESS Trust) (M/s.Venu Srinivasan Trustee Private Limited, Trustee); (vi) Srinivasan Venu Trust (Mr Venu |

| Term | Description |
|---|---|
| | Srinivasan, Trustee; (vii) Venu Srinivasan Trustee Private Limited; (viii) Srinivasan Trust (VS Trustee Private Limited, Trustee); (ix) S. Venu Trustee Private Limited; (x) STPL Trading and Services Private Limited (Formerly known as Srinivasan Trading Private Limited) |
| Registered Office/ our Registered Office | Chaitanya, No.12, Khader Nawaz Khan Road, Nungambakkam Chennai - 600006 |
| RoC | Registrar of Companies, Tamil Nadu at Chennai |
| Shareholder(s) | The holder(s) of Equity Shares of our Company, unless otherwise specified in the context thereof |
| Statutory Auditor / Auditor | The current statutory auditor of our Company, M/s Sundaram & Srinivasan, Chartered Accountants. |

**ISSUE RELATED TERMS**

| Term | Description |
|---|---|
| Allotment/ Allot/ Allotted | The issue and allotment of the NCRPS to Allottees pursuant to the Scheme |
| Allottee(s) | Each equity shareholder whose name is recorded in the register of members of our Company and/or the records of the depository(ies) as equity shareholder of our Company on the Record Date i.e., August 25, 2025 |
| BSE | BSE Limited |
| Client ID | Client identification number maintained with one of the Depositories in relation to the demat account |
| Scheme of Arrangement / Scheme | Scheme of Arrangement between TVS Motor Company Limited and its shareholders under Sections 230 to 232 of the Companies Act, 2013 for issuance of NCRPS to the shareholders of the Company by way of bonus issue.<br>For more details relating to the Scheme please refer to the section titled "*Scheme of Arrangement*" on page 40 of this Information Memorandum. |
| Dividend Rate | The rate of dividend payable in connection with the NCRPS in accordance with this Information Memorandum. Please see the section titled "*Issue Structure*" on page 89. |
| CARE Ratings | CARE Ratings Limited |
| Credit Rating Agency | For the present Issue, the credit rating agency being CARE Ratings Limited |
| Date of Allotment | September 1, 2025 |
| Depositories Act | The Depositories Act 1996 |
| Depository(ies) | National Securities Depository Limited (NSDL) and /or Central Depository Services (India) Limited (CDSL) |
| DP / Depository Participant | A depository participant as defined under the Depositories Act |
| Designated Stock Exchange | NSE |
| Eligible Shareholders | It shall have the meaning given to the term in "**Issue Structure**" |
| Information Memorandum | The Information Memorandum dated February 13, 2026, filed by our Company with the SEBI and Stock Exchanges in accordance with the provisions of the SEBI NCS Regulations in pursuance to the Scheme |
| Issue | Issuance of NCRPS by TVS Motor Company Limited of 190,03,48,456 NCRPS of face value of ₹ 10 each aggregating to ₹ 1,900.35 crore in pursuance to the Scheme of Arrangement |
| Issue Size | 190,03,48,456 NCRPS of the face value of ₹ 10 each, aggregating to a total of ₹ 1900,34,84,560 |
| Listing Agreement | The uniform listing agreement entered into between our Company and the Stock Exchanges in connection with the listing of NCRPS of our Company |
| NCLT / Tribunal | The National Company Law Tribunal, Chennai Bench |
| NCRPS / Preference Shares | 6% Cumulative Non-Convertible Redeemable Preference Shares of face value of ₹ 10 each, being issued at par value of ₹ 10 each, pursuant to the Scheme of Arrangement. |
| NSE | National Stock Exchange of India Limited |
| Record Date | August 25, 2025 |

| Term | Description |
|---|---|
| Redemption Amount | The amount repayable on redemption of the NCRPS, as specified in the Information Memorandum. Please see the section titled "*Issue Structure*" on page 89. |
| Redemption Date | The date on which our Company is liable to redeem the NCRPS. Please see the section titled "*Issue Structure*" on page 89. |
| Register of NCRPS Holders | The register of NCRPS holders maintained by the Issuer in accordance with the provisions of the Companies Act |
| Registrar / RTA / Share Transfer Agent | Integrated Registry Management Services Private Limited |
| Stock Exchanges | BSE and NSE |
| Tripartite Agreements | Tripartite agreement dated April 30, 2021 among our Company, the Registrar and CDSL and tripartite agreement dated May 6, 2021 among our Company, the Registrar and NSDL |
| Wilful Defaulter | Includes wilful defaulters as defined under Regulation 2(1)(lll) of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended |

**CONVENTIONAL AND GENERAL TERMS OR ABBREVIATION**

| Term | Description |
|---|---|
| AGM | Annual General Meeting |
| Applicable Laws | means of all (a) constitutions, decrees, treaties, statutes, laws (including the common law), codes, notifications, rules, regulations, policies, guidelines, circulars, directions, directives, ordinances or orders of any Appropriate Authority, statutory authority, court, tribunal having jurisdiction over the Company; (b) Permits; and (c) orders, decisions, injunctions, judgments, awards and decrees of or agreements with any Appropriate Authority having jurisdiction over the Company as may be in force from time to time |
| Appropriate Authority | means:<br>(a) the government of any jurisdiction (including any central, state/, municipal or local government or any political or administrative subdivision thereof) and any department, ministry, agency, instrumentality, court, central bank, commission or other authority thereof;<br>(b) any public international organisation or supranational body and its institutions, departments, agencies and instrumentalities;<br>(c) any governmental, quasi-governmental or private body or agency lawfully exercising, or entitled to exercise, any administrative, executive, judicial, legislative, regulatory, licensing, competition, tax, importing or other governmental or quasi-governmental authority including (without limitation), SEBI, the Tribunal; and<br>(d) Stock Exchanges |
| AS | Accounting Standards |
| CIN | Corporate Identification Number |
| CDSL | Central Depository Services (India) Limited |
| Companies Act / Act | Companies Act, 2013, read with the rules, regulations, clarifications, circulars, notifications and modifications thereunder, as amended from time to time |
| Depositories Act | The Depositories Act, 1996, as amended from time to time |
| Depository / Depositories | A depository registered with SEBI under the SEBI (Depositories and Participant) Regulations, 1996, as amended from time to time, in this case being NSDL and CDSL |
| Depository Participant / DP | Depository Participant as defined under the Depositories Act |
| EBIT | Earnings Before Interest and Tax |
| EBITDA | Earnings Before Interest, Tax, Depreciation and Amortization |
| EGM | Extra-ordinary General Meeting |
| ESOP | Employees Stock Option Scheme |
| ESP Scheme | Employees Stock Purchase Scheme |
| Financial Year / Fiscal Year / FY | Twelve months ending on March 31 of a particular year |
| GoI | Government of India |

| Term | Description |
|---|---|
| HUF | Hindu Undivided Family |
| Ind-AS | Indian Accounting Standards |
| IFRS | International Financial Reporting Standards issued by International Accounting Standards Board (IASB) |
| IT Act | Income-tax Act, 1961 |
| KMP | Key Managerial Personnel |
| N.A. | Not Applicable |
| NEFT | National Electronic Funds Transfer |
| NSDL | National Securities Depository Limited |
| PAN | Permanent Account Number |
| ROC | Registrar of Companies, Tamil Nadu at Chennai |
| RBI | Reserve Bank of India |
| RTGS | Real Time Gross Settlement |
| SCRA | Securities Contracts (Regulation) Act, 1956 as amended from time to time |
| SCRR | Securities Contracts (Regulations) Rules, 1957 as amended from time to time |
| SEBI | The Securities and Exchange Board of India constituted under the SEBI Act |
| SEBI Act | Securities and Exchange Board of India Act, 1992, as amended from time to time |
| SEBI Master Circulars | Master Circular on (i) Scheme of Arrangement by Listed Entities and (ii) Relaxation under Sub-rule (7) of rule 19 of the Securities Contracts (Regulation) Rules, 1957 bearing SEBI circular no. SEBI/HO/CFD/POD-2/P/CIR/2023/93 dated June 20, 2023, read with read with Chapter VI and Chapter XII of Master Circular for listing obligations and disclosure requirements for Non-convertible Securities, Securitized Debt Instruments and/ or Commercial Paper bearing SEBI circular no. SEBI/HO/DDHS/DDHS-PoD-1/P/CIR/2025/0000000103 dated July 11, 2025, each, as amended from time to time |
| SEBI ICDR Regulations | Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 as amended from time to time |
| SEBI NCS Regulations | Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021, as amended read with SEBI Master Circular |
| SEBI Listing Regulations / SEBI LODR Regulations | Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended |

## CERTAIN CONVENTIONS, USE OF FINANCIAL, INDUSTRY AND MARKET DATA AND CURRENCY OF PRESENTATION

### Certain Conventions

All references in this Information Memorandum to "India" are to the Republic of India and its territories and possessions and all references to the "Government", the "Central Government" or the "State Government" are to the Government of India, central or state, as applicable.

Unless stated otherwise, all references to page numbers in this Information Memorandum are to the page numbers of this Information Memorandum.

### Presentation of Financial Information

Our Company's financial year commences on April 1 of the immediately preceding calendar year and ends on March 31 of that particular calendar year, so all references to a particular financial year or fiscal are to the 12 months period commencing on April 1 of the immediately preceding calendar year and ending on March 31 of that particular calendar year. Unless the context requires otherwise, all references to a year in this Information Memorandum are to a calendar year and references to a Financial Year are to the year ended on March 31 of that calendar year.

Our Company publishes its financial statements in Rupees in crore. Our Company's Audited Financial Statements as at and for the year ended March 31, 2025, March 31, 2024 and March 31, 2023 have been prepared in accordance with Ind AS.

The Company's standalone and consolidated financial results for the nine months ended December 31, 2025, have been prepared by the Company and limited reviewed by our Statutory Auditor, M/s Sundaram & Srinivasan, Chartered Accountants, in accordance with Ind AS notified under the Companies Act, 2013 and other applicable statutory and / or regulatory requirements.

The Company's standalone and consolidated financial statements for the financial years ended March 31, 2025 and March 31, 2024 have been prepared by the Company and audited by our Statutory Auditor, M/s Sundaram & Srinivasan, Chartered Accountants, in accordance with Ind As notified under the Companies Act, 2013 and other applicable statutory and / or regulatory requirements.

The Company's financial statements for the financial year ended March 31, 2023 have been prepared by the Company and audited by our Previous Statutory Auditor, V. Sankar Aiyar & Co, Chartered Accountants, in accordance with Ind As notified under the Companies Act, 2013 and other applicable statutory and / or regulatory requirements.

The Audited Financial Statements as included in this Information Memorandum, in the chapter titled *"Financial Statements"* on page 65.

Unless stated otherwise, the financial data in this Information Memorandum is derived from the Audited Financial Statements of the Company.

Any discrepancies in the tables included herein between the amounts listed and the totals thereof are due to rounding off.

### Currency and Unit of Presentation

In this Information Memorandum, all references to 'Rupees'/ '₹'/ 'INR'/ 'Rs.' Are to Indian Rupees, the official currency of the Republic of India.

In the Information Memorandum, unless the context otherwise requires, all references to one gender also refers to another gender and the word "Lac / Lakh" means "one hundred thousand", the word "million (mn)" means "ten lac / lakh", the word "Crore" means "ten million" and the word "billion (bn)" means "one hundred crore".

Throughout the Information Memorandum, unless otherwise stated, all figures have been expressed in "₹ crore". Unless indicated otherwise, the financial data in the Information Memorandum is derived from our financial statements prepared in accordance with Ind-AS and included in the Information Memorandum. In the Information Memorandum, any discrepancies in any table between the total and the sums of the amounts listed are due to rounding off.

There may be some differences between Ind-AS and IFRS and / or US GAAP; accordingly, the degree to which the Ind-AS financial statements included in the Information Memorandum will provide meaningful information is entirely dependent on the reader's level of familiarity with Indian accounting practice and Ind-AS. Any reliance by persons not familiar with Indian accounting practices on the financial disclosures presented in the Information Memorandum should accordingly be limited. We have not attempted to explain those differences or quantify their impact on the financial data included herein, and we urge you to consult your own advisors regarding such differences and their impact on our financial data.

For additional definitions used in the Information Memorandum, see the section "*Definitions and Abbreviations*" on page 3 of the Information Memorandum. In the section titled "*Main Provisions of the Articles of Association*" on page 92, defined terms have the meaning given to such terms in the Articles of Association of our Company.

## USE OF MARKET DATA

Unless stated otherwise, market data used throughout the Information Memorandum was obtained from internal Company reports and data, public websites and industry publications. Industry publication data and public website data generally state that the information contained therein has been obtained from sources believed to be reliable, but that their accuracy and completeness and underlying assumptions are not guaranteed, and their reliability cannot be assured.

Although, we believe market data used in the Information Memorandum is reliable, it has not been independently verified. Similarly, internal Company reports and data, while believed by us to be reliable, have not been verified by any independent source.

**General Risk**

Investment in debt securities/ non-convertible redeemable preference shares involve a degree of risk and investors should not invest any funds in such securities unless they can afford to take the risk attached to such investments. Investors are advised to take an informed decision and to read the risk factors carefully before investing in this offering. For taking an investment decision, investors must rely on their examination of the issue including the risks involved in it.

Specific attention of investors is invited to statement of risk factors contained under section "*Risk Factors*" of this offer document. These risks are not, and are not intended to be, a complete list of all risks and considerations relevant to the debt securities/non-convertible redeemable preference shares or investor's decision to purchase such securities.

## FORWARD LOOKING STATEMENT

We have included statements in the Information Memorandum which contain words or phrases such as "will", "believe", "expect", "anticipate", "estimate", "intend", "future", "objective", "goal", "project", "should" and similar expressions or variations of such expressions, that are "forward-looking statements".

All forward looking statements are subject to risks, uncertainties and assumptions about us that could cause actual results to differ materially from those contemplated by the relevant forward-looking statement. Important factors that could cause actual results to differ materially from our expectations include but are not limited to:

- Risks relating to the Company's Market-share;
- Risks relating to disruption in our supply chain;
- Risks relating to our dealers;
- Forex Risks;
- Risks relating to our international business;
- Macroeconomic Risks;
- Regulatory Risks;
- In case the Company does not have adequate profits, the Company will not be able to pay dividends on the NCRPS;
- In future, there may be adverse changes to the credit rating assigned to NCRPS, which will adversely affect the holders of the NCRPS;
- Slowdown in economic growth in India;

For a further discussion of factors that could cause our actual results to differ, please refer to the sections titled "*Risk Factors*" and "*Our Business*" on pages 11 and 43, of the Information Memorandum, respectively. By their nature, certain market risk disclosures are only estimates and could be materially different from what actually occurs in the future. As a result, actual future gains or losses could materially differ from those that have been estimated.

Neither we nor our Directors, officers nor any of their respective affiliates or associates have any obligation to update or otherwise revise any statements reflecting circumstances arising after the date hereof or to reflect the occurrence of underlying events, even if the underlying assumptions do not come to fruition.

## SECTION II – RISK FACTORS

*The Company believes that the following factors may affect its ability to fulfil its obligations under the NCRPS. These risks may include, among others, business aspects, equity market, bond market, interest rate, market volatility and economic, political and regulatory risks and any combination of these and other risks. Eligible Shareholders should carefully consider all the information in this Information Memorandum, including the risks and uncertainties described below. All of these factors are contingencies which may or may not occur and the Company is not in a position to express a view on the likelihood of any such contingency occurring.*

### INTERNAL RISK FACTORS

#### *1. Risks Relating to the Company's Business*

***(i) Risks relating to the Company's Market-share:***

The domestic and international automotive market is highly competitive. The Company faces competition from automotive manufacturers in the market in which it operates and in future could face competition and challenges from outside of automotive industry as well, Further, the continuous deregulation and liberalisation of the industries in India could lead to increased competition from domestic and international automobile manufacturers in the Company's domestic market, which may have a material adverse effect on the Company's business, financial condition and results of operations. While the company has a monopoly in the mopeds category in India, there has not been a significant increase in demand and sales in this category. Further, Scooters, commuter motorcycles and other products of the Company could face intense competition with aggressive pricing strategies adopted by competitors coupled with higher advertising and marketing spend – making it challenging to maintain and grow market share. Multiple new companies are entering electric two-wheelers business. These new entrants may have adverse impact on company's market-share and profitability. There can be no assurance that the Company will be able to implement its future strategies in a way that will mitigate the effects of increased competition on the Indian automotive industry.

***(ii) Risks relating to disruption in our supply chain:***

The Company relies on third parties for sourcing of raw materials, parts and components used in the manufacturing of Company's products. The Company is exposed to reliance on smaller enterprises where the risk of insolvency is greater. The Company's ability to procure quality supplies in a cost-effective and timely manner or at all is subject to various factors, some of which are not within its control.

Furthermore, there is the risk that the supplier's manufacturing capacity does not meet, or exceeds sales demand, thereby compromising business performance and without any near - term remedy given the time and investments required for any change. While the Company manages its supply chain as part of its supplier management process, any significant hindrance related to its supply chain, shortages of essential raw materials, utilities or manpower in the future could affect the Company's results of operations in an adverse manner.

Deterioration in demand of our products and lack of access to sufficient financial arrangements for company's supply chain could impair the timely availability of components to us. In addition, if one or more of the other manufacturers were to become insolvent, this would have an adverse impact on the supply chains and may further adversely affect the Company's results of operations. The company is also exposed to supply chain risks relating to precious metals like Rhodium, Palladium and Platinum, which are critical to produce the Company's products. Any disruption in the supply of the same could disrupt production of the company's vehicles. While the Company is in the process of implementing strategies to reduce its material costs, such reduction in costs may not be fully achieved.

***(iii) Risks relating to our dealers:***

Our products are sold and serviced through a network of authorized dealers and service centers across India and through a network of distributors and local dealers in international markets. Any Underperformance by or a deterioration in the financial condition of our dealers or distributors could materially and adversely affect our sales and results of operations adversely. If dealers or importers encounter financial difficulties and our products and services cannot be sold or can be sold only in limited numbers, the sales of such

dealers and importers may be adversely affected. Such reduction in sales may lead to a sharp decline in cashflows and potential losses for our dealers.

Additionally, if we cannot replace the affected dealers or importers with other franchises, the financial difficulties experienced by such dealers or importers could have an indirect effect on our vehicle deliveries. Consequently, we could be compelled to provide additional support for dealers and importers or look for alternate dealers and importers, thereby impacting the business adversely.

***(iv) Forex Risks:***

While substantially all the Company's revenues are denominated in INR, the Company exports to various countries and has incurred and expects to incur indebtedness denominated in currencies other than INR. We obtain a portion of our raw materials, components and equipment from overseas suppliers and make payments for such goods in foreign currencies. The Company has foreign subsidiaries across the world that earn income in local currencies. Adverse changes in currency exchange rate also impacts the net income of such subsidiaries. The mismatch of currencies, changes in exchange rates, particularly among INR, the U.S. dollar and the Euro, affect the Company on standalone and consolidated basis. Additionally, fluctuations in foreign exchange rates affect demand for the Company's products abroad, and consequently, the pricing policies of the Company. While the Company follows a foreign currency hedging policy, the risks associated with movement in foreign currencies would not be fully mitigated. Hedge instruments could also result in financial loss to the Company.

***(v) Risks relating to our international business:***

A deterioration in global economic conditions could have a material adversely impact on the Company sales and results of operations. A decline in key economic metrics, such as the growth rate, interest rates and inflation, reduced availability of financing for vehicles at competitive rates, tax policies and increase in freight rates and fuel prices could materially and adversely affect our sales. Further, a decrease in our potential customers' disposable income or their financial flexibility or an increase in the cost of financing will generally have a negative impact on demand for our products. In case of depreciation in local currencies, import of our products shall become expensive for our international distributors. Upon the occurrence of the same, our international distributors shall rely on the Company for reduction in prices, leading to a decline in our profitability.

In the global market, governments have been focussing on essential goods delivery and services, thereby giving lower priority to the automobiles industry. This limits our ability to sell our products in overseas markets.

***(vi) Macroeconomic Risks:***

The Company's business and performance are influenced by global and local economic conditions. In India, sales of two and three wheelers are directly related to GDP growth. A significant portion of the Company's revenue is generated by export and domestic sales of two-wheelers and three-wheelers. A further slowdown in economic growth could exert downward pressure on the demand for these products. In addition, the Company's performance is significantly influenced by the economic situation and governmental policies in India. Furthermore, a prolonged weakness in the Indian and global financial and economic situation may have a negative impact on third parties with whom the Company does, or may do, business. The primary consumer base of the Company includes salaried employees and agricultural workers. Poor monsoon and non-availability of labour for agricultural sector may impact the demand of these products. Any of these factors could adversely affect the Company's business, financial conditions, cash flows and results of operations.

Any unpredictable monsoon behaviour, unexpected change in crude oil prices or impact in the policy rate cuts may lead to increased inflation. There can be no assurance that the Company will be able to pass on any additional expenses or that the Company's revenue will increase proportionately corresponding to such inflation. Accordingly, high rates of inflation in India could have an adverse effect on the Company's profitability. Any adverse impact on macroeconomics caused by inflation, national or governmental instability, impact on agricultural production, negative or lower economic growth in the Indian and global economy could impact the Company's revenue stream. Additionally, occurrence of such events and a consequent liquidity crunch shall also impact retail buyers and the retail finance market.

***(vii) Regulatory Risks:***

The Company's operations entail environmental risks. The Company is subject to extensive regulations including regulations relating to worker health and safety and environmental laws and regulations concerning land use, air emissions, discharge of hazardous materials into the environment, waste materials and abandonment of installations or otherwise relating to the protection of the environment in connection with its operations. Numerous government agencies and departments issue rules, ordinances and regulations, which are often difficult and costly to comply with and which carry substantial penalties for non-compliance. In the ordinary course of business, the Company is subject to environmental inspections and monitoring by government enforcement authorities. The Company may incur substantial costs, including fines, damages and criminal or civil sanctions, or experience interruptions or suspensions in the Company's operations for actual or alleged violations arising under applicable environmental and other laws and regulations. Future government policies and changes in the laws and regulations in India including but not limited to changes in regulatory framework by any regulator, *inter alia* the RBI or IRDAI or SEBI, may adversely impact our operations. while the Company complies and has procured and maintains coverage with respect to all statutory insurance policies, such policies are subject to modifications, including an increase in payment of insurance premium by the state and central government Any change in law, regulation, rules, comment, statements, or policy framework is not within the control of the Company and such change in laws and regulations may adversely impact the obligations and operations of the Company.

(viii) ***Product Liability Risks***:

The Company is subject to risks and costs associated with product liability, warranties and recalls in connection with performance, compliance or safety related issues affecting company's vehicles. From time to time the Company may be subject to investigations by governmental authorities relating to safety and other compliance with the Company's vehicles. The Company also provides a warranty to the ultimate consumer with each product sold and accrues warranty expenses at the time of sale based on actual claims history. The Company expend considerable resources in connection with product recalls and these resources typically include the cost of the part being replaced and the labour required to remove and replace the defective part. In addition, product recalls can cause company's consumers to question the safety or reliability of company's vehicles and harm company's reputation.

***(ix) Risks related to launch of new products by the Company:***

The ability of the Company to strengthen its position within its traditional product and market segments through development of innovative products and services while expanding into additional market segments, is crucial to its future success. A general shift in consumer preference towards different types of vehicles, which could result from, among other things, government regulations, environmental concerns and increasing fuel prices, could have a negative effect on the Company's profitability generally. Inability to continue to improve the quality of its products, delays in bringing new vehicles to market, inability to achieve defined efficiency targets while suffering from quality losses and lack of market acceptance of new models would adversely affect the financial condition, results of operations and cash flows of the Company. The Company may also face potential time and or cost overruns in development of new products and associated research schemes. Further, despite maintaining and developing strategies for timely launches of new products, the Company may be unable to launch novel, high-quality and cost-effective products in a timely fashion before its competitors in the market.

***(x) Financial Risks:***

The Company and certain of its subsidiaries require significant capital expenditure in order to implement their strategy. The Company must continue to invest capital to maintain the manufacturing and production of two and three-wheeler products. The Company's capital expenditure plans and requirements are subject to a number of risks, contingencies and other factors, some of which are beyond its control. In addition, the Company cannot assure investors that it will be able to generate sufficient cash flow or that it will have access to sufficient external financing to support its current and planned business operations, including its existing and future working capital requirements. The Company may find it difficult to procure adequate amount of funds at an appropriate price and tenure due to unavailability or liquidity issues in the financial markets. Changes in economic and financial conditions or continuing lack of liquidity in the market could make it difficult for the Company to access funds at competitive rates. Any such disruption in the

Company's ability to access primary funding sources at competitive costs would have a significant adverse effect on its liquidity, financial condition and/or cash flows.

The Company borrows funds from various banks and financial institutions to meet the long-term and short-term funding requirements for its operations and funding its growth initiatives, both in Rupee and Foreign currency. Upward fluctuations in interest rates may increase the cost of any floating rate debt that the Company incurs. In addition, the interest rate that the Company will be able to secure in any future debt financing will depend on market conditions at that time and may differ from the rates on its existing debt. If the interest rates are high when the Company needs to access the markets for additional debt financing, the Company's results of operations, planned capital expenditures and cash flows may be adversely affected. Similarly, movement in exchange rates and international lending rates could have impact on the Company's financials.

(xi) ***Risks related to performance of our Subsidiaries and Associates***:

Deterioration in the performance of any of the Company's subsidiaries or associates could materially and adversely affect the Company's results of operations. The Company have made and may continue to make capital commitments to its subsidiaries, and associates , and if the business or operations of any of these subsidiaries and associates deteriorates, the value of the Company's investments may decline substantially. As indicated in this "Risk Factors" section, our subsidiaries and associates are also subject to inter alia risks relating to COVID-19, macro and micro economic risks, financial and regulatory risks.

***(xii) Personnel Risks:***

The Company's ability to operate its business and implement its strategies depends, in part, on the continued contributions of the Company's executive officers and other key employees. The loss of any of the Company's key senior executives could have an adverse effect on the Company's business unless and until a replacement is found. In addition, the Company believes that its future success will depend on its continued ability to attract and retain highly skilled personnel with experience in the key business areas of the Company. Competition for these persons is intense, and the Company may not be able to successfully recruit, train or retain qualified managerial personnel.

(xiii) ***Natural Disaster Risk***:

The Company's operations depend upon its ability to protect its principal production facilities against damage from fire, earthquakes, floods, storms, power loss and similar events and to construct facilities that are not vulnerable to the effects of such events. The occurrence of a natural disaster or other unanticipated problems at its facilities or work sites could cause interruptions in the normal operation of its principal production facilities.

(xiv) ***National Security and Civil Disturbance Risks***:

India has, from time to time, experienced social and civil unrest within the country and hostilities with neighbouring countries. These hostilities and tensions could lead to political or economic instability in India and a possible adverse effect on the Company's business and future financial performance. Acts of War and other acts of violence or war may adversely affect global markets and economic growth. These acts may also result in a loss of business confidence, make travel and other services more difficult and have other adverse consequences.

***(xv) Cyber Risk:***

The Company is increasingly reliant on digital technologies and interconnected systems for its operations, including manufacturing, supply chain management, customer engagement, and financial transactions. This dependence exposes the Company to cyber threats such as data breaches, ransomware attacks, phishing, and other forms of cyber intrusion. A successful cyberattack could lead to unauthorized access to sensitive business information, disruption of operations, reputational damage, and financial loss. Additionally, as regulatory frameworks around data protection and cybersecurity evolve, non-compliance could result in penalties and legal liabilities. While the Company has implemented cybersecurity measures and continues to invest in strengthening its digital infrastructure, these measures may not be sufficient to prevent all cyber incidents. The increasing sophistication of cyber threats poses a persistent risk to the Company's business continuity and stakeholder trust.

***(xvi) Unaudited Financial Results***

This Information Memorandum includes unaudited standalone and consolidated financial results for the nine months ended December 31, 2025. As the unaudited financial results prepared by the Company have been subject only to a limited review and as described in Standard on Review Engagements (SRE) 2410, "*Review of Interim Financial Information Performed by the Independent Auditor of the Entity*" issued by the ICAI. Any reliance by the investors on such limited review financial information for the nine months ended December 31, 2025, should, accordingly, be limited. Any financial results published in the future may not be consistent with past performance. Accordingly, the investors should rely on their independent examination of our financial position and results of operations, and should not place undue reliance on, or base their investment decision solely on the financial information included in this Information Document.

**Risk relating to the Non-Convertible Redeemable Preference Shares**

***(i) In case the Company does not have adequate profits, the Company will not be able to pay dividends on the NCRPS.***

As per the provisions of the Companies Act, the dividends payable on the NCRPS can only be out of profits of the Company for that year, calculated in accordance with the provisions of the Companies Act or out of the profits of the Company for any previous fiscal year(s) arrived at as laid down by the Companies Act. Further, where the profits (including accumulated profits standing in the profit or loss account) are inadequate, dividends can be paid out of free reserves, in accordance with the Companies Act and the rules made thereunder.

(ii) ***In future, there may be adverse changes to the credit rating assigned to NCRPS, which will adversely affect the holders of the NCRPS.***

The current Issue has been rated 'A1+' by CARE Ratings Limited vide its rating letter dated September 5, 2025 revalidated vide rating letter dated January 23, 2026. Please see Annexure I for rating letter and rationale for the above rating.

In the event of deterioration in the financial health of the Company, there is possibility that the rating agency may downgrade the ratings of the NCRPS. In such a case, a potential investor may incur losses on revaluation of the investments or may have to make provisions towards sub-standard / non-performing investment as per their standard norms. The rating is not a recommendation to purchase, hold or sell the NCRPS in as much as the ratings do not comment on the market price of the NCRPS or its suitability to a particular investor. There is no assurance either that the rating will remain at the same level at any given period of time or that the rating will not be lowered or withdrawn entirely by the rating agency.

***(iii) NCRPS may be illiquid, there may not be an active secondary market for the NCRPS which will affect the tradability of NCRPS in the market.***

While the NCRPS are being issued, eligible shareholders are requested to note that there may not be an active secondary market for NCRPS. The Company does not provide any guarantee or assurance that the NCRPS will be frequently traded on the Stock Exchanges. There is no assurance that a trading market for the NCRPS will exist and no assurance as to the liquidity of any trading market. Further, the liquidity and market prices of NCRPS can be expected to vary with changes in market and economic conditions, our financial condition and prospects and other factors that generally influence market price of such instruments. It is not possible to predict if and to what extent a secondary market may develop for the NCRPS or at what price the NCRPS will trade in the secondary market or whether such market will be liquid or illiquid. The fact that the NCRPS may be so listed or quoted or admitted to trading does not necessarily lead to greater liquidity than if they were not so listed or quoted or admitted to trading. The more limited the secondary market is, the more difficult it may be for holders of the NCRPS to realise value for NCRPS prior to redemption.

***(iv) Failure to receive listing approval for issuance of NCRPS will affect the holders of NCRPS.***

The Issuer is desirous of making an application for listing of NCRPS to the Stock Exchanges. The Issuer is required to comply with conditions of listing of such NCRPS as specified in the listing agreement with

the Stock Exchanges where the NCRPS are sought to be listed. Failure to receive listing approval will adversely affect the holders of NCRPS.

***(v) Restrictions on payment of dividend and redemption***

In accordance with the provisions of the Companies Act, the dividends payable on the NCRPS can only be out of distributable profits of the company for that year, calculated in accordance with the provisions of the Companies Act or out of the distributable profits of the company for any previous fiscal year(s) arrived at as laid down by the Companies Act. Further, where the profits (including accumulated profits standing in the profit or loss account) are inadequate, dividends can be paid out of free reserves, in accordance with the Companies Act and the rules made thereunder. Redemption of the NCRPS can only be made out of the distributable profits of the Company or fresh issue of shares. In case the Company does not have adequate distributable profits, the Company will not be able to pay the dividends on the NCRPS. Further, in case the Company does not have adequate distributable profits or the Company is unable to raise money by fresh issue of shares, the Company may be unable to redeem the NCRPS.

**EXTERNAL RISK FACTORS**

***(i) Changing regulations in India could lead to new compliance requirements that are uncertain.***

As in most other businesses, the regulatory and policy framework in which we operate is evolving and is subject to change. The Government of India may implement new laws or other regulations and policies that could lead to new compliance requirements, including requiring us to obtain approvals and licenses from the Government and other regulatory bodies, or impose additional requirements.

Uncertainty in the applicability, interpretation or implementation of any amendment to, or change in, governing law, regulation or policy applicable to us, including by reason of an absence, or a limited body, of administrative or judicial precedent may be time consuming as well as costly for us to resolve. We may incur increased costs and other burdens relating to compliance with such new requirements, which may also require significant management time and other resources, and any failure to comply may adversely affect our business, results of operations and prospects.

***(ii) Slowdown in economic growth in India***

The Company's performance, quality and growth of its business are necessarily dependent on the health of the overall Indian economy. Any slowdown in the Indian economy could adversely affect the business of the Company including but not limited to its ability to meet the significant sale targets of various products and ability to implement its strategy etc.

***(iii) Financial instability in other countries may cause increased volatility in Indian financial markets.***

The Indian market and the Indian economy are influenced by economic and market conditions in other countries, including conditions in the United States, Europe and certain emerging economies in Asia. Any worldwide financial instability may cause increased volatility in the Indian financial markets and, directly or indirectly, adversely affect the Indian economy and financial sector and us.
Although economic conditions vary across markets, loss of investor confidence in one emerging economy may cause increased volatility across other economies, including India. Financial instability in other parts of the world could have a global influence and thereby negatively affect the Indian economy. Financial disruptions could materially and adversely affect our business, prospects, financial condition, results of operations and cash flows.

***(iv) Natural disasters, fires, epidemics, pandemics, acts of war, civil unrest and other events could materially and adversely affect our business.***

Natural disasters (such as typhoons, flood, earthquakes, etc.), epidemics, pandemics, acts of war, war like acts and other events, many of which are beyond our control, may lead to economic instability, including in India or globally, which may in turn materially and adversely affect our business, financial condition, cash flows and results of operations.

***(v) Rights of shareholders under Indian laws may be more limited than under the laws of other jurisdictions.***

Our Articles of Association, composition of our Board, Indian laws governing our corporate affairs, the validity of corporate procedures, directors' fiduciary duties and liabilities, and shareholders' rights may differ from those that would apply to a company in another jurisdiction. Shareholders' rights including in relation to class actions, under Indian law may not be as extensive as shareholders' rights under the laws of other countries or jurisdictions. Investors may have more difficulty in asserting their rights as shareholder in an Indian company than as shareholder of a corporation in another jurisdiction.

***(vi) Civil disturbances, regional conflicts and other acts of violence in India and abroad may disrupt or otherwise adversely affect the Indian economy.***

Certain events that are beyond the control of our Company, such as violence or war, may adversely affect worldwide financial markets and could potentially lead to a severe economic recession, which could adversely affect our business, results of operations, financial condition and cash flows, and more generally, any of these events could lower confidence in India 's economy.

Furthermore, if India were to become engaged in armed hostilities, particularly hostilities that are protracted or involve the threat or use of nuclear weapons, the Indian economy and consequently Company's operations might be significantly affected. India has from time to time experienced social and civil unrest and hostilities, including riots, regional conflicts and other acts of violence. Events of this nature in the future could have an adverse effect on our ability to develop our business. As a result, our business, results of operations and financial condition may be adversely affected.

**Issuer's Absolute Responsibility:**

The Issuer, having made all reasonable inquiries, accepts responsibility for and confirms that this placement memorandum contains all information with regard to the issuer and the issue which is material in the context of the issue, that the information contained in the placement memorandum is true and correct in all material aspects and is not misleading, that the opinions and intentions expressed herein are honestly stated and that there are no other facts, the omission of which make this document as a whole or any of such information or the expression of any such opinions or intentions misleading.

## SECTION III – INTRODUCTION

## GENERAL INFORMATION

Our Company was originally incorporated as Sundaram Auto Engineers (India) Private Limited on June 10, 1992, at Chennai as a limited company under the Companies Act, 1956 and a certificate of incorporation was issued by the Registrar of Companies, Chennai, Tamil Nadu (**"ROC"**) on June 10, 1992. Consequently, the Company got converted to a public company by deletion of word private from its name effective September 4, 1995. Further, the name of the Company was changed from Sundaram Auto Engineers (India) Limited to TVS Suzuki Limited on April 25, 2000. Further effective November 7, 2001 the Company's name was further changed from TVS Suzuki Limited to TVS Motor Company Limited ("**Company**" or "**Issuer**"). There has been no change in the name of the Company since November 7, 2001. At present, the Equity Shares of our Company are listed on BSE and NSE.

Our Company is a widely held public listed company in which as on December 31, 2025 the public shareholders hold 49.71% of the issued, subscribed, and paid-up equity share capital of the Company.

The Company is a two and three-wheeler manufacturer globally, championing progress through its four manufacturing facilities in Hosur, Mysuru and Nalagarh in India and Karawang in Indonesia.

**Registration**

**CIN:** L35921TN1992PLC022845
**LEI:** 335800URVL13UQEWM152
**Permanent Account Number:** AAACS7032B

**Registered Office and Corporate Office**

**TVS Motor Company Limited**
**"**Chaitanya", No.12, Khader Nawaz Khan Road,
Nungambakkam,
Chennai – 600 006, Tamil Nadu, India
**Tel**: +91 44 2833 2115
**E-mail**: contactus@tvsmotor.com
**Website**: www.tvsmotor.com

**Registrar of Companies**

**Registrar of Companies, Tamil Nadu at Chennai**
Block No.6, B Wing 2nd Floor,
Shastri Bhawan 26, Haddows Road,
Chennai – 600034, Tamil Nadu
**Tel. No.**: +91 44 2827 0071
**Fax No**.: +91 44 2823 4298
**E-mail**: roc.chennai@mca.gov.in

**Liability of the members of the Company**

Limited by shares

**Chief Financial Officer**

**Mr. K Gopala Desikan**
**"**Chaitanya", No.12, Khader Nawaz Khan Road,
Nungambakkam, Chennai,
Tamil Nadu – 600 006
**Tel**: +91 44 2833 2115
**E-mail**: kgd@tvsmotor.com

**Company Secretary and Compliance Officer**

**Mr. K S Srinivasan**
**"**Chaitanya", No.12, Khader Nawaz Khan Road,
Nungambakkam, Chennai,
Tamil Nadu 600006
**Tel**: +91 44 2833 2115
**E-mail**: srinivasan.ks@tvsmotor.com

Shareholders may contact the Company Secretary and Compliance Officer or the RTA to the Issue in case of any pre-issue or post-issue related problems, such as non-receipt of allotment advice, credit of allotted NCRPSs in beneficiary accounts etc., as the case may be.

All grievances relating to the Issue may be addressed to the RTA, giving full details such as name, address of the Applicant, Permanent Account Number, Depository Participant name and Client Identification Number.

**Debenture Trustee**

Not applicable

**Credit Rating Agency**

**CARE Ratings Limited**
4th Floor, Godrej Coliseum, Somaiya Hospital Road,
Off Eastern Express Highway, Sion (East), Mumbai - 400
022
**SEBI Registration No**: IN/CRA/004/1999
**Tel**: +91 22 67543456
**Fax**: +91 22 67543457
**E-mail**: Hardik.shah@careedge.in
**Website**: www.careratings.com
**Contact Person**: Mr. Hardik Shah
**Compliance Officer**: Ms. Rashi Shingal

**Credit Rating and Rationale**

The NCRPS under the Issue have been rated "A1+" for an amount of ₹ 1,900.35 crore by CARE Ratings Limited vide their rating letter dated September 5, 2025 revalidated vide rating letter dated January 23, 2026 and press release for rating rationale dated September 5, 2025. The ratings given by the Credit Rating Agency is valid as on the date of this Information Memorandum and shall remain valid until the ratings are revised or withdrawn. The rating is not a recommendation to buy, sell or hold securities and investors should take their own decision. The rating may be subject to revision or withdrawal at any time by the assigning rating agency and each rating should be evaluated independently of any other rating. The rating agency has a right to suspend or withdraw the rating at any time on the basis of factors such as new information. For the credit rating, rating rationale for the above ratings, see Annexure I.

**Disclaimer clause of CARE Ratings Limited**

*"The ratings issued by CARE Ratings are opinions on the likelihood of timely payment of the obligations under the rated instrument and are not recommendations to sanction, renew, disburse, or recall the concerned bank facilities or to buy, sell, or hold any security. These ratings do not convey suitability or price for the investor and no part of the Material should be construed as an expert advice or investment advice within the meaning of any law or regulation. The rating agency does not constitute an audit on the rated entity. CARE Ratings has based its ratings/outlook based on information obtained from reliable and credible sources. CARE Ratings does not, however, guarantee the accuracy, adequacy, or completeness of any information and is not responsible for any errors or omissions and the results obtained from the use of such information."*

**Registrar to the Issue**

**Integrated Registry Management Services Private Limited**
II Floor, "Kences Towers", No.1, Ramakrishna Street,
North Usman Road, T Nagar, Chennai - 600 017
**SEBI Registration No**: INR000000544
**Tel**: 044 – 28140801 - 803
**Fax**: 044 – 28140247
**E-mail**: einward@integratedindia.in
**Investor Grievance Email**: srirams@integratedindia.in
**Website**: https://www.integratedindia.in
**Contact Person and Compliance Officer**: Mr. Sriram S

Integrated Registry Management Services Private Limited has by its letter dated August 26, 2025 given its consent for its appointment as the Registrar to the Issue and for its name to be included in this Information Memorandum and in all the subsequent periodical communications sent to the holders of the NCRPS.

**Statutory Auditor**

**M/s Sundaram & Srinivasan, Chartered Accountants**
Old No. 23, New No. 4, C P Ramaswamy Road,
Alwarpet, Chennai - 600018
**Tel**: 044 – 24988762; 044 – 24988463; 044 – 42106952
**Website**: https://sundaramandsrinivasan.com/
**Contact Person**: Ms. S Usha, Partner
**Firm registration number**: 004207S
**Auditors since**: 24th July 2023

**Legal Counsel to the Issue**

**Khaitan & Co**
One World Centre
10th, 13th & 14th Floor, Tower 1C,
Senapati Bapat Marg,
Mumbai – 400 013
Maharashtra, India
**Tel:** +91 22 6636 5000

**Banker to the Issue**

There is no banker to the Issue

**Underwriting**

Not applicable

**Arrangers to the Issue**

Not applicable

**Guarantor to the Issue**

There are no guarantors to the Issue.

**Recovery Expense Fund**

Our Company has created recovery expense fund with the Designated Stock Exchange for the purpose of this Issue.

# CAPITAL STRUCTURE

**Details of share capital**

**Pre-Scheme:**

| Particulars | Amount (in ₹) |
|---|---|
| **Authorised Share Capital** | |
| 50,00,00,000 Equity Shares of face value of ₹ 1 each | 50,00,00,000 |
| **Total Authorised Share Capital** | **50,00,00,000** |
| **Issued, Subscribed and paid-up share capital** | |
| 47,50,87,114 Equity Shares of face value of ₹ 1 each | 47,50,87,114 |
| **Total** | **47,50,87,114** |

The post-scheme share capital of our Company is set forth below:

**Post-Scheme:**

| Particulars | Amount (in ₹) |
|---|---|
| **Authorised Share Capital** | |
| 50,00,00,000 Equity Shares of face value of ₹ 1 each | 50,00,00,000 |
| 200,00,00,000 Cumulative Non-Convertible Redeemable Preference Shares of face value of ₹ 10 each | 20,00,00,00,000 |
| **Total Authorised Share Capital** | **2050,00,00,000** |
| **Issued, Subscribed and paid-up share capital** | |
| 47,50,87,114 Equity Shares of face value of ₹ 1 each | 47,50,87,114 |
| 190,03,48,456 Cumulative Non-Convertible Redeemable Preference Shares of ₹ 10 each | 1900,34,84,560 |
| **Total** | **1947,85,71,674** |

**Details of change in the authorised share capital of our Company for the last three financial years and the current financial year preceding the date of this Information Memorandum**

Pursuant to the Scheme, the authorised share capital of the Company was increased from ₹ 50 crore divided into 50 crore equity shares of ₹ 1 each to ₹ 2,050 crore divided into 50 crore equity shares of ₹ 1 each and 200 crore cumulative non-convertible redeemable preference shares of ₹ 10 each and such increase in authorised shared capital was noted by Board of Directors of the Company vide circular resolution dated August 12, 2025.

Other, than specified above, there has been no change in authorised share capital of our Company for the last three years and the current financial year preceding the date of this Information Memorandum.

**Issue of Equity Shares for consideration other than cash in the three years preceding the date of this Information Memorandum**

No equity shares of the Company have been issued for consideration other than cash in the three years preceding the date of this Information Memorandum.

**Changes in the Equity Share capital of our Company in the last three financial years and the current financial year preceding the date of this Information Memorandum**

There has been no change in Equity Share capital of our Company in the last three financial years and the current financial year preceding the date of this Information Memorandum.

**Details of the shareholding of the Company as on December 31, 2025 as per the format specified under the listing regulations**

**Table I: Summary statement holding of specified securities:**

| Category | Category of shareholders | No. of share-holders | No. of fully paid up Equity Shares held | No. of partly paid up Equity Shares held | No. of shares underlying Depository Receipts | Total no. of shares held | Shareholding as a %age of total no. of shares (calculated as per SCRR, 1957) (as a % of (A+B+C) | No. of voting rights held in each class of securities | | | | No. of shares underlying outstanding convertible securities (including warrants) | Shareholding as % assuming full conversion of convertible securities (as a % of diluted share capital) | No. of locked in shares | | No. of shares pledged | | No. of Equity Shares held in dematerialised form |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | | | | | | | No. of voting rights | | | Total as % of (A+B+C) | | | No. (a) | As a % of total shares held (b) | No. (a) | As a % of total shares held (b) | |
| (I) | (II) | (III) | (IV) | (V) | (VI) | (VII) = IV + V + VI | (VIII) | Class X | Class Y | Total | (IX) | (X) | (XI) = (VII) + (X) as a % of (A+B+C) | (XII) | | (XIII) | | (XIV) |
| (A) | Promoter & Promoter Group | 2 | 23,88,12,786 | - | - | 23,88,12,786 | 50.27 | 23,88,12,786 | - | 23,88,12,786 | 50.27 | - | 50.27 | - | - | - | - | 23,88,12,786 |
| (B) | Public | 3,20,845 | 23,61,47,301 | - | - | 23,61,47,301 | 49.71 | 23,61,47,301 | | 23,61,47,301 | 49.71 | - | 49.71 | - | - | - | - | 23,48,69,014 |
| (C) | Non promoter non public | 1 | 1,27,027 | - | - | 1,27,027 | 0.03 | 1,27,027 | - | 1,27,027 | 0.03 | - | 0.03 | - | - | - | - | 1,27,027 |
| (C1) | Shares underlying DRs | - | - | - | - | | - | - | - | - | - | - | - | - | - | - | - | - |
| (C2) | Shares held by | 1 | 1,27,027 | - | - | 1,27,027 | 0.03 | 1,27,027 | - | 1,27,027 | 0.03 | - | 0.03 | - | - | - | - | 1,27,027 |

| | | | | | | | | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | Employee trust | | | | | | | | | | | | | | | | | |
| | **Total** | **3,20,848** | **4750,87,114** | **-** | **-** | **4750,87,114** | **100.00** | **4750,87,114** | **-** | **4750,87,114** | **100.00** | **-** | **100.00** | **-** | **-** | **-** | **-** | **47,38,08,827** |

**Table II: Statement showing shareholding pattern of the Promoter and Promoter Group :**

| Cate-gory | Category of share-holders | Entity Type | No. of share-holders | No. of fully paid up Equity Shares held | No. of partly paid up Equity Shares held | No. of shares underlying Depository Receipts | Total no. of shares held | Share-holding as a %age of total no. of shares (calculated as per SCRR, 1957) (as a % of (A+B+C) | No. of voting rights held in each class of securities | | | | No. of shares underlying outstanding convertible securities (including warrants) | Shareholding as % assuming full conversion of convertible securities (as a % of diluted share capital) | No. of locked in shares | | No. of shares pledged | | No. of Equity Shares held in dematerialised form (**) |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | | | | | | | | No. of voting rights | | | Total as % of (A+B+C) | | | No. (a) | As a % of total shares held (b) | No. (a) | As a % of total shares held (b) | |
| (I) | (II) | | (III) | (IV) | (V) | (VI) | (VII) = IV + V + VI | (VIII) | Class X | Class Y | Total | (IX) | (X) | (XI) = (VII) + (X) as a % of (A+B+C) | (XII) | | (XIII) | | (XIV) |
| **A(1)** | **Indian** | | | | | | | | | | | | | | | | | | |
| **(a)** | **Individuals / HUF** | | 1 | 30,000 | - | - | 30,000 | 0.01 | 30,000 | - | 30,000 | 0.01 | | 0.01 | - | - | - | - | 30,000 |
| | Mallika Srinivasan | Promoter Group | 1 | 30,000 | - | - | 30,000 | 0.01 | 30,000 | - | 30,000 | 0.01 | - | 0.01 | - | - | - | - | 30,000 |
| | Venu Srinivasan | Promoter Group | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| | Lakshmi Venu | Promoter Group | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| **(b)** | **Central Govt / State Govt** | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |

| Cate-gory | Category of share-holders | Entity Type | No. of share-holders | No. of fully paid up Equity Shares held | No. of partly paid up Equity Shares held | No. of shares underlying Depository Receipts | Total no. of shares held | Share-holding as a %age of total no. of shares (calculated as per SCRR, 1957) (as a % of (A+B+C) | No. of voting rights held in each class of securities | | | | No. of shares underlying outstanding convertible securities (including warrants) | Shareholding as % assuming full conversion of convertible securities (as a % of diluted share capital) | No. of locked in shares | | No. of shares pledged | | No. of Equity Shares held in dematerialised form (**) |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | | | | | | | | No. of voting rights | | | Total as % of (A+B+C) | | | No. (a) | As a % of total shares held (b) | No. (a) | As a % of total shares held (b) | |
| **(c)** | **Financial Institutions / Banks** | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| **(d)** | **Any other Bodies Corporate** | - | 1 | 23,87,82,786 | - | - | 23,87,82,786 | 50.26 | 23,87,82,786 | - | 23,87,82,786 | 50.26 | - | 50.26 | - | - | - | - | 23,87,82,786 |
| | TVS Holdings Limited (Formerly known as Sundaram Clayton Limited) | Promoter | 1 | 23,87,82,786 | - | - | 23,87,82,786 | 50.26 | - | - | 23,87,82,786 | 50.26 | - | 50.26 | - | - | - | - | 23,87,82,786 |
| | VS Trust (Mr Venu Srinivasan, Trustee) | Promoter Group | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| | VS Trustee Private Limited | Promoter Group | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| | VS PTC Trust (Mr Venu Srinivasan, Trustee) | Promoter Group | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |

| Cate-gory | Category of share-holders | Entity Type | No. of share-holders | No. of fully paid up Equity Shares held | No. of partly paid up Equity Shares held | No. of shares underlying Depository Receipts | Total no. of shares held | Share-holding as a %age of total no. of shares (calculated as per SCRR, 1957) (as a % of (A+B+C) | No. of voting rights held in each class of securities | | | | No. of shares underlying outstanding convertible securities (including warrants) | Shareholding as % assuming full conversion of convertible securities (as a % of diluted share capital) | No. of locked in shares | | No. of shares pledged | | No. of Equity Shares held in dematerialised form (**) |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | | | | | | | | No. of voting rights | | | Total as % of (A+B+C) | | | No. (a) | As a % of total shares held (b) | No. (a) | As a % of total shares held (b) | |
| | VEE ESS Trading Private Limited | Promoter Group | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| | Cheema Venu Trust (formerly known as VEE ESS Trust) (Venu Srinivasan Trustee Private Limited, Trustee) | Promoter Group | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| | Srinivasan Venu Trust (Mr Venu Srinivasan, Trustee) | Promoter Group | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| | Venu Srinivasan Trustee Private Limited | Promoter Group | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| | Srinivasan Trust (VS Trustee Private Limited, Trustee) | Promoter Group | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |

| Cate-gory | Category of share-holders | Entity Type | No. of share-holders | No. of fully paid up Equity Shares held | No. of partly paid up Equity Shares held | No. of shares underlying Depository Receipts | Total no. of shares held | Share-holding as a %age of total no. of shares (calculated as per SCRR, 1957) (as a % of (A+B+C) | No. of voting rights held in each class of securities | | | | No. of shares underlying outstanding convertible securities (including warrants) | Shareholding as % assuming full conversion of convertible securities (as a % of diluted share capital) | No. of locked in shares | | No. of shares pledged | | No. of Equity Shares held in dematerialised form (**) |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | | | | | | | | No. of voting rights | | | Total as % of (A+B+C) | | | No. (a) | As a % of total shares held (b) | No. (a) | As a % of total shares held (b) | |
| | S. Venu Trustee Private Limited | Promoter Group | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| | STPL Trading and Services Private Limited (Formerly known as Srinivasan Trading Private Limited) | Promoter Group | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| | **Sub-total A(1)** | | **2** | **23,88,12,786** | **-** | **-** | **23,88,12,786** | **50.27** | **23,88,12,786** | **-** | **23,88,12,786** | **50.27** | **-** | **-** | **-** | **-** | **-** | **-** | **23,88,12,786** |
| **A(2)** | **Foreign** | | **-** | **-** | **-** | **-** | **-** | **-** | **-** | **-** | **-** | **-** | **-** | **-** | **-** | **-** | **-** | **-** | **-** |
| **(a)** | Individuals (Non resident Individuals / Foreign Individuals) | | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| | Mr Sudarshan Venu | Promoter Group | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| **(b)** | Government | | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |

| Cate-gory | Category of share-holders | Entity Type | No. of share-holders | No. of fully paid up Equity Shares held | No. of partly paid up Equity Shares held | No. of shares underlying Depository Receipts | Total no. of shares held | Share-holding as a %age of total no. of shares (calculated as per SCRR, 1957) (as a % of (A+B+C) | No. of voting rights held in each class of securities | | | | No. of shares underlying outstanding convertible securities (including warrants) | Shareholding as % assuming full conversion of convertible securities (as a % of diluted share capital) | No. of locked in shares | | No. of shares pledged | | No. of Equity Shares held in dematerialised form (**) |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | | | | | | | | No. of voting rights | | | Total as % of (A+B+C) | | | No. (a) | As a % of total shares held (b) | No. (a) | As a % of total shares held (b) | |
| (c) | Institutions | | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| (d) | **Foreign Portfolio Investors** | | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| (e) | **Any others (Foreign Bodies Corporate)** | | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| | **Sub-total A(2)** | | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| | **Total shareholding of Promoter & Promoter Group (A) = (A)(1) + (A)(2)** | | **2** | **23,88,12,786** | **-** | **-** | **23,88,12,786** | **50.27** | **23,88,12,786** | **-** | **23,88,12,786** | **50.27** | **-** | **-** | **-** | **-** | **-** | **-** | **23,88,12,786** |

**Table III: Statement showing shareholding pattern of public shareholder**

| Cate-gory | Category of share-holders | No. of share-holders | No. of fully paid up Equity Shares held | No. of partly paid up Equity Shares held | No. of shares underlying Depository Receipts | Total no. of shares held | Share-holding as a %age of total no. of shares (calculated as per SCRR, 1957) (as a % of (A+B+C) | No. of Voting rights held in each class of securities | | | | No. of shares underlying outstanding convertible securities (including warrants) | Shareholding as % assuming full conversion of convertible securities (as a % of diluted share capital) | No. of locked in shares | | No. of shares pledged | | No. of Equity Shares held in dematerialised form |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | | | | | | | No. of voting rights | | | Total as % of (A+B+C) | | | No. (a) | As a % of total shares held (b) | No. (a) | As a % of total shares held (b) | |
| (I) | (II) | (III) | (IV) | (V) | (VI) | (VII) = IV + V + VI | (VIII) | Class X | Class Y | Total | (IX) | (X) | (XI) = (VII) + (X) as a % of (A+B+C) | (XII) | | (XIII) | | (XIV) |
| 1 | **Institutions (Domestic)** | | | | | | | | | | | | | | | | | |
| (a) | **Mutual Funds** | 41 | 6,72,45,150 | - | - | 6,72,45,150 | 14.15 | 6,72,45,150 | - | 6,72,45,150 | 14.15 | - | 14.15 | - | - | - | - | 6,72,45,150 |
| | ICICI Prudential Mutual Fund | 1 | 2,74,65,898 | - | - | 2,74,65,898 | 5.78 | 2,74,65,898 | - | 2,74,65,898 | 5.78 | - | 5.78 | - | - | - | - | 2,74,65,898 |
| | Axis Mutual Fund | 1 | 59,65,534 | - | - | 59,65,534 | 1.26 | 59,65,534 | - | 59,65,534 | 1.26 | - | 1.26 | - | - | - | - | 59,65,534 |
| (b) | **Venture Capital Fund** | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| (c ) | **Alternative Investment Fund** | 39 | 13,23,108 | - | - | 13,23,108 | 0.28 | 13,23,108 | - | 13,23,108 | 0.28 | - | 0.28 | - | - | - | - | 13,23,108 |
| (d) | **Banks** | 9 | 3,62,309 | - | - | 3,62,309 | 0.08 | 3,62,309 | - | 3,62,309 | 0.08 | - | 0.08 | - | - | - | - | 3,11,309 |
| (e) | **Insurance Companies** | 24 | 1,09,42,184 | - | - | 1,09,42,184 | 2.30 | 1,09,42,184 | - | 1,09,42,184 | 2.30 | - | 2.30 | - | - | - | - | 1,09,42,184 |

| Cate-gory | Category of share-holders | No. of share-holders | No. of fully paid up Equity Shares held | No. of partly paid up Equity Shares held | No. of shares underlying Depository Receipts | Total no. of shares held | Share-holding as a %age of total no. of shares (calculated as per SCRR, 1957) (as a % of (A+B+C) | No. of Voting rights held in each class of securities | | | | No. of shares underlying outstanding convertible securities (including warrants) | Shareholding as % assuming full conversion of convertible securities (as a % of diluted share capital) | No. of locked in shares | | No. of shares pledged | | No. of Equity Shares held in dematerialised form |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | | | | | | | No. of voting rights | | | Total as % of (A+B+C) | | | No. (a) | As a % of total shares held (b) | No. (a) | As a % of total shares held (b) | |
| (f) | **Provident funds / pension funds** | 1 | 69,98,797 | - | - | 69,98,797 | 1.47 | 69,98,797 | - | 69,98,797 | 1.47 | - | 1.47 | - | - | - | - | 69,98,797 |
| | NPS Trust | 1 | 69,98,797 | - | - | 69,98,797 | 1.47 | 69,98,797 | - | 69,98,797 | 1.47 | - | 1.47 | - | - | - | - | 69,98,797 |
| (g) | **Asset Reconstruction Company** | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| (h) | **Sovereign Wealth funds** | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| (i) | **NBFC registered with RBI** | 7 | 13,756 | - | - | 13,756 | 0.00 | 13,756 | - | 13,756 | 0.00 | - | 0.00 | | | | | 13,756 |
| (j) | **Other Financial Institutions** | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| (k) | **Any other specify** | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| | **Sub Total (B)(1)** | 121 | 8,68,85,304 | - | - | 8,68,85,304 | 18.29 | 8,68,85,304 | - | 8,68,85,304 | 18.29 | | 18.29 | - | - | - | - | 8,68,34,304 |
| 2 | **Institutions (Foreign)** | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| (a) | **Foreign Direct Investment** | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |

| Cate-gory | Category of share-holders | No. of share-holders | No. of fully paid up Equity Shares held | No. of partly paid up Equity Shares held | No. of shares underlying Depository Receipts | Total no. of shares held | Share-holding as a %age of total no. of shares (calculated as per SCRR, 1957) (as a % of (A+B+C) | No. of Voting rights held in each class of securities | | | | No. of shares underlying outstanding convertible securities (including warrants) | Shareholding as % assuming full conversion of convertible securities (as a % of diluted share capital) | No. of locked in shares | | No. of shares pledged | | No. of Equity Shares held in dematerialised form |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | | | | | | | No. of voting rights | | | Total as % of (A+B+C) | | | No. (a) | As a % of total shares held (b) | No. (a) | As a % of total shares held (b) | |
| (b) | **Foreign venture capital investor** | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| (c) | **Sovereign Wealth funds** | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| (d) | **Foreign portfolio investor category I** | 907 | 10,58,50,109 | - | - | 10,58,50,109 | 22.28 | 10,58,50,109 | - | 10,58,50,109 | 22.28 | - | 22.28 | - | - | - | - | 10,58,50,109 |
| (e) | **Foreign portfolio investor category II** | 49 | 38,30,329 | - | - | 38,30,329 | 0.81 | 38,30,329 | - | 38,30,329 | 0.81 | - | 0.81 | - | - | - | - | 38,30,329 |
| (f) | **Overseas Depositories (holding DRs) (balancing figure)** | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| (g) | **Any other specify** | | | | | | | | | | | | | | | | | |
| | **Sub Total (B)(2)** | **956** | **10,96,80,438** | **-** | **-** | **10,96,80,438** | **23.09** | **10,96,80,438** | **-** | **10,96,80,438** | **23.09** | **-** | **23.09** | **-** | **-** | **-** | **-** | **10,96,80,438** |
| 3 | **Central government /** | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |

| Cate-gory | Category of share-holders | No. of share-holders | No. of fully paid up Equity Shares held | No. of partly paid up Equity Shares held | No. of shares underlying Depository Receipts | Total no. of shares held | Share-holding as a %age of total no. of shares (calculated as per SCRR, 1957) (as a % of (A+B+C) | No. of Voting rights held in each class of securities | | | | No. of shares underlying outstanding convertible securities (including warrants) | Shareholding as % assuming full conversion of convertible securities (as a % of diluted share capital) | No. of locked in shares | | No. of shares pledged | | No. of Equity Shares held in dematerialised form |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | | | | | | | No. of voting rights | | | Total as % of (A+B+C) | | | No. (a) | As a % of total shares held (b) | No. (a) | As a % of total shares held (b) | |
| | **state government(s)** | | | | | | | | | | | | | | | | | |
| (a) | Central government / President of India | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| (b) | state government/Governor | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| (c) | Shareholding by Companies/ Bodies Corporate where Central / state government is a promoter | 1 | 3,618 | - | - | 3,618 | 0.00 | 3,618 | - | 3,618 | 0.00 | - | 0.00 | - | - | - | - | 3,618 |
| | **Sub Total (B)(3)** | **1** | **3,618** | **-** | **-** | **3,618** | **0.00** | **3,618** | **-** | **3,618** | **0.00** | **-** | **0.00** | **-** | **-** | **-** | **-** | **3,618** |
| (4) | **Non Institutions** | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| (a) | Associate Companies/Subsidiaries | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |

| Cate-gory | Category of share-holders | No. of share-holders | No. of fully paid up Equity Shares held | No. of partly paid up Equity Shares held | No. of shares underlying Depository Receipts | Total no. of shares held | Share-holding as a %age of total no. of shares (calculated as per SCRR, 1957) (as a % of (A+B+C) | No. of Voting rights held in each class of securities | | | | No. of shares underlying outstanding convertible securities (including warrants) | Shareholding as % assuming full conversion of convertible securities (as a % of diluted share capital) | No. of locked in shares | | No. of shares pledged | | No. of Equity Shares held in dematerialised form |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | | | | | | | No. of voting rights | | | Total as % of (A+B+C) | | | No. (a) | As a % of total shares held (b) | No. (a) | As a % of total shares held (b) | |
| (b) | Directors and their relatives (excluding independent directors and nominee directors) | 3 | 2,57,730 | - | - | 2,57,730 | 0.05 | 2,57,730 | - | 2,57,730 | 0.05 | - | 0.05 | - | - | - | - | 2,57,730 |
| (c) | Key Managerial Personnel | 1 | 49,220 | - | - | 49,220 | 0.01 | 49,220 | - | 49,220 | 0.01 | - | 0.01 | - | - | - | - | 49,220 |
| (d) | Relatives of promoters (other than 'immediate relatives' of promoters disclosed under 'Promoter and Promoter Group' category) | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| (e) | Trusts where any person belonging to 'Promoter and | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |

| Cate-gory | Category of share-holders | No. of share-holders | No. of fully paid up Equity Shares held | No. of partly paid up Equity Shares held | No. of shares underlying Depository Receipts | Total no. of shares held | Share-holding as a %age of total no. of shares (calculated as per SCRR, 1957) (as a % of (A+B+C) | No. of Voting rights held in each class of securities | | | | No. of shares underlying outstanding convertible securities (including warrants) | Shareholding as % assuming full conversion of convertible securities (as a % of diluted share capital) | No. of locked in shares | | No. of shares pledged | | No. of Equity Shares held in dematerialised form |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | | | | | | | No. of voting rights | | | Total as % of (A+B+C) | | | No. (a) | As a % of total shares held (b) | No. (a) | As a % of total shares held (b) | |
| | Promoter Group' category is 'trustee', 'beneficiary', or 'author of the trust' | | | | | | | | | | | | | | | | | |
| (f) | Investor Education and Protection Fund (IEPF) | 1 | 16,48,682 | - | - | 16,48,682 | 0.35 | 16,48,682 | - | 16,48,682 | 0.35 | - | 0.35 | - | - | - | - | 16,48,682 |
| (g) | Resident Individuals holding nominal share capital up to Rs. 2 lakhs | 305429 | 3,16,44,064 | - | - | 3,16,44,064 | 6.66 | 3,16,44,064 | - | 3,16,44,064 | 6.66 | - | 6.66 | - | - | - | - | 3,04,43,445 |
| (h) | Resident Individuals holding nominal share capital in excess of Rs. 2 lakhs | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |

| Cate-gory | Category of share-holders | No. of share-holders | No. of fully paid up Equity Shares held | No. of partly paid up Equity Shares held | No. of shares underlying Depository Receipts | Total no. of shares held | Share-holding as a %age of total no. of shares (calculated as per SCRR, 1957) (as a % of (A+B+C) | No. of Voting rights held in each class of securities | | | | No. of shares underlying outstanding convertible securities (including warrants) | Shareholding as % assuming full conversion of convertible securities (as a % of diluted share capital) | No. of locked in shares | | No. of shares pledged | | No. of Equity Shares held in dematerialised form |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | | | | | | | No. of voting rights | | | Total as % of (A+B+C) | | | No. (a) | As a % of total shares held (b) | No. (a) | As a % of total shares held (b) | |
| (i) | Non Resident Indians (NRIs) | 8678 | 17,29,237 | - | - | 17,29,237 | 0.36 | 17,29,237 | - | 17,29,237 | 0.36 | - | 0.36 | - | - | - | - | 17,23,237 |
| (j) | Foreign Nationals | 4 | 3,045 | - | - | 3,045 | 0.00 | 3,045 | - | 3,045 | 0.00 | - | 0.00 | - | - | - | - | 3,045 |
| (k) | Foreign Companies | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| (l) | Bodies Corporate | 1,633 | 28,78,034 | - | - | 28,78,034 | 0.61 | 28,78,034 | - | 28,78,034 | 0.61 | - | 0.61 | - | - | - | - | 28,65,248 |
| (m) | Any other specify | 4,018 | 13,67,929 | - | - | 13,67,929 | 0.29 | 13,67,929 | - | 13,67,929 | 0.29 | - | 0.29 | - | - | - | - | 13,60,047 |
| | Unclaimed or Suspense or Escrow Account | 2 | 45,882 | - | - | 45,882 | 0.01 | 45,882 | - | 45,882 | 0.01 | - | 0.01 | - | - | - | - | 45,882 |
| | Trusts | 39 | 4,73,531 | - | - | 4,73,531 | 0.10 | 4,73,531 | - | 4,73,531 | 0.10 | - | 0.10 | - | - | - | - | 4,73,531 |
| | LLP | 209 | 2,41,861 | - | - | 2,41,861 | 0.05 | 2,41,861 | - | 2,41,861 | 0.05 | - | 0.05 | - | - | - | - | 2,41,861 |
| | HUF | 3759 | 6,01,536 | - | - | 6,01,536 | 0.13 | 6,01,536 | - | 6,01,536 | 0.13 | - | 0.13 | - | - | - | - | 5,93,654 |
| | Clearing Members | 6 | 2,069 | - | - | 2,069 | 0.00 | 2,069 | - | 2,069 | 0.00 | - | 0.00 | - | - | - | - | 2,069 |
| | Firm | 1 | 50 | - | - | 50 | 0.00 | 50 | - | 50 | 0.00 | - | 0.00 | - | - | - | - | 50 |
| | Association of Persons | 2 | 3,000 | | | 3,000 | 0.00 | 3,000 | - | 3,000 | 0.00 | - | 0.00 | - | - | - | - | 3,000 |
| | **Sub Total (B)(4)** | 3,19,767 | 3,95,77,941 | - | - | 3,95,77,941 | 8.33 | 3,95,77,941 | - | 3,95,77,941 | 8.33 | - | 8.33 | - | - | - | - | 3,83,50,654 |

| Cate-gory | Category of share-holders | No. of share-holders | No. of fully paid up Equity Shares held | No. of partly paid up Equity Shares held | No. of shares underlying Depository Receipts | Total no. of shares held | Share-holding as a %age of total no. of shares (calculated as per SCRR, 1957) (as a % of (A+B+C) | No. of Voting rights held in each class of securities | | | | No. of shares underlying outstanding convertible securities (including warrants) | Shareholding as % assuming full conversion of convertible securities (as a % of diluted share capital) | No. of locked in shares | | No. of shares pledged | | No. of Equity Shares held in dematerialised form |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | | | | | | | No. of voting rights | | | Total as % of (A+B+C) | | | No. (a) | As a % of total shares held (b) | No. (a) | As a % of total shares held (b) | |
| | **Total public shareholding (B) = (B)(1)+(B)(2)+(B)(3)+(B)(4)** | **3,20,845** | **23,61,47,301** | **-** | **-** | **23,61,47,301** | **49.71** | **23,61,47,301** | **-** | **23,61,47,301** | **49.71** | **-** | **49.71** | **-** | **-** | **-** | **-** | **23,48,69,014** |

**Table IV: Statement showing shareholding pattern of Non promoter Non public shareholder as on December 31, 2025**

| Cate-gory | Category of share-holders | No. of share-holders | No. of fully paid up Equity Shares held | No. of partly paid up Equity Shares held | No. of shares underlying Depository Receipts | Total no. of shares held | Share-holding as a %age of total no. of share dematerialised as per SCRR, 1957) (as a % of (A+B+C) | No. of voting rights held in each class of securities | | | | No. of shares underlying outstanding convertible securities (including warrants) | Shareholding as % assuming full conversion of convertible securities (as a % of diluted share capital) | No. of locked in shares | | No. of shares pledged | | No. of Equity Shares held in dematerialised form |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | | | | | | | No. of voting rights | | | Total as % of (A+B+C) | | | No. (a) | As a % of total shares held (b) | No. (a) | As a % of total shares held (b) | |
| (I) | (II) | (III) | (IV) | (V) | (VI) | (VII) = IV + V + VI | (VIII) | Class X | Class Y | Total | (IX) | (X) | (XI) = (VII) + (X) as a % of (A+B+C) | (XII) | | (XIII) | | (XIV) |
| 1 | Custodian / DR Holder | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 2 | Employees benefit trust (under SEBI (Share based employee benefit) Regulations, 2014 | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| (b) | Total non promoter non public shareholding = I(1) + (C)(2) | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |

***List of top 10 holders of equity shares, on fully diluted basis, of the Company as on last quarter end i.e. December 31, 2025***

| Sr. No. | Name of Shareholders | No. of Equity Shares held | No. of Equity Shares held in demat form | Holding percentage |
|---|---|---|---|---|
| 1 | TVS Holdings Limited | 23,87,82,786 | 23,87,82,786 | 50.26 |
| 2 | ICICI Prudential Mutual Fund | 2,74,65,898 | 2,74,65,898 | 5.78 |
| 3 | NPS Trust | 69,98,797 | 69,98,797 | 1.47 |
| 4 | Axis Mutual Fund | 59,65,534 | 59,65,534 | 1.26 |
| 5 | Canara Robeco Mutual Fund | 46,84,312 | 46,84,312 | 0.99 |
| 6 | Government of Singapore | 45,23,299 | 45,23,299 | 0.95 |
| 7 | New World Fund Inc | 38,08,648 | 38,08,648 | 0.80 |
| 8 | Vanguard Funds | 34,18,058 | 34,18,058 | 0.72 |
| 9 | SBI Arbitrage Opportunities Fund | 33,95,908 | 33,95,908 | 0.71 |
| 10 | SBI Life Insurance Co. Ltd | 33,50,600 | 33,50,600 | 0.71 |

***List of top 10 holders of non-convertible securities as on December 31, 2025 in terms of value (on cumulative basis):***

***(i) Non-Convertible Debentures***

| Sr. No. | Name of the holder of Non-convertible Securities | Amount (in ₹ crore) | % of total non-convertible securities outstanding |
|---|---|---|---|
| 1. | Axis Bank Limited | 125.00 | 100.00 |

***(ii) Non-Convertible Redeemable Preference Shares***

| *Sr. No.* | *Name of the holder of non convertible redeemable preference shares* | *Number of non convertible redeemable preference shares* | *Amount (in ₹ crore)* | *% of total non-convertible redeemable preference shares outstanding* |
|---|---|---|---|---|
| 1. | TVS Holdings Limited | 95,51,31,144 | 955.13 | 50.26 |
| 2. | ICICI Prudential Balanced Advantage Fund | 11,94,14,876 | 119.41 | 6.28 |
| 3. | Axis Mutual Fund | 2,51,59,780 | 25.16 | 1.32 |
| 4. | NPS Trust | 2,45,07,184 | 24.51 | 1.29 |
| 5. | Canara Robeco Mutual Fund | 2,17,12,988 | 21.71 | 1.14 |
| 6. | Europacific Growth Fund | 1,94,91,340 | 19.49 | 1.02 |
| 7. | Government of Singapore | 1,75,08,192 | 17.51 | 0.92 |
| 8. | New World Fund Inc | 1,73,15,908 | 17.32 | 0.91 |
| 9. | SBI Retirement Mutual Fund | 1,47,50,628 | 14.75 | 0.77 |
| 10. | Invesco India Mutual Fund | 1,40,40,712 | 14.04 | 0.74 |

***Statement of the aggregate number of securities of our Company and our Subsidiary purchased or sold by our Promoter, Promoter Group, our Directors and the directors of our Promoter and/or their relatives within six months immediately preceding the date of filing of this Information Memorandum.***

No securities of our Company has been purchased or sold by our Promoter, Promoter Group, our Directors, directors of our Promoter and/or their relatives within six months immediately preceding the date of filing of this Infomation Memorandum.

No securities of our Subsidiaries have been purchased or sold by our Promoter, Promoter Group, our Directors, directors of our Promoter and/or their relatives within six months immediately preceding the date of filing of this Infomation Memorandum.

***Details of Equity Shares that have been pledged or otherwise encumbered by our Promoter and Promoter Group.***

None of our Promoter and Promoter Group have pledged Equity Shares of our Company.

***Details of outstanding warrants, options or rights to convert debentures, loans or other instruments***

As on the date of the Information Memorandum, there are no outstanding warrants, options or rights to convert debentures, loans or other instruments.

***Details of any acquisition or amalgamation with any entity in the last one year***

Other than specified below, our Company has undertaken the following acquisition in the last one year:

The Company has acquired additional equity in DriveX Mobility Private Limited ("DriveX"), a company engaged in the procurement, refurbishment, and retailing of pre-owned multi-brand two-wheelers through its company-owned stores (COCO) and franchisee dealers (FOFO), as well as the trading of two-wheeler spare parts, accessories, and engine oils.

Prior to this acquisition, the Company held 49.97% of DriveX's share capital. On December 23, 2024, the Company acquired an additional 39.43% stake, increasing its holding to 89.40%. As a result, DriveX has become a subsidiary of the Company.

***Details of any reorganization or reconstruction in the last one year***

Our Company has not undergone any reorganisation or reconstruction in the last one year.

**Employee Stock Option Scheme**

As on date of this Information Memorandum, our Company has in place TVS Motor Company Employee Stock Option Scheme ('**TVSM – ESOP Scheme**') for issue of options to the eligible employees, which was approved pursuant to the resolution passed by our Board of Directors on March 20, 2024 and by our shareholders on May 10, 2024. In accordance with the TVSM ESOP Scheme, our Company may issue a maximum of 11,87,717 Equity Shares to the eligible employees from time to time.

TVSM – ESOP Scheme is formulated in accordance with SEBI (Share Based Employee Benefits and Sweat Equity) Regulations 2021 and is administered by the nomination and remuneration committee of the Board. As on date of this Information Memorandum, our Company has granted options on 4,78,027 Equity Shares under the TVSM – ESOP Scheme out of which options in respect of 3,51,000 Equity Shares have been vested and options in respect of 3,51,000 Equity Shares been exercised.

## SCHEME OF ARRANGEMENT

*For definitions of the terms used herein, but if not defined, you may refer to the Scheme*

On March 20, 2024, the Board of directors of the Company approved a Scheme of Arrangement between TVS Motor Company Limited and its shareholders subject to necessary approvals of shareholders, creditors, SEBI, Stock Exchanges, National Company Law Tribunal, Chennai, (NCLT), other governmental authorities and third parties as may be required ("**Scheme**").

The scheme provides for:

(i) Upon the effectiveness of the Scheme, the Company shall issue and allot, by way of bonus, 4 NCRPS of face value of INR 10 each fully paid up to each equity shareholder of the Company holding every 1 equity share of INR 1 each fully paid up, whose name is recorded in the register of members of the Company and/or the records of the depository(ies) as equity shareholder of the Company on the Record Date, by utilizing its general reserves/ retained earnings.

(ii) The issue and allotment of Preference Shares, is an integral part hereof and shall be deemed to have been carried out under the orders passed by the Tribunal without requiring any further act on the part of the Company or its shareholders and as if the procedure laid down under the Act and such other Applicable Law(s) as may be applicable were duly complied with. It is clarified that the approval of the shareholders of the Company to this Scheme, shall be deemed to be their consent/ approval for the issue and allotment of NCRPS.

(iii) Subject to the Applicable Law, the Preference Shares that are to be issued in terms of the Scheme shall be issued in dematerialised form. The register of members maintained by the Company and/ or other relevant records, whether in physical or electronic form, maintained by the Company, the relevant depository and registrar and transfer agent in terms of Applicable Law(s) shall (as deemed necessary by the Board of the Company) be updated to reflect the issue of Preference Shares in terms of the Scheme. The shareholders of the Company who hold equity shares in physical form, should provide the requisite details relating to his/ her/ its account with a depository participant or other confirmations as may be required, to the Company, prior to the Record Date to enable it to issue the NCRPS.

However, if no such details have been provided to the Company by the equity shareholders holding equity shares in physical share certificates on or before the Record Date, the Company shall deal with the relevant Preference Shares in such manner as may be permissible under the Applicable Law, including by way of issuing the corresponding Preference Shares of the Company in dematerialised form to a trustee nominated by the Board of the Company ("**Trustee of the Company**") who shall hold these Preference Shares in trust for the benefit of such shareholder. The Preference Shares of the Company held by the Trustee of the Company for the benefit of the shareholder shall be transferred to the respective shareholder once such shareholder provides details of his/her/its demat account to the Trustee of the Company, along with such other documents as may be required by the Trustee of the Company. The respective shareholders shall have all the rights that of the preference shareholders, including the right to receive dividend and other corporate benefits, pending the transfer of Preference Shares from the Trustee of the Company. All costs and expenses incurred in this respect shall be borne by the Company.

In the event of there being any pending share transfers, whether lodged or outstanding, of any shareholder of the Company, the Board of the Company shall be empowered in appropriate cases, prior to or even subsequent to the Record Date, to effectuate such a transfer as if such changes in the registered holder were operative as on the Record Date, in order to remove any difficulties arising to the transferor or transferee of equity shares or Preference Shares, after the effectiveness of this Scheme.

(iv) No Preference Shares will be issued under this Scheme in respect of any equity shares of the Company that have been forfeited. The issuance of Preference Shares pursuant to this Scheme in respect of any equity shares of the Company which are held in abeyance under the provisions of Section 126 of the Act or otherwise shall, pending allotment or settlement of dispute by order of Court or otherwise, be held in abeyance by the Company.

(v) The equity shares of the Company lying in 'Unclaimed Suspense Account' shall also be eligible for issuance of Preference Shares and such Preference Shares shall be dealt with in the same manner as said equity shares lying in the said Unclaimed Suspense Account. The Preference Shares to be issued by the Company in lieu of the equity shares of the Company held in the investor education protection fund shall be issued to investor education protection fund in favour of such shareholders of the Company.

(vi) In the event, the Company restructures its equity share capital by way of share split / consolidation/ issue of bonus shares/ any other manner during the pendency of the Scheme, the share entitlement ratio, as per Clause (i) above

shall be adjusted accordingly, to consider the effect of any such corporate actions.

(vii) The issue of such a bonus to equity shareholders does not involve any release of assets by the Company to shareholders at the time of issuance of Preference Shares by way of bonus.

(viii) The Company shall apply for listing of Preference Shares on the Stock Exchanges in terms of and in compliance of SEBI Circulars and other relevant provisions as may be applicable. The Preference Shares, issued pursuant to this Scheme, shall remain frozen in the depository system till listing/ trading permission is given by the designated Stock Exchange.

(ix) The Company shall enter into such arrangements and give such confirmations and/or undertakings as may be necessary in accordance with Applicable Law for complying with the formalities of the Stock Exchanges.

(x) Subject to receipt of the requisite approvals, if any, the Preference Shares shall be issued within a period of 30 (thirty) days from the Record Date to the shareholders of the Company eligible to receive the Preference Shares.

During the Fiscal 2025, the Company had filed an application with NCLT, Chennai for approval of the Scheme and both the Stock Exchanges viz., BSE Limited and National Stock Exchange of India Limited for obtaining no objection. Post receipt of no objection bearing number DCS/AMAL/TL/R59A/3390/2024-25 dated November 7, 2024 from BSE and no objection bearing number NSE/LIST/41126 dated November 7, 2024 from NSE, the Company has received NCLT, Chennai approval vide its order dated July 31, 2025.

The Scheme of Arrangement was presented under Sections 230 of the Companies Act, 2013, other relevant provisions thereof, and the rules made thereunder and in accordance with the regulations of the Foreign Exchange Management (Debt Instruments) Regulations, 2019 issued vide RBI Notification No. FEMA 396/2019-RB dated October 17, 2019 for the issuance of Cumulative Non-Convertible Redeemable Preference Shares to the shareholders of TVS Motor Company Limited by way of bonus.

In addition, the Scheme also provides for various other matters consequential and/or otherwise integrally connected herewith.

**A. Rationale for the Scheme of Arrangement**

1. The Company had built up substantial surplus reserves, over the years from its retained profits. The surplus reserves are well above the Company's current and likely future business needs.

2. Further, upon taking into consideration the Company's capability to generate strong free cash flow in the foreseeable future and the surplus reserves being more than what is needed to fund the Company's future growth, the Company is of the view that these excess funds can be optimally utilized to reward its shareholders.

3. Accordingly, the Company had proposed inter alia, to distribute such funds amongst its shareholders by issuing fully paid up Preference Shares by way of bonus in terms of the Scheme.

4. The Preference Shares will be a listed security and while giving near-cash (traded, encashable) instrument in the hands of shareholders, give increased flexibility to the Company in managing its liquidity until redemption.

5. In view of the aforesaid factors, the Company has concluded that it can optimally utilize its surplus reserves by distributing a considerable portion of the same to its equity shareholders. In order to maintain high level of corporate governance and transparency, the Company had proposed issuance of Preference Shares by way of bonus to its equity shareholders under Sections 230 to 232 of the Act which will be subject to necessary statutory, regulatory and corporate approvals.

   The Scheme is in the interest of the shareholders of the Company and it is not detrimental to the interest of other stakeholders.

**B. Approvals with respect to Scheme**

**a. Approval from Board of Directors, shareholders and creditors**

- The Scheme was approved by the Board of Directors of our Company *vide* resolution dated March 20, 2024.

- Secured creditors provided their no objection for the Scheme.

- The equity shareholders and unsecured creditors of our Company approved the Scheme through the NCLT, Chennai convened respective meetings, each on April 12, 2025.

**b. Approval from NCLT, Chennai**

NCLT, Chennai has approved the Scheme, vide order dated July 31, 2025.

**c. Approval from stock exchanges and SEBI**

- The Company has received approval for listing of its NCRPS on NSE and BSE vide their letter no. NSE/LIST/50825 dated November 21, 2025, and letter no. DCS/AMAL/BW/IP/3919/2025-26 dated November 20, 2025, respectively.

- Further, the Company has also received a letter bearing no. HO/49/12/16(4)2026-CFD-RAC-DCR1 dated February 9, 2026 from the SEBI in relation to relaxation from applicability of Rule 19(2)(b) of the SCRR for listing of the NCRPS on BSE and NSE.

# SECTION IV – ABOUT OUR COMPANY

## OUR BUSINESS

Unless otherwise stated or the context requires otherwise, references in this section to "we", "us" or "our" refers to TVS Motor Company Limited together with its Subsidiaries.

Some of the information in the following section, specifically the information in relation to our plans and strategies, contain certain forward looking statements that involve risks and uncertainties. You should read "*Forward Looking Statements*" on page 10 for a discussion of risks and uncertainties related to those statements and also "*Risk Factors*" on page 11 for a discussion of certain factors that may affect our business, financial condition, cash flows or results of operations.

Our actual results may differ materially from those expressed in or implied by these forward-looking statements. Unless stated otherwise, or unless context requires otherwise, the financial data of our Company for the Fiscal 2025, 2024 and 2023 has been derived from Audited Financial Statements.

We have included various operational and financial performance indicators in this section, some of which may not have been derived from the financial data of our Company for the Fiscal 2025, 2024 and 2023 has been derived from Audited Financial Statements. The manner in which such operational and financial indicators are calculated and presented, and the assumptions and estimates used in the calculation, may vary from that used by other entities in the business similar to ours. You should consult your own advisors and evaluate such information in the context of Audited Financial Statements and other information relating to our business and operations included in this Information Memorandum.

**Scheme of Arrangement**

On March 20, 2024, the Board of directors of the Company approved a Scheme of Arrangement between TVS Motor Company Limited and its shareholders. The Scheme proposes issuance of Cumulative Non-Convertible Redeemable Preference Shares by way of bonus to the shareholders of TVS Motor Company Limited by utilising the general reserves/ retained earnings of the Company. For more details on Scheme refer to section titled "*Scheme of Arrangement*" on page 40 of this Information Memorandum.

***Overview***

Our Company is engaged in the business of designing, manufacturing, marketing and selling two-wheelers and three-wheelers in Indian and international markets. The Company has global presence and offers a range of products and related services in mobility segment and operates through an integrated network of subsidiaries, associates and distribution partners.

The Company is one of the largest manufacturers of two-wheelers in the world by volume. It has a presence in multiple geographies and caters to domestic and export markets. Its operations include research and development, manufacturing, distribution, and after-sales support for mobility products and solutions.

Headquartered in Chennai, our Company manufactures and sells two-wheelers and three-wheelers and has presence across all segments of the two-wheeler industry. More than 63 million customers ride a TVS Motor vehicle in India and across nearly 100 countries around the world.

We have a nationwide distribution network of over 4,500 certified touch-points, including dealers and Authorised Service Centres and continuously seeks to increase its reach. The Company has a talent pool of more than 5,000 personnel who work out of four state-of-the-art manufacturing facilities at Hosur in Tamil Nadu, Mysore in Karnataka, Nalagarh in Himachal Pradesh, and Karawang in Indonesia.

The Company has subsidiaries and associates including Norton Motorcycles (United Kingdom), and TVS EBike Company AG (Switzerland), which is engaged in the personal e-mobility segment.

In its four-decade-long journey, the brand has won many accolades along the way. The Company is the first two-wheeler manufacturer to be conferred with the prestigious Deming Prize for excellence in quality. The Company's various products have led in their respective categories in the J.D. Power IQS and APEAL surveys for five years. For four consecutive years, it was ranked No. 1 in the J.D. Power Customer Service Satisfaction Survey. TVSM is also the first

two-wheeler company in India to receive the prestigious TPM Advanced Special Award for all its factories certified by the Japan Institute of Plant Maintenance.

***About the Company***

TVS Motor Company Limited (Our Company) is a public limited company, incorporated and domiciled in India whose shares are publicly traded. The registered office is located at "Chaitanya", No. 12, Khader Nawaz Khan Road, Nungambakkam, Chennai - 600006, Tamil Nadu, India. The Company together with its subsidiaries and associates (collectively referred to as the "Group") operate in a wide range of activities such as manufacturing of automotive vehicles, spare parts & accessories thereof, and financial services.

TVS Motor has footprints globally, including geographies like Middle East, Africa, SE Asia, Indian subcontinent, Latin & Central America.

The Company also has a successful over decade long alliance with BMW Motorrad that has led to the successful development of five motorcycles on the 310cc platform. With over 225,000 satisfied customers, these motorcycles have gained widespread acceptance across key global markets, including the EU, USA, Latin America, Japan, China, and India.

**Description of Our Business**

Our Company is a two and three-wheeler manufacturer globally, championing progress through sustainable mobility with four state-of-the-art manufacturing facilities located in India and Indonesia. With legacy of over 100-years, the Company focuses on delivering quality products through innovative and sustainable processes. Our Company is the only two-wheeler company to have won the prestigious Deming Prize. Our products have led in their respective categories in the J.D.Power IQS & APEAL surveys and J.D.Power Customer Service Satisfaction Survey. Our group company, Norton Motorcycles (United Kingdom), is a well-established global motorcycle brand, and its subsidiary TVS EBike Company AG (Switzerland) is active in the e-bike market in Europe. Our Company endeavours to deliver the most superior customer experience across countries in which we operate. Having begun its journey in India, our Company is now a global brand operating in Asia, Africa, Latin America and Europe. The Company operates five manufacturing units—three in India, one in Indonesia, and one in the United Kingdom—along with multiple distribution centres and offices, serving over 90 markets worldwide.

***Key Products***

We deal in the following products:

1. **Motorcycles**: TVS Apache RTR 310, TVS Apache RR 310, TVS Ronin, TVS Apache RTR 160 / 180, TVS Apache RTR 160 4V / 200 4V, TVS Raider, TVS Radeon, TVS StaR City+ and TVS Sport
2. **Scooters**: TVS Jupiter 125, TVS NTorq 125, TVS Jupiter 110, TVS Zest 110
3. **Electric 2W & 3W**: TVS X, TVS iQube and TVS King EV Max
4. **Mopeds**: TVS XL 100
5. **Three Wheelers**: TVS King, TVS King Deluxe, TVS King Kargo

**Brief history of the launches made by the Company for the last ten years Year**

| Year | Significant launches | Category |
|---|---|---|
| 2009 -2013 | TVS Wego Disc, TVS Phoenix, TVS Apache RTR 160 and TVS Apache RTR 180 | Motorcycle<br>Scooter |
| 2013-14 | TVS StaR HLX Upgrade, TVS Jupiter, TVS StaR HLX 125 | Motorcycle<br>Scooter |
| 2014-15 | TVS Jupiter Limited Edition, Zest | Motorcycle<br>Scooter |
| 2015-16 | TVS Wego SBS, TVS Victor 3V, TVS XL100 | Motorcycle<br>Scooter<br>Moped |
| 2016-17 | TVS Jupiter MillionR, TVS Apache RTR 200 4V | Motorcycle<br>Scooter |

| | | |
|---|---|---|
| 2017-18 | TVS Jupiter Classic, TVS NTORQ, TVS StaR HLX 150, TVS Apache RR310, TVS Apache RTR 160 4V | Moped<br>Motorcycle<br>Scooter<br>Moped |
| 2018-19 | TVS Radeon, TVS Jupiter Grande, SBT Variants | Motorcycle<br>Scooter<br>Moped |
| 2019-20 | BS-VI Variants, TVS Radeon, TVS Jupiter Grande Edition, TVS iQube Electric | Motorcycle<br>Scooter<br>Moped |
| 2020-21 | TVS Apache RR 310 BS-VI 2020 | Motorcycle<br>Scooter<br>Moped |
| 2021-22 | TVS NTORQ 125 Race XP, Naked Street Design TVS Raider', TVS Star HLX 150 Disc variant, TVS Built To Order with Apache RR 310 | Motorcycle<br>Scooter<br>Moped |
| 2022-23 | TVS NTORQ 125 XT, TVS iQube Electric Scooter, TVS HLX 125 Gold and TVS HLX 150 Gold, TVS RONIN, TVS Apache RTR 180, TVS Apache RTR 160 | Motorcycle<br>Scooter<br>Moped |
| 2023-24 | TVS X, TVS Apache RTR 310, TVS Ronin, TVS Raider SS Edition, TVS iQube Electric, TVS HLX 150F, TVS Neo AMI 125 | Motorcycle<br>Scooter<br>Moped |
| 2024-25 | TVS Apache RR 310, TVS Apache RTR 160 Racing Edition, TVS Jupiter 110, TVS iQube | Motorcycles<br>Scooter |

**Awards & Accolades**

**ENTERPRISE RESOURCE MANAGEMENT & OCCUPATIONAL HEALTH & SAFETY**

1. Winner in Category 1 of 'Occupational Health & Safety Award" for 2021-22 by NHRD & Office of Joint director of Industrial Safety & Health Hosur
2. Best industry under mega industries category on OHS Best Practices -2022-23 by the Department of Factories boilers industrial safety and health, Government of Karnataka
3. 'The Champion' award in the Occupational Health, Safety and Environment Awards 2023 - The National Safety Council – Tamil Nadu chapter
4. CII Southern Regional EHS Awards 2023 for the Company's efforts in energy conservation, environment restoration, road safety and health at work.

**HUMAN RESOURCES:**

1. TVS Accredited by "Great Place to Work" – Inclusive Practices Accreditation, 2022-23
2. Best Companies for Women in India (100 best), Consecutive 3 years since 2020
3. Most Inclusive Companies in India (Exemplar), Twice since 2021
4. ASSOCHAM - Best Employer for Persons with Disabilities (PwD), 2022-23
5. Helen Keller Award for its commitment to creating equal opportunities for Persons with Disabilities (PwD).
6. "Inclusive Workplace Excellence Award" from the Confederation of Indian Industry (CII)
7. Gold Award for 'Excellence in Organisation Development' and 'Best HR Practices' at The Economic Times Human Capital Awards 2025

**SUSTAINABILITY AND BUSINESS EXCELLENCE AWARDS**

1. "Sustainability 4.0 Awards 2022" – Challengers Award-Mega Large Business, Automotive sector by Frost & Sullivan and TERI
2. "Green Champion Award 2021" By Tamil Nadu Pollution Control Board (Awarded on 5th June 2022)

3. 'Excellence' level award in the Biodiversity category at the CII-ITC Sustainability Awards.
4. 4th India Green Energy Award – 2023', by Indian Federation of Green Energy – IFGE - in recognition of Excellence in two- and three-wheeler category
5. 2nd place as the highest 'Outstanding Green Energy User' in India for Industrial/Commercial sector.

**OPERATIONS:**

1. IFGE - "Outstanding Renewable energy user" – 2021
2. Ranked among the Top 3 in 'India's Top 50 Most Sustainable Companies' in the automobile sector.
3. 17th BML Munjal Awards for manufacturing excellence in the private sector.
4. Multiple accolades in J.D. Power 2024 India Two-Wheeler IQS and APEAL Studies.
5. "TPM Advanced Special Award" from the Japan Institute of Plant Maintenance (JIPM) towards the company's achievements in implementing and excelling in Total Productive Maintenance (TPM) principles.

**EXCELLENCE IN IR/ EMPLOYEE RELATIONS:**

1. 'National Award for 'Outstanding Industrial Relations' for the year 2020-21 – from All India Organization of Employers & FICCI;
2. 'National Award for 'Significant Achievement in Employee Relations' for the year 2021 – from The Employers' Federation of India, Mumbai

## Board of Directors

The general superintendence, direction and management of our affairs and business are vested in our Board of Directors. The Articles of Association sets out that the number of Directors in our Company shall be not less than three (3) and not more than fifteen (15).

As of the date of this Information Memorandum, we have 7 Directors on the Board, out of which 2 Directors are Managing Director and 1 Director is Executive Director & CEO and 4 Directors are Independent Directors. Our Company has 1 Women Director on the Board.

*Details of Board of Directors as on the date of this Information Memorandum*:

| Name, designation, and DIN | Age (in years) | Address | Date of Appointment | Other Directorships |
|---|---|---|---|---|
| Sudarshan Venu, Chairman and Managing Director<br>DIN: 03601690 | 37 | 7 Swettenham Close, Singapore - 248136 | 1 February, 2013 | **Indian Companies:**<br>1. TVS Holdings Limited<br>2. Coromandel International Limited<br>3. TVS Credit Services Limited<br>4. TVS Electric Mobility Limited<br>5. TVS Housing Finance Private Limited<br>6. Galaxy Health Insurance Company Limited<br>7. S. Venu Trustee Private Limited<br>8. VEEYES Charities Foundation<br>9. Cheema Educational Foundation<br>10. Jupiter Cultural and Heritage Foundation<br>11. TVS Cheema Scholarship Foundation<br>12. VS Trustee Private Limited<br>**Foreign Companies:**<br>1. The Norton Motorcycle Co. Limited<br>2. TVS Motor (Singapore) Pte Limited, Singapore<br>3. TVS Digital Pte. Ltd., Singapore<br>4. TVS Holdings (Singapore) Pte. Ltd |
| Venu Srinivasan, Chairman Emeritus and Managing Director<br>DIN: 00051523 | 73 | "West Side House" No.3, Adyar Club Gate Road, Chennai 600 028 | 27 January, 2000 | **Indian Companies:**<br>1. TVS Holdings Limited<br>2. Sundaram-Clayton Limited<br>3. TVS Electric Mobility Limited<br>4. Sundaram Auto Components Limited<br>5. TVS Housing Finance Private Limited<br>6. TATA Sons Private Limited<br>7. T.V. Sundram Iyengar & Sons Private Limited<br>8. LV Trustee Private Limited<br>9. S. Venu trustee private limited |

| Name, designation, and DIN | Age (in years) | Address | Date of Appointment | Other Directorships |
|---|---|---|---|---|
| | | | | 10. VS Trustee Private Limited<br>11. Venu Srinivasan Trustee Private Limited<br>12. Cheema Educational Foundation<br>13. Namma School Foundation<br>14. Indian Foundation for Quality Management<br>15. TVS Cheema Scholarship Foundation<br>16. TATA Indian Institute of Skills<br>**Foreign Companies:**<br>1. The Norton Motorcycle Co. Limited<br>2. TVS Motor (Singapore) Pte Limited, Singapore<br>3. TVS Digital Pte. Ltd., Singapore<br>4. Sundaram Holding USA Inc., USA |
| Kunnath Narayanan Radhakrishnan,<br>Director & CEO<br>DIN: 02599393 | 63 | Sobha Aster, Apartment No.1022, 113/3, Bilekahalli Village, Vijaya Bank Colony, Bengaluru – 560 076 | 23 October, 2018 | **Indian Companies:**<br>1. TVS Credit Services Limited<br>2. TVS Motor Services Limited<br>**Foreign Companies:**<br>1. TVS Lanka Private Limited, Sri Lanka<br>2. PT TVS Motor Company Indonesia<br>3. The Norton Motorcycle Co Limited, UK<br>4. TVS Motor Company (Europe) B.V. |
| Vijay Sankar<br>Independent Director<br>DIN: 00007875 | 53 | No.194, TTK Road, Chennai 600 018, | 20 March, 2024 | **Indian Companies:**<br>1. Chemplast Sanmar Limited<br>2. Oriental Hotels Limited<br>3. Transport Corporation of India Ltd.<br>4. Kaveri Retreats and Resorts Ltd.<br>5. Sanmar Consolidations Pvt. Ltd.<br>6. SCL Consultancy and Trading Pvt. Ltd.<br>7. NS Family Investments P Ltd.<br>8. Barbourne Trading Pvt. Ltd.<br>9. Stargate Enterprises Pvt. Ltd.<br>10. V S Trading and Consultancy Pvt. Ltd.<br>11. C Sankar Trading and Consultancy Pvt. Ltd.<br>12. M Sankar Trading and Consultancy Pvt Ltd<br>13. Southern India Chamber of Commerce and Industry |

| Name, designation, and DIN | Age (in years) | Address | Date of Appointment | Other Directorships |
|---|---|---|---|---|
| | | | | 14. Young Presidents Organisation (Chennai Chapter)<br>15. SCL Research Private Limited<br>16. Chennai Willingdon Corporate Foundation<br>17. Chennai Heritage<br>18. Federation of Indian Chamber of Commerce and Industry<br>**Foreign Companies:**<br>Nil |
| Shailesh Vishnubhai Haribhakti,<br>Independent Director<br>DIN: 00007347 | 69 | 10 & 11, Sahil Apartments, Aiiravat Co-operative Housing Society Ltd., 14 Altamount Road, Mumbai – 400026 | 1 April, 2024 | **Indian Companies:**<br>1. Bajaj Electricals Ltd<br>2. Protean E-Gov Technologies Ltd<br>3. Swiggy Ltd<br>4. Aakash Educational Services Limited<br>5. Generali Central Life Insurance Company Limited<br>6. Generali Central Insurance Company Limited<br>7. Continuum Green Energy Limited<br>8. Gaja Alternative Asset Management Limited<br>9. Planet People & Profit Consulting Pvt Ltd<br>10. GovEVA Private Limited<br>11. IBS Fintech India Pvt Ltd<br>12. Brookprop Management Services Pvt Ltd<br>13. Cnergyis Infotech India Pvt Ltd<br>14. YCWI Green Solutions Pvt Ltd<br>15. Stair Digital Pvt Ltd<br>16. Mirae Asset Investment Managers (India) Private Limited<br>17. Bharat Clean Rivers Foundation<br>18. Adani Power Limited<br>**Foreign Companies:**<br>1. Gaja Advisors Ltd, Mauritius |
| Balasubramanyam Sriram,<br>Independent Director<br>DIN: 02993708 | 67 | Flat No B-1904, Bridgewood, House of Hiranandani, 5/63 Rajiv Gandhi Salai, Egattur, Chennai-600130 | 24 January, 2023 | **Indian Companies:**<br>1. ICICI Bank Limited<br>2. TVS Credit Services Limited<br>3. Nippon Life India Asset Management Limited<br>4. IndiaIdeas.com Limited<br>5. TVS Supply Chain Solutions Limited<br>6. National Bank for Financing Infrastructure and Development (NaBFID) |

| Name, designation, and DIN | Age (in years) | Address | Date of Appointment | Other Directorships |
|---|---|---|---|---|
| | | | | **Foreign Companies:**<br>Nil |
| Kalpana Vasantrai Unadkat,<br>Independent Director<br>DIN: 02490816 | 55 | B 3702, Lodha Bellissimo Apollo Mill Compound, N M Joshi Marg, Mahalaxmi, Mumbai - 400011 | 15 December, 2025 | **Indian Companies:**<br><br>(i) Eris Lifesciences Limited;<br>(ii) Avenue Supermarts Limited;<br>(iii) TVS Credit Services Limited.<br>**Foreign Companies:**<br><br>(i) TVS Motor (Singapore) Pte. Ltd; |

***Brief profile of the Directors of our Company***

**Mr. Sudarshan Venu, Chairman and Managing Director**

Mr. Sudarshan Venu, Chairman and Managing Director, holds a Graduate Degree with Honors in the Jerome Fisher Program in Management and Technology from the University of Pennsylvania, USA. He also completed a M.Sc. in International Technology Management from the Warwick Manufacturing Group attached to University of Warwick in U.K. He was awarded a B.S. in Mechanical Engineering from the School of Engineering and Applied Sciences and B.S. in Economics from the Wharton School.

He is also the Managing Director of TVS Holdings Ltd, the Holding Company, and Chairman of TVS Credit Services Limited, the Non-Banking Finance arm of the Group.

Since taking the helm as Managing Director, Sudarshan has accelerated TVS Motor's growth and transformation. Over the last decade, TVS Motor's revenue has tripled and there has been significant growth in the Company's market share both in India and internationally. The Company has also taken first place in Customer Satisfaction for four years in a row, in the prestigious J. D. Power Awards. Sudarshan has been at the forefront of TVS Motor's global expansion, playing a pivotal role in the Company's growth in Africa, Asia, and Latam. TVS Motor now has a leading position in many of these markets, especially Africa. Sudarshan also spearheaded key acquisitions such as the iconic British brand, Norton Motorcycles. Guided by his vision to continuously shape and evolve mobility to meet future needs, he has also championed electric vehicles and sustainable practices, making TVS a front-runner in India's electric two-wheeler market.

**Mr. Venu Srinivasan, Chairman Emeritus and Managing Director**

Mr. Venu Srinivasan, Chairman Emeritus and Managing Director has made major contribution to the automotive industry and nation building at large for over four decades and has facilitated the Company to emerge as fourth largest two-wheeler manufacturer in India. His experience and innovative excellence have helped the Company in broadenings its product portfolio from time to time and establishing the Company's presence across the globe.

His dedication to the transformation of rural India by empowering women in the rural areas that can be seen through his passion towards setting up the Srinivasan Services Trust (SST), which has touched the lives of 1.6 million people in 2500 villages across the country in the last 26 years. He was conferred the Padma Bhushan Award, the third Highest civilian award in India, in January 2020. He is the recipient of Deming Distinguished Service Award, granted to individuals who have made outstanding contributions in the dissemination and promotion (overseas award 2019), the Ishikawa-Kano Award (2012) by the Asian Network of Quality, the apex body for quality in Asia.

Under his leadership, his companies were awarded the Deming Prize and the Japanese Quality Medal in 2002; He was conferred with "Order of Diplomatic Merit" (Heung- In Medal) by the President of Korea. He was presented with an "Outstanding Institution Builder" Award at the 13$^{th}$ Managing India Awards by AIMA (All India Management Association) for displaying exceptional vision and leadership in building an institution in 2023.

Conferred with lifetime achievement award by CNBC – TV18's India Business Leadership Awards (IBLA) in 2023 and in 2024 Ernst & Young recognized him with the Life time Achievement award for his decades of entrepreneurial

excellence in revolutionizing the two wheeler industry in India. He was honored with the Lifetime Achievement Award by the prestigious ET Awards for Corporate Excellence. The award honors his unparalleled contributions to Indian manufacturing, leadership and corporate social responsibility.

He is also Chairman in TVS Holdings Limited and Chairman Emeritus and Managing Director of Sundaram-Clayton Limited. He also serves on the board of T V Sundram Iyengar & Sons Private Limited, Tata Sons Private Ltd., (Tata Sons) the holding company of the conglomerate Tata Group.

He is the Chairman of InKo Centre (The Indo- Korean Cultural and Information Centre) which is a non-profit society set up in 2006 with support from TVS Motor Company and Hyundai Motor India Limited to promote a sustainable, meaningful intercultural dialogue between India and South Korea.

He has held various important positions in the Indian Industry, such as the President, Confederation of Indian Industry and the President, Society of Indian Automobile Manufacturers.

He is also a Director on the Central Board of Reserve Bank of India; and He is also the vice chairman of various Tata Trusts, India's most respected and largest philanthropic foundation and the majority shareholder of the Tata group.

**Mr. K N Radhakrishnan, Director & CEO**

With a career spanning decade in the automobile industry, Radhakrishnan is widely recognised for his customer-centric approach, commitment to quality, technological acumen, exceptional leadership skills and unique ability to connect with people.

He was instrumental in expanding the operations of the Company internationally including setting up a plant in Indonesia in 2007 and entering the three-wheeler segment in 2008.

He is also an Executive Committee Member of the Society of Indian Automobile Manufacturers (SIAM) and chairs the Two-Wheeler CEO Council at SIAM.

**Mr. Vijay Sankar, Independent Director**

Mr. Vijay Sankar holds Master's in Business Administration from the J L Kellogg Graduate School of Management, Northwestern University, and is also a qualified Chartered Accountant.

Vijay Sankar is the Chairman of The Sanmar Group, headquartered in Chennai, India, with manufacturing facilities in the Mexico, Egypt, and several locations across South India. The Group has a strong presence in key industry segments - Chemicals (including Speciality Chemicals), Engineering Technologies (Products and Steel Castings) and Shipping and has a turnover of approximately US$ 1.6 billion.

Well recognized for its high ethical standards, the Sanmar Group has robust corporate governance methods and a strong focus on corporate social responsibility (CSR).

Mr. Sankar is an Independent Director on the Boards of several listed entities. He also serves as a Vice President of the Tamil Nadu Tennis Association, Trustee of The Childs Trust Hospital and the Voluntary Health Services (VHS) and on the Board of Governors of the Medical Research Foundation (Sankara Nethralaya) and CPR Environment Education Centre. He also serves as a member of the Governing Body of The Cancer Institute (WIA), Adyar, Chennai.

He is the Honorary Consul General of Denmark in Chennai and was honoured with Denmark's Knight's Cross for his remarkable consular service.

**Mr. Shailesh Vishnubhai Haribhakti, Independent Director**

Mr. Shailesh Haribhakti is a globally recognized thought leader, serial innovator, and sustainability evangelist. A pioneer in Environmental, Social, and Governance (ESG) principles, he has dedicated his life to addressing two of humanity's greatest challenges: inequality and climate change. His visionary leadership spans five decades, during which he has transformed industries, redefined governance, and champion exponential technologies to foster sustainable development.

He founded and grew his own firm achieving an extraordinary 2000x expansion. His tenure as Chairman of global accounting networks such as BDO, Baker Tilly, and Moores Rowland exemplified his leadership capabilities. In 2018, he pivoted his focus to sustainability, teaching himself Physics, Chemistry, and Biology to better understand the principles of exponential technologies and environmental stewardship.

He serves as Chairman of Shailesh Haribhakti & Associates, Vice Chairman of GOvEVA Consulting Pvt. Ltd., Non-Executive Chairman of Aakash Educational Services Ltd., Bharat Clean Rivers Foundation and holds leadership positions across industries, including education, technology, clean energy, and financial services.

He is renowned for his groundbreaking contributions to ESG and sustainability, including introducing Integrated Reporting and pioneering pathways to achieve "Net Zero." His leadership in CSR, governance, and sustainability committees has earned him prestigious accolades such as the Vivekananda Sustainability Award (2022), the Global Competent Boards Designation, and an honorary Doctor of Letters from ITM University.

**Mr. Balasubramanyam Sriram, Independent Director**

Mr. B Sriram has held several key executive positions in his career including Managing Director & CEO, IDBI Bank Ltd.; Managing Director, State Bank of India and Managing Director, State Bank of Bikaner & Jaipur.

He has held various key assignments in the State Bank Group in Credit and Risk, Retail, Operations, IT, Treasury, Investment Banking, International Operations, Payment and Settlement Systems and Small Scale Industry.

He was a part-time member of the Insolvency & Bankruptcy Board of India. He is also an External Investment Committee member of British International Investment, UK.

**Ms. Kalpana Vasantrai Unadkat, Independent Director**

Ms. Kalpana Unadkat is an experienced Independent Director with over a decade of boardroom experience and more than 25 years of cross-border legal and governance expertise.

Ms. Kalpana is a dual-qualified solicitor (India and UK) and was a senior partner at Khaitan & Co. and a former Co-Head of Ashurst's India Practice (London).

Ms. Kalpana specialises in cross border joint ventures and M&As (international and domestic), and corporate governance laws and offers practical solutions to clients on doing business in India. She is experienced in leading diverse teams in dynamic environments while achieving success in competitive markets.

As a leading international M&A lawyer, Ms. Kalpana has helped corporates at critical inflection points in their growth journeys including:

- Structuring and executing strategic acquisitions, joint ventures, and alliances for accelerated expansion.
- Designing market entry strategies into new geographies and sectors.
- Overseeing post-acquisition integration to ensure operational alignment and synergy realisation.
- Advising on divestments and restructuring to refocus on high-growth areas.
- Supporting organic growth initiatives through strategic partnerships, commercial contracts, and long-term supply agreements.

Recognised for her ability to bridge governance with strategic execution, Ms. Kalpana enables sustainable long-term value creation and strengthens organisational resilience. A mentor to senior executives, she has delivered numerous governance workshops and co-authored research on Women on Boards.

Ms. Kalpana is a well-recognised expert on Corporate Governance principles. She also advises on board effectiveness, particularly around issues of corporate governance, leadership, organisational climate and decision-making. She has led several workshops and trained more than 200 directors with a comprehensive approach to director development. She regularly acts for international companies and is recognised in independent guides as one of the leading lawyers. Ms. Kalpana was the recipient of the Chevening Scholarship - English and EC Commercial Law and Practice. She has also been recognised and awarded:

- Trailblazer, Women Achiever Awards 2023 by FICCI FLO;
- The Corporate Governance Lawyer of the Year, India in 2019;
- The Rising Women of the Year Award in 2019 by Economic Times and Spencer Stuart;
- The Corporate Governance Lawyer for India Award in 2018 by M&A Today;
- The Female Lawyer of the Year for 2017 by ACQ Global Law Awards;
- The Women in Law awards by Lawyer Monthly in 2017; and
- The Women SuperAchiever Award by World HRD congress in 2017.

***Relationship between Directors***

Other than provided below none of the Directors are related to each other.

Mr. Venu Srinivasan, Chairman Emeritus and Managing Director is the father of Mr. Sudarshan Venu, Chairman and Managing Director.

***Remuneration of Directors***

Details of remuneration paid to the Managing Director, Whole-Time Directors for Fiscals 2025, 2024 and 2023 and the current financial year by our Company:

*(₹ in crore)*

| Name of Director and Designation | Fiscal 2026 (for the period till December 31, 2025) | Fiscal 2025 | Fiscal 2024 | Fiscal 2023 |
|---|---|---|---|---|
| Mr. Venu Srinivasan | 1.29 | 1.00 | 0.84 | 29.00 |
| Mr. Sudarshan Venu | 2.50 | 44.05 | 36.70 | 33.90 |
| Mr. K N Radhakrishnan | 4.99 | 21.92 | 20.50 | 14.86 |

Details of remuneration paid to the Non-Executive Directors during the Fiscals 2025, 2024 and 2023 and the current financial year by our Company:

*(₹ in crore)*

| Name of Director (M/s) | Fiscal 2026 (for the period till December 31, 2025) | Fiscal 2025 | Fiscal 2024 | Fiscal 2023 |
|---|---|---|---|---|
| Prof. Sir Ralf Dieter Speth[$] | 0.008 | 0.02 | 0.03 | 0.02 |
| Dr. Lakshmi Venu* | - | - | 0.02 | 0.02 |

** Ceased to be a Director effective August 6, 2024*
*$ Ceased to be a Director effective August 22, 2025*

Details of remuneration paid to the Independent Directors up to the Fiscals 2025, 2024 and 2023 and the current financial year by our Company:

*(₹ in crore)*

| Name of Director | Fiscal 2026 (for the period till December 31, 2025) | Fiscal 2025 | Fiscal 2024 | Fiscal 2023 |
|---|---|---|---|---|
| Mr Shailesh Haribhakti | 0.04 | 0.38 | - | - |
| Dr. Deepali Pant Joshi[$$] | 0.04 | 0.44 | 0.25 | - |
| Mr B Sriram | 0.05 | 0.42 | 0.39 | 0.07 |
| Mr Vijay Sankar | 0.03 | 0.37 | 0.01 | - |
| Mr C R Dua* | - | 0.13 | 0.47 | 0.45 |
| Mr H K Singh** | - | 0.11 | 0.40 | 0.40 |
| Mr R Gopalan@ | - | - | 0.40 | 0.42 |
| Ms Lalita D Gupte# | - | - | 0.23 | 0.40 |
| Mr T Kannan## | - | - | 0.08 | 0.48 |
| Mr Kuok Meng Xiong$ | - | 0.12 | 0.36 | 0.34 |
| Mr H Lakshmanan | - | - | - | 0.02 |
| Ms Kalpana Vasantrai Unadkat | 0.00^ | - | - | - |

** Ceased as an Independent Director effective July 13, 2024 consequent to completion of term.*
*** Ceased as an Independent Director effective July 13, 2024 consequent to completion of term.*
*@ Ceased to be an Independent Director effective March 2, 2024.*
*# Ceased as an Independent Director effective October 22, 2023 consequent to completion of term.*
*## Ceased as a Director effective May 23, 2023 due to demise.*
*$ Ceased as an Independent Director effective August 6, 2024.*

*$$ Ceased as an Independent Director effective November 6, 2025.*
*^ Appointed as an Independent Director effective December 15, 2025.*

Details of remuneration paid to the Directors up to the Fiscals 2025, 2024 and 2023 and the current financial year by our Subsidiaries:

*(₹ in crore)*

| Name of Director | For the period till December 31, 2025 | Fiscal 2025 | Fiscal 2024 | Fiscal 2023 |
|---|---|---|---|---|
| Mr Venu Srinivasan | 0.006 | 0.006 | 0.007 | 0.005 |
| Mr K N Radhakrishnan | 0.02 | 0.03 | 0.02 | 0.015 |
| Mr B Sriram | 0.02 | 0.25 | 0.22 | 0.17 |
| Dr. Deepali Pant Joshi[$] | 0.008 | 0.14 | NA | NA |
| Mr R Gopalan* | 0.03 | 0.23 | 0.22 | 0.17 |
| Dr. Lakshmi Venu** | NA | 0.001 | 0.003 | 0.003 |
| Ms Kalpana Vasantrai Unadkat[$$] | 0.03 | 0.24 | 0.21 | 0.16 |

** Ceased to be an Independent Director effective March 2, 2024.*
*** Ceased as a Director effective August 6, 2024.*
*[$] Ceased to be an Independent Director effective November 6, 2024.*
*[$$] Appointed as an Independent Director effective December 15, 2025.*

No remuneration was paid to the Directors for the Fiscals 2025, 2024 and 2023 and the current financial year by our Associate Companies.

***Other understandings and confirmations***

No Director of our Company is a director or is otherwise associated in any manner with, any company that appears in the list of the vanishing companies as maintained by the Ministry of Corporate Affairs, wilful defaulter list as categorized by the RBI or Export Credit Guarantee Corporation of India Limited or any other regulatory or governmental authority and/or bank or financial institutions.

None of our Directors is, or was, a director or person in control of any company which has been or was delisted from any recognised stock exchange within a period of ten years preceding the date of this Information Memorandum, in accordance with Chapter V of the SEBI (Delisting of Equity Shares) Regulations, 2021.

None of our Directors are in default of payment of interest or repayment of principal amount in respect of debt securities issued to the public, for a period of more than six-months.

We also confirm that none of our Directors is restrained or prohibited or debarred from accessing the securities market or dealing in securities by the Board. Further, none of our Directors is a promoter or director of another company which is debarred from accessing the securities market or dealing in securities by SEBI.

None of our Directors have committed any violation of securities laws in the past and no proceedings in such regard by SEBI or, RBI are pending against any of our Directors.

No Director of our Company is a fugitive economic offender, as defined in the SEBI NCS Regulations.

We confirm that the PAN of the Directors of the Company has been submitted to the Stock Exchanges at the time of filing this Information Memorandum.

***Interest of the Directors:***

As on date of this Information Memorandum, none of the Directors are interested in the promotion of the Company, except the following: (i) Mr. Sudarshan Venu (ii) Mr. Venu Srinivasan.

All the Directors of our Company, including our Independent Directors, may be deemed to be interested to the extent of fees, if any, payable to them for attending meetings of the Board or a Committee thereof as well as to the extent of other remuneration viz., commission and reimbursement of expenses payable to them. All the Non-Executive Directors and Independent Directors of our Company are entitled to sitting fees for attending every meeting of the Board or a

Committee thereof. Managing Directors and Executive Directors are interested to the extent of remuneration paid for services rendered / ESOP granted, if any, as an officer or employee of our Company.

All the Directors of our Company, including Independent Directors, may also be deemed to be interested to the extent of Equity Shares, if any, held by them or by companies, firms and trusts in which they are interested as directors, partners, members or trustees and also to the extent of any dividend payable to them and other distributions in respect of the said Equity Shares.

The Directors may be deemed to be interested in the contracts, agreements/arrangements entered into or to be entered into by our Company with any company in which they hold directorships or any partnership firm in which they are partners as declared in their respective declarations. Except as otherwise stated in this Information Memorandum, statutory registers maintained by our Company in this regard, our Company has not entered into any contract, agreements or arrangements during the preceding two years from the date of this Information Memorandum in which the Directors are interested directly or indirectly and no payments have been made to them in respect of these contracts, agreements or arrangements which are proposed to be made with them. None of our Company's Directors have taken any loan from our Company. For details refer to section titled "*Related Party Transactions*" on page 63.

As of the date of this Information Memorandum, except as disclosed in the section titled "*Related Party Transactions*" on page 63 none of our Directors may be deemed to be interested to the extent of consideration received/paid or any loans or advances provided to any body-corporate, including companies, firms, and trusts, in which they are interested as directors, members, partners or trustees.

None of our Directors' relatives have been appointed to an office or place of profit of our Company.

Except as disclosed hereinabove and under the section titled *"Risk Factors"* on page 11, the Directors do not have an interest in any venture that is involved in any activities similar to those conducted by our Company.

Except as stated in the sections titled "*Related Party Transactions*" on page 63 and to the extent of compensation and commission if any, and their shareholding in our Company, our Directors do not have any other interest in our business. Our Directors have no interest in any immovable property acquired or proposed to be acquired by our Company in the preceding two years of filing this Information Memorandum with BSE and NSE, nor do they have any interest in any transaction regarding the acquisition of land, construction of buildings and supply of machinery, etc. with respect to our Company.

***Details of change in Directors of our Company during last three financial years and the current financial year preceding the date of this Information Memorandum:***

| Name of Director, Designation and DIN | Date of Appointment | Date of Cessation, if applicable | Date of resignation, if applicable | Remarks |
|---|---|---|---|---|
| Mr. B Sriram | January 24, 2023 | - | - | Appointed as a Director |
| Mr. H Lakshmanan | April 24, 2000 | June 27, 2022 | - | Retired as a Director |
| Mr. T Kannan | January 27, 2000 | May 23, 2023 | - | Ceased as a Director due to demise |
| Ms. Lalita D Gupte | October 23, 2018 | October 22, 2023 | - | Ceased as Independent Director consequent to completion of term |
| Mr. R Gopalan | April 30, 2019 | March 2, 2024 | March 2, 2024 | Resigned as a Director |
| Dr. Deepali Pant Joshi | September 11, 2023 | November 6, 2025 | November 6, 2025 | Ceased as Independent Director |
| Mr. Vijay Sankar | March 20, 2024 | - | - | Appointed as an Independent Director |
| Mr. Shailesh Haribhakti | April 1, 2024 | - | - | Appointed as an Independent Director |
| Mr. C R Dua | December 27, 2001 | July 13, 2024 | - | Ceased as Independent Director consequent to completion of term |

| Name of Director, Designation and DIN | Date of Appointment | Date of Cessation, if applicable | Date of resignation, if applicable | Remarks |
|---|---|---|---|---|
| Mr. H K Singh | February 1, 2013 | July 13, 2024 | - | Ceased as Independent Director consequent to completion of term |
| Dr. Lakshmi Venu | September 10, 2014 | August 6, 2024 | - | Retired as a Director |
| Mr. Kuok Meng Xiong | March 24, 2021 | August 6, 2024 | 20th March 2024 | Ceased as Independent Director |
| Prof. Sir Ralf Dieter Speth | March 24, 2021 | August 22, 2025 | - | Retired as a Director. |
| Mr. Sudarshan Venu | August 25, 2025 | - | - | Elevated as Chairman and redesignated as Chairman and Managing Director. |
| Ms Kalpana Unadkat | December 15, 2025 | - | - | Appointed as an Independent Director |

***Shareholding of Directors, including details of qualification shares held by Directors as on the date of this Information Memorandum:***

Other than as disclosed below, as on date of this Information Memorandum, none of the Directors have shareholding in our Company.

| Sr No | Name of the Director | No. of Equity Shares |
|---|---|---|
| 1. | Mr. K N Radhakrishnan | 2,07,265 |
| 2. | Mr. Shailesh Haribhakti | 1,500 |

***Shareholding of Directors in Subsidiaries and Associate companies, including details of qualification shares held by Directors as on the date of this Information Memorandum*:**

| Name of the Company | Nature of the Company (subsidiary, associates or joint ventures) | Name of the Director | No. of Equity Shares held |
|---|---|---|---|
| DriveX Mobility Private Limited | Subsidiary | Mr. Sudarshan Venu | 118 |
| | | Mr. K N Radhakrishnan | 59 |

***Key Managerial Personnel of our Company:***

In addition to the Directors of our Company namely; Mr. Sudarshan Venu, Mr. Venu Srinivasan, and Mr. K N Radhakrishnan, we have Mr. K Gopala Desikan, Chief Financial Officer and Mr. K S Srinivasan, Company Secretary and Compliance Officer as the Key Managerial Personnel of our Company, as on date of this Information Memorandum.

***Interests of Key Managerial Personnel***

Except to the extent of remuneration or benefits to which they are entitled to as per their terms of appointment reimbursement of expenses incurred by them during the ordinary course of business and equity shares held by them and otherwise disclosed in this Information Memorandum, the Key Managerial Personnel of the Company do not have any interest in the Company.

***Remuneration of Key Managerial Personnel***

Other than remuneration paid to the following Directors of our Company namely: Mr. Sudarshan Venu, Chairman and Managing Director, Mr. Venu Srinivasan, Chairman Emeritus & Managing Director and Mr. K N Radhakrishnan, Director & Chief Executive Officer, our Company has paid following remuneration to the Key Managerial Personnels:

*(₹ in crore)*

| Name of KMP | Fiscal 2026 (for the period till December 31, 2025) | Fiscal 2025 | Fiscal 2024 | Fiscal 2023 |
|---|---|---|---|---|
| Mr. K Gopala Desikan | 6.67 | 6.52 | 4.59 | 4.10 |

| Name of KMP | Fiscal 2026 (for the period till December 31, 2025) | Fiscal 2025 | Fiscal 2024 | Fiscal 2023 |
|---|---|---|---|---|
| Mr. K S Srinivasan | 0.63 | 0.67 | 0.63 | 0.59 |

***Senior Management Personnel of our Company***

In addition to the following Key Managerial Personnel namely Mr. K N Radhakrishnan, Mr. K Gopala Desikan and Mr. K S Srinivasan, we have Mr. Sharad Mohan Mishra, President – Group Strategy, Mr. Gaurav Gupta, President – India Two-Wheeler Business, Mr. Peyman Kargar, Head – International Business, Mr. Bernhard Heiming, Chief Technology Officer, Mr. R Anandakrishnan, Group Head – ERM, HR & IT, Ms. Madhu Manral Srivastava, President & Group Head – HR as the Senior Management Personnel of our Company, as on date of this Information Memorandum.

***Interests of Senior Management Personnel***

Except to the extent of remuneration or benefits to which they are entitled to as per their terms of appointment reimbursement of expenses incurred by them during the ordinary course of business and equity shares held by them and otherwise disclosed in this Information Memorandum, the Senior Management Personnel of the Company do not have any interest in the Company.

***Remuneration of Senior Management Personnel (SMP)***

Other than remuneration paid to the following Key Managerial Personnel of our Company namely: Mr. K Gopala Desikan, Chief Financial Officer and Mr. K S Srinivasan, Company Secretary, our Company has paid following remuneration to the Senior Management Personnels:

*(₹ in crore)*

| Name of SMP | Fiscal 2026 (for the period till December 31, 2025) | Fiscal 2025 | Fiscal 2024 | Fiscal 2023 |
|---|---|---|---|---|
| Mr Sharad Mohan Mishra | 13.82 | 12.93 | 9.50 | 9.14 |
| Mr Gaurav Gupta* | 3.94 | 2.47 | - | - |
| Mr Peyman Kargar** | 6.80 | - | - | - |
| Mr Bernhard Heiming | 4.19 | 4.51 | 3.35 | 1.68 |
| Mr R Anandakrishnan | 2.32 | 4.23 | 3.78 | 3.27 |

** Appointed w.e.f. February 3, 2025*
*** Appointed w.e.f. April 1, 2025*

***Corporate Governance***

Our Company is in compliance with the corporate governance code in accordance with Companies Act and SEBI LODR Regulations, as amended from time to time, particularly those relating to composition of Board of Directors and constitution of committees thereof. The corporate governance framework is based on an effective independent Board, separation of the Board's supervisory role from the executive management team and constitution of the Board Committees, as required under law. Our Board has been constituted in compliance with the Companies Act and the SEBI LODR Regulations. The Board functions either as a full board, or through various committees constituted to oversee specific operational areas.

## HISTORY AND CERTAIN CORPORATE MATTERS

### *Brief history of our Company*

Our Company was originally incorporated as Sundaram Auto Engineers (India) Private Limited on June 10, 1992, at Chennai as a limited company under the Companies Act, 1956 and a certificate of incorporation was issued by the Registrar of Companies, Chennai, Tamil Nadu ("ROC") on June 10, 1992. Consequently, the Company got converted to a public company by deletion of word private from its name effective September 4, 1995. Further, the name of the Company was changed from Sundaram Auto Engineers (India) Limited to TVS Suzuki Limited on April 25, 2000. Further effective November 7, 2001 the Company's name was further changed from TVS Suzuki Limited to TVS Motor Company Limited ("Company" or "Issuer"). There has been no change in the name of the Company since November 7, 2001. At present, the Equity Shares of our Company are listed on BSE and NSE.

### Registered Office and Changes in the Registered Office

At present our Registered Office is situated at "Chaitanya", No.12, Khader Nawaz Khan Road, Nungambakkam, Chennai - 600006, Tamil Nadu.

### *The details of change in the registered office*

Other than disclosed below, there has been no change in registered office our Company since its incorporation.

| Date of Change | Address Changed | |
|---|---|---|
| | From | To |
| August 14, 2019 | "Jayalakshmi Estates", No. 29 (Old No. 8), Haddows Road, Chennai - 600 006, Tamil Nadu, India | "Chaitanya" No. 12, Khader Nawaz Khan Road, Nungambakkam, Chennai - 600 006, Tamil Nadu, India |

### Key events, milestones and achievements

| Year | Significant launches/milestones | Category |
|---|---|---|
| 2009 -13 | TVS Wego Disc, TVS Phoenix, TVS Apache RTR 160 and TVS Apache RTR 180 | Motorcycle |
| | | Scooter |
| 2013-14 | TVS StaR HLX Upgrade, TVS Jupiter, TVS StaR HLX 125 | Motorcycle |
| | | Scooter |
| 2014-15 | TVS Jupiter Limited Edition, Zest | Motorcycle |
| | | Scooter |
| 2015-16 | TVS Wego SBS, TVS Victor 3V, TVS XL100 | Motorcycle |
| | | Scooter |
| | | Moped |
| 2016-17 | TVS Jupiter MillionR, TVS Apache RTR 200 4V | Motorcycle |
| | | Scooter |
| | | Moped |
| 2017-18 | TVS Jupiter Classic, TVS NTORQ, TVS Star HLX 150, TVS Apache RR310, TVS Apache RTR 160 4V | Motorcycle |
| | | Scooter |
| | | Moped |
| 2018-19 | TVS Radeon, TVS Jupiter Grande, SBT Variants | Motorcycle |
| | | Scooter |

| Year | Significant launches/milestones | Category |
|---|---|---|
| | | Moped |
| 2019-20 | BS-VI Variants, TVS Radeon, TVS Jupiter Grande Edition, TVS iQube Electric | Motorcycle |
| | | Scooter |
| | | Moped |
| 2020-21 | TVS Apache RR 310 BS-VI 2020 | Motorcycle |
| | | Scooter |
| | | Moped |
| 2021-22 | TVS NTORQ 125 Race XP, Naked Street Design TVS Raider', TVS Star HLX 150 Disc variant, TVS Built To Order with Apache RR 310 | Motorcycle |
| | | Scooter |
| | | Moped |
| 2022-23 | TVS NTORQ 125 XT, TVS iQube Electric Scooter, TVS HLX 125 Gold and TVS HLX 150 Gold, TVS RONIN, TVS Apache RTR 180, TVS Apache RTR 160 | Motorcycle |
| | | Scooter |
| | | Moped |
| 2023-24 | TVS X, TVS Apache RTR 310, TVS Ronin, TVS Raider SS Edition, TVS iQube Electric, TVS HLX 150F, TVS Neo AMI 125 | Motorcycle |
| | | Scooter |
| | | Moped |
| 2024-25 | TVS Apache RR 310, TVS Apache RTR 160 Racing Edition, TVS Jupiter 110, TVS iQube | Motorcycles |
| | | Scooter |

**Main Objects of our Company**

The main objects contained in the Memorandum of Association, include the following:

1. To carry on all or any of the business of manufacturers and producers, importers and exporters, buyers, sellers, exchange dealers, stockists, suppliers and distributors, wholesale and retail dealers, repairers of and workmen in motorcycles, mini motorcycles, auto-scooters, scooters, scooterates, mopeds, motorcars, motor buses, mini buses, motor lorries, motor trucks, jeeps, trolleys, tractors, trailers, power tillers, sprayers, buses, motor vans, pick-up vans, ambulances, vehicles, and other conveyances of all kinds and description, components, parts thereof, spare parts, accessories, implements, materials and products for the transport or conveyances of passengers, merchandise and goods of every description, suitable for the propulsion on land, sea or air or any other conveyance thereof, whether propelled or assisted by means of petrol, diesel oil, power oil, spirit, gas, electricity, solar energy, atomic energy, animal, manual labour or any other powers whatsoever and all engine chassis, bodies, etc., used for all in connection with the above mentioned items.

2. To carry on the business of manufacturers and producers, importers and exporters, buyers, sellers, stockists, suppliers, exchange dealers and distributors, whole-sale and retail dealers, repairers of and workmen in all kinds of internal combustion engines, components thereof.

3. To carry on the business of manufacturers and producers, importers and exporters, buyers, sellers, exchange dealers, stockists, suppliers and distributors, whole-sale and retail dealers, repairers of and workmen in all kinds of power generators, output motors, lawn movers, components thereof, spare parts, accessories, tools, implements, materials and products used in connection with the above.

(Clauses 1 to 3 were substituted vide special resolution passed at the extra-ordinary general meeting of the Company held on 24th April 2000).

4. To carry on the business of retail and wholesale dealers in petrol, diesel, gas and oil agents, garage proprietors, repairers, cleaners and storers of taxicab, omni bus, auto-rickshaw, motor car, lorry, and other public or private conveyances and omni bus, motor car, lorry, motor-cycle, scooter, scooterate, moped or other vehicle repairers, garage builders, dealers in automotive components and accessories of all kinds and automobile engineers.

5. To carry on the business of electricians, electrical engineers, electrical contractors and repairers of all electronic equipment, used on all types of applications, and manufacturers of all kinds of electrical machinery and electrical apparatus for any purpose whatsoever.

6. To carry on the business of founders of ferrous and non- ferrous metals, sheet-metal work, press shop apparatus, welding engineers, refrigerator and air conditioning and environmental control system engineers.

(Clauses 4 to 6 were inserted vide special resolution passed at the extra-ordinary general meeting of the Company held on 24th April 2000).

**Our Holding Company**

As on date of this Information Memorandum, TVS Holdings Limited *(Formerly known as Sundaram-Clayton Limited)*, a Promoter of our Company is the holding company.

**Our Subsidiaries**

1. Sundaram Auto Components Limited, Chennai
2. DriveX Mobility Private Limited, Coimbatore
3. TVS Motor Services Limited, Chennai
4. TVS Credit Services Limited, Chennai
   - Subsidiaries of TVS Credit Services Limited, Chennai
     i. Harita Two-Wheeler Mall Private Limited, Chennai
     ii. Harita ARC Private Limited, Chennai
     iii. TVS Housing Finance Private Limited, Chennai
5. PT TVS Motor Company Indonesia, Jakarta
6. TVS Electric Mobility Limited, Chennai
7. TVS Motor Company (Europe) B.V., Amsterdam
8. TVS Motor Company DMCC, Dubai
9. TVS Motor (Singapore) Pte. Limited, Singapore
   - Subsidiaries of TVS Motor (Singapore) Pte. Limited, Singapore
     i. The Norton Motorcycle Co., Ltd, UK
        - Subsidiary of The Norton Motorcycle Co., Ltd, UK
          a. Norton Motorcycle Private Limited, India
          b. Norton USA, LLC, Delaware (Subsidiary effective November 06, 2025)
     ii. TVS Digital Pte. Limited
     iii. TVS E-Bike Company AG
        - Subsidiary of TVS E-Bike Company AG
          a. EGO Movement Stuttgart GmBH
          b. TVS EBike Company GmbH, Germany (Formerly Known as Colag E-Mobility GmBH, Germany, Nuremberg)
          c. Swiss E-mobility group (österreich) Gmbh, Austria
     iv. TVS EBike Company Limited (Formerly known as EBCO Limited, UK)
     v. TVS Motor GmbH (Formerly known as Celerity Motor GmbH).
     vi. Engines Engineering S.p.A (Subsidiary effective October 03, 2025)

**Our Associate Companies**

1. Ultraviolette Automotive Private Limited, Bengaluru
2. Killwatt GmbH, Germany
3. Predictronics Corp., USA
4. Altizon Inc., USA (Ceased to be an associate effective January 23, 2026)

**Key terms of our material contracts and agreements**

Other than the agreements as mentioned in section titled "*Material Contracts and Documents for Inspection*" on page 115, our Company has not entered into material agreements, more than two years before the date of this Information Memorandum, which are not in the ordinary course of business:

## OUR PROMOTER

TVS Holdings Limited *(Formerly known as Sundaram-Clayton Limited)* is the Promoter of our Company. The details of our Promoter is provided below:

***TVS Holdings Limited (Formerly known as Sundaram-Clayton Limited)***

TVS Holdings Limited **("TVS Holdings")** was incorporated as Sundaram-Clayton Limited on May 24, 1962, at Chennai as a limited company under the Companies Act, 1956 and a certificate of incorporation was issued by the Registrar of Companies, Chennai, Tamil Nadu (**"ROC"**) May 24, 1962. Subsequently, the name change from Sundaram Clayton Limited to TVS Holdings Limited on approved by ROC, Chennai on July 17, 2023.

TVS Holdings is currently registered as a Core Investment Company ('CIC') pursuant to the Certificate of Registration No. N-07-00904 dated March 14, 2024 issued by the Reserve Bank of India ('RBI') under Section 45-IA of the Reserve Bank of India Act, 1934 and Master Direction - Core Investment Companies (Reserve Bank) Directions 2016 as amended ('RBI Master Directions') to carry on the business of Non-Banking Financial Companies (NBFCs) without accepting public deposits.

As on the date, TVS Holdings holds 23,87,82,786 Equity Shares representing 50.26% of the issued, subscribed and paid-up capital of our Company.

***Board of Directors***

**The Board of Directors of TVS Holdings**

| S.No. | Name of Director (M/s.) | DIN | Designation |
|---|---|---|---|
| 1. | Venu Srinivasan | 00051523 | Chairman |
| 2. | Sudarshan Venu | 03601690 | Managing Director |
| 3. | K Gopala Desikan | 00067107 | Director & Group CFO |
| 4. | C R Dua | 00036080 | Independent Director |
| 5. | R Gopalan | 01624555 | Non-Executive Director |
| 6. | Anuj Shah | 05323410 | Independent Director |
| 7. | Timm Tiller | 10289596 | Independent Director |
| 8. | Sasikala Varadachari | 07132398 | Independent Director |

**Confirmations**

**Other understanding and confirmations**

Company confirms that Permanent Account Number and Bank Account Number(s) of Promoter have been submitted to the Stock Exchanges at the time of the Information Memorandum.

Our Promoter has not been identified as Wilful Defaulter. No violation of securities laws has been committed by our Promoter in the past or is currently pending against it.

Our Promoter was not a promoter, director or person in control of any company which was delisted within a period of ten years preceding the date of this Information Memorandum, in accordance with Chapter V of the SEBI Delisting Regulations.

Our Promoter is not a promoter of another company which is debarred from accessing the securities market or dealing in securities under any order or directions passed for any reasons by SEBI.

Our Promoter has confirmed that neither it nor its directors, has been identified as Wilful Defaulter by the RBI or any other governmental authority is not a Promoter of any such company which has been identified as a Wilful Defaulter by the RBI or any other governmental authority or which has been in default of payment of interest or repayment of principal amount in respect of debt securities issued by it to the public, if any, for a period of more than six months. Further, no members of our Promoter Group have been identified as Wilful Defaulters.
Our Promoter and Promoter Group are not restrained or debarred or prohibited from accessing the capital markets or restrained or debarred or prohibited from buying, selling, or dealing in securities under any order or directions passed

for any reasons by the SEBI or any other authority or refused listing of any of the securities issued by any such entity by any stock exchange in India or abroad and are not promoters, directors or person in control of any other company which is prohibited from accessing or operating in capital markets under any order or direction passed by SEBI or any other regulatory or governmental authority.

**Common pursuits of our Promoter**

Our Promoter is not engaged in businesses similar to ours.

**Interest of Promoter in our Company**

Except as stated under the section titled "*Related Party Transactions*" beginning on page 63, and to the extent of their shareholding in our Company, our Promoter does not have any other interest in our Company's business.

Further as on December 31, 2025, our Promoter has not guaranteed/secured any bank facilities sanctioned by our Company.

**Payment of benefit to our Promoter in last three fiscal years**

Other than as disclosed under the *"Related Party Transactions"*, available at page 63, our Company has not made any payments of any benefits to the Promoter during the last three fiscals preceding the date of this Information Memorandum.

**Interest of our Promoter in property, land and construction**

Our Promoter does not have any interest in any property acquired by our Company within two years preceding the date of filing of this Information Memorandum or any property proposed to be acquired by our Company or in any transaction with respect to the acquisition of land, construction of building or supply of machinery.

***Promoter Group of our Company***

***Corporate Entities / Trusts/ other ventures of our Promoter:***

1. VS Trust (Mr Venu Srinivasan, Trustee)
2. VS Trustee Private Limited
3. VS PTC Trust (Mr Venu Srinivasan, Trustee)
4. VEE ESS Trading Private Limited
5. Cheema Venu Trust (formerly known as VEE ESS Trust) (Venu Srinivasan Trustee Private Limited, Trustee)
6. VEE ESS Trust (Venu Srinivasan Trustee Private Limited, Trustee)
7. Srinivasan Venu Trust (Mr. Venu Srinivasan, Trustee)
8. Venu Srinivasan Trustee Private Limited
9. Srinivasan Trust (VS Trustee Private Limited, Trustee)
10. S. Venu Trustee Private Limited
11. STPL Trading and Services Private Limited (Formerly known as Srinivasan Trading Private Limited)

***Individuals:***

12. Mr. Venu Srinivasan
13. Mr. Sudarshan Venu
14. Mrs. Mallika Srinivasan
15. Dr. Lakshmi Venu

**Details of Equity Shares allotted to our Promoter during the last three Fiscal Years**

Except as disclosed under "*Capital Structure*" on page 21, our Promoter has not been allotted any Equity Shares of our Company during the last three Fiscal Years.

## RELATED PARTY TRANSACTIONS

For details of the related party transactions for the last three financial years ended March 31, 2025, March 31, 2024 and March 31, 2023 in accordance with the requirements under Ind AS 24 "Related Party Disclosures" notified under Section 133 of the Companies Act read with the Companies (Indian Accounting Standards) Rules 2015, as amended from time to time, see "*Financial Information*" on page 65. Further refer to Information Memorandum: (i) page F41 – Note 35; (ii) page F79 – Note 41; (iii) page F111– Note 34; (iv) page F148 – Note 39; (v) page F181 – Note 34, (vi) page F220 – Note 39 for related party transactions: (i) for the period ended March 31, 2025 on standalone basis; (ii) for the period ended March 31, 2025 on consolidated basis; (iii) for the period ended March 31, 2024 on standalone basis; (iv) for the period ended March 31, 2024 on consolidated basis; (v) for the period ended March 31, 2023 on standalone basis; (vi) for the period ended March 31, 2023 on consolidated basis, respectively.

**Related party transactions entered during the Fiscal 2025, Fiscal 2024 and Fiscal 2023 with regard to loans made or, guarantees given or securities provided**

**Standalone basis:**

*(₹ in crore)*

| Name of Related Party | Fiscal | Loans Made | Guarantees given | Securities provided |
|---|---|---|---|---|
| TVS Motor (Singapore) Pte. Ltd | 2023-24 | - | 83.41 | - |
| | 2022-23 | - | 123.26 | - |
| Sundaram Auto Components Limited | 2023-24 | -310* | - | - |

**Redemption of Non-convertible zero coupon debentures*

**Consolidated Basis:**

| Name of Related Party | Fiscal | Loans Made | Guarantees given | Securities provided |
|---|---|---|---|---|
| TVS Emerald Limited (Formerly Known as Emerald Haven Realty Limited) | 2023-24 | 3.00 | - | - |
| | | -3.06** | - | - |

*** Loan repaid with interest*

**Related party transactions entered during the current financial year for the period from April 1, 2025, till date of this Information Memorandum, with regard to loans made or, guarantees given or securities provided**

*(₹ in crore)*

| Name of Related Party | Loans Made | Guarantees given | Securities provided |
|---|---|---|---|
| - | - | - | - |

## SECTION V – FINANCIAL STATEMENTS

## FINANCIAL INFORMATION

| Sr. No. | Financial Information | Page No. |
|---|---|---|
| 1. | Standalone limited reviewed financial results of the Company for nine months ended December 31, 2025 | F-1 – F-4 |
| 2. | Consolidated limited reviewed financial results of the Company for nine months ended December 31, 2025 | F-5 – F-14 |
| 3. | Standalone Audited Standalone Financial Statements of the Company for FY 2025 | F-15 – F-47 |
| 4. | Consolidated Audited Consolidated Financial Statements of the Company for FY 2025 | F-48 – F-85 |
| 5. | Standalone Audited Standalone Financial Statements of the Company for FY 2024 | F-86 – F-117 |
| 6. | Consolidated Audited Consolidated Financial Statements of the Company for FY 2024 | F-118 – F-155 |
| 7. | Standalone Audited Standalone Financial Statements of the Company for FY 2023 | F-156 – F-187 |
| 8. | Consolidated Audited Consolidated Financial Statements of the Company for FY 2023 | F-188 – F-227 |

**Financial Information has been appended as Annexure III**

## KEY OPERATIONAL AND FINANCIAL PARAMETERS

This section should be read together with the financial information, including the notes thereto, in "*Financial Information*" on page 65.

Our financial year commences on April 1 and ends on March 31 of the immediately subsequent year, and references to a particular financial year are to the 12 months ended March 31 of that year. Unless otherwise in dictated or the context otherwise requires, the financial information included herein is derived from our financial information included in this Information Memorandum.

**Key Performance Indicators**

A. Summary of our key operational and financial parameters as at nine months ended December 31, 2025 on standalone and consolidated basis are follows:

***(₹ in crore, other than ratios)***

| Particulars | As at December 31, 2025 (Standalone) | As at December 31, 2025 (Consolidated) |
|---|---|---|
| **Profit and Loss** | | |
| Total revenue | 34,447.64 | 41,032.15 |
| - Revenue from operations | 34,462.69 | 41,016.79 |
| - Other income | (15.05) | 15.36 |
| Total Expenses | 30,853.62 | 37,432.47 |
| Profit / (loss) before tax | 3,552.65 | 3,523.61 |
| Total comprehensive income | 2,762.07 | 2,555.11 |
| - Profit / (loss) after tax | 137.02 | 308.30 |
| - Other comprehensive income | 2,762.07 | 2,555.11 |
| Total comprehensive income | 2,762.07 | 2,555.11 |
| Earnings per equity share: Basic; (Continuing operations) | 55.25 | 47.29 |
| Earnings per equity share: Diluted (Continuing operations) | 55.25 | 47.29 |
| Earnings per equity share: Basic (Discontinued operations) | - | - |
| Earnings per equity share: Basic (Total Continuing and discontinued operations | 55.25 | 47.29 |
| Earnings per equity share: Diluted (Total Continuing and discontinued operations) | 55.25 | 47.29 |
| **Additional Information** | | |
| Net worth | 10,684.04 | 8,783.71 |
| Cash and Cash Equivalents | 144.48 | 3,642.04 |
| Current Investments | 283.71 | 579.53 |
| Net Sales | 34,462.69 | 41,016.79 |
| EBITDA | 4,405.73 | 6,206.42 |
| EBIT | 3,738.80 | 5,237.69 |
| Dividend amounts | - | - |
| Long term debt to working capital | - | 2.16 |
| Current Liability ratio- Current Liabilities/Non-Current Liabilities | 0.90 | 0.66 |
| Total Debts to Total assets (times) | 0.13 | 0.58 |
| Debt Service Coverage Ratios (times) | 5.29 | 3.63 |
| Interest Income | 5.19 | 13.53 |
| Interest Expense | 144.78 | 205.56 |
| Interest service coverage ratio (times) | 29.94 | 17.76 |

B. Summary of our key operational and financial parameters as at and for Financial Year ended March 31, 2025, March 31, 2024 and March 31, 2023 on standalone basis are follows:

***(₹ in crore, other than ratios)***

| Particulars | As at March 31, 2025 | As at March 31, 2024 | As at March 31, 2023 |
|---|---|---|---|
| **Balance Sheet** | | | |

| Particulars | As at March 31, 2025 | As at March 31, 2024 | As at March 31, 2023 |
|---|---|---|---|
| Net Fixed assets | 3,880.22 | 3,442.18 | 3,260.17 |
| Current assets | 5,081.87 | 4,217.82 | 3,684.55 |
| Non-Current assets | 11,000.80 | 8,402.24 | 7,047.67 |
| **Total Assets** | **19,962.89** | 16,062.24 | 13,992.39 |
| Non-Current Liabilities (including maturities of long-term borrowings and short-term borrowings) | 1,734.94 | 1,513.44 | 1,804.58 |
| Financial (borrowings, trade payables, and other financial liabilities) | 192.63 | 313.07 | 313.24 |
| Provisions | 255.94 | 205.87 | 175.88 |
| Deferred tax liabilities (net) | 265.92 | 187.05 | 198.20 |
| Other non-current liabilities | 28.00 | 31.50 | 37.13 |
| Current Liabilities | | | |
| Financial (borrowings, trade payables, and other financial liabilities) | 6,572.97 | 5,376.23 | 4,797.75 |
| Provisions | 184.13 | 143.60 | 98.54 |
| Current tax liabilities (net) | 37.40 | 33.81 | 5.93 |
| Other current liabilities | 754.31 | 526.63 | 513.29 |
| Equity (equity and other equity) | 9,936.65 | 7,731.04 | 6,047.85 |
| **Total equity and liabilities** | **19,962.89** | 16,062.24 | 13,992.39 |
| **Profit and Loss** | | | |
| Total revenue | | | |
| - Revenue from operations | 36,251.32 | 31,776.37 | 26,378.09 |
| - Other income | 58.01 | 148.53 | 100.57 |
| Total Expenses | 32,680.54 | 29,144.24 | 24,475.29 |
| Profit / (loss) before tax | 3,628.79 | 2,780.66 | 2,003.37 |
| Total comprehensive income | | | |
| - Profit / (loss) after tax | 2,710.54 | 2,083.00 | 1,491.03 |
| - Other comprehensive income | 32.62 | -19.74 | -27.68 |
| Total comprehensive income | 2,743.16 | 2,063.26 | 1,463.35 |
| Earnings per equity share: Basic; (Continuing operations) | - | - | - |
| Earnings per equity share: Diluted (Continuing operations) | - | - | - |
| Earnings per equity share: Basic (Discontinued operations) | - | - | - |
| Earnings per equity share: Basic (Total Continuing and discontinued operations | 57.05 | 43.84 | 31.38 |
| Earnings per equity share: Diluted (Total Continuing and discontinued operations) | 57.05 | 43.84 | 31.38 |
| **Cash Flow** | | | |
| Net cash (used in) operating activities | 4,265.67 | 3,617.29 | 1,992.86 |
| Net cash generated from / (used in) investing activities | 3,870.82 | 1,896.26 | 2,311.80 |
| Net cash generated from financing activities | 587.12 | 1,469.55 | 224.54 |
| Cash and cash equivalents (opening balance) | 485.83 | 234.35 | 328.75 |
| Balance as per statement of cash flows | 293.56 | 485.83 | 234.35 |
| **Additional Information** | | | |
| Net worth | 9,936.65 | 7,731.04 | 6,047.85 |
| Cash and Cash Equivalents | 293.56 | 485.83 | 234.35 |
| Current Investments | 233.19 | 163.19 | 191.92 |
| Net Sales | 35,692.70 | 31,502.49 | 26,008.06 |
| EBITDA | 4,454.04 | 3,514.11 | 2,674.69 |
| EBIT | 3,767.45 | 2,962.29 | 2,144.03 |
| Dividend amounts | 475.09 | 380.07 | 237.54 |
| Long term debt to working capital | - | - | - |

| Particulars | As at March 31, 2025 | As at March 31, 2024 | As at March 31, 2023 |
|---|---|---|---|
| Current Liability ratio- Current Liabilities/Non-Current Liabilities | 5.36 | 3.83 | 3.10 |
| Total Debts to Total assets (times) | 0.09 | 0.09 | 0.20 |
| Debt Service Coverage Ratios (times) | 5.36 | 2.52 | 5.40 |
| Interest Income | 19.87 | 18.88 | 6.21 |
| Interest Expense | 122.90 | 136.88 | 109.40 |
| Interest service coverage ratio (times) | 30.65 | 21.64 | 19.60 |

C. Summary of our key operational and financial parameters as at and for Financial Year ended March 31, 2025, March 31, 2024 and March 31, 2023 on consolidated basis are follows:

***(₹ in crore, other than ratios)***

| Particulars | As at March 31, 2025 | As at March 31, 2024 | As at March 31, 2023 |
|---|---|---|---|
| **Balance Sheet** | | | |
| Net Fixed assets | 5,488.74 | 4,294.12 | 4,177.40 |
| Current assets | 25,984.25 | 21,520.01 | 17,024.28 |
| Non-Current assets | 16,463.92 | 16,406.33 | 14,031.23 |
| **Total Assets** | **47,936.91** | **42,220.46** | **35,232.91** |
| Non-Current Liabilities (including maturities of long-term borrowings and short-term borrowings) | 24,809.93 | 20,657.68 | 16,816.86 |
| Financial (borrowings, trade payables, and other financial liabilities) | 751.83 | 503.68 | 563.51 |
| Provisions | 322.57 | 270.18 | 231.26 |
| Deferred tax liabilities (net) | 286.02 | 196.46 | 208.37 |
| Other non-current liabilities | 28.00 | 31.50 | 37.14 |
| Current Liabilities | | | |
| Financial (borrowings, trade payables, and other financial liabilities) | 11,008.60 | 11,942.14 | 10,447.48 |
| Provisions | 218.27 | 166.64 | 115.74 |
| Current tax liabilities (net) | 39.80 | 34.58 | 16.05 |
| Other current liabilities | 1,029.62 | 906.49 | 886.65 |
| Equity (equity and other equity) | 9,442.27 | 7,511.11 | 5,909.85 |
| **Total equity and liabilities** | **47,936.91** | **42,220.46** | **35,232.91** |
| **Profit and Loss** | | | |
| Total revenue | | | |
| - Revenue from operations | 44,089.01 | 38,778.82 | 31,973.99 |
| - Other income | 69.56 | 105.82 | 138.00 |
| Total Expenses | 40,579.10 | 36,173.55 | 30,133.36 |
| Profit / (loss) before tax | 3,527.84 | 2,702.92 | 1,936.03 |
| Total comprehensive income | 2,285.63 | 1,638.83 | 1,364.66 |
| - Profit / (loss) after tax | 2,235.56 | 1,686.37 | 1,328.67 |
| - Other comprehensive income | 50.07 | -47.54 | 35.99 |
| Total comprehensive income | 2,285.63 | 1,638.83 | 1,364.66 |
| Earnings per equity share: Basic; (Continuing operations) | 46.42 | 34.97 | - |
| Earnings per equity share: Diluted (Continuing operations) | 46.42 | 34.97 | - |
| Earnings per equity share: Basic (Discontinued operations) | 0.63 | 0.53 | - |
| Earnings per equity share: Basic (Total Continuing and discontinued operations | 47.05 | 35.50 | 27.97 |
| Earnings per equity share: Diluted (Total Continuing and discontinued operations) | 47.05 | 35.50 | 27.97 |
| **Cash Flow** | | | |
| Net cash (used in) operating activities | 3,502.92 | -1,252.67 | -4,404.81 |

| Particulars | As at March 31, 2025 | As at March 31, 2024 | As at March 31, 2023 |
|---|---|---|---|
| Net cash generated from / (used in) investing activities | -2,898.96 | -1,481.36 | -1,307.76 |
| Net cash generated from financing activities | 1,155.24 | 3,238.64 | 6,118.08 |
| Cash and cash equivalents (opening balance) | 2,355.80 | 1,851.19 | 1,445.68 |
| Balance as per statement of cash flows | 4,115.00 | 2,355.80 | 1,851.19 |
| **Additional Information** | | | |
| Net worth | 8,481.39 | 6,751.08 | 5,422.76 |
| Cash and Cash Equivalents | 4,115.00 | 2,355.80 | 1,851.19 |
| Current Investments | 515.31 | 163.19 | 191.92 |
| Net Sales | 36,887.44 | 32,668.46 | 27,433.68 |
| EBITDA | 6,431.35 | 5,546.00 | 4,070.45 |
| EBIT | 2,708.76 | 2,211.35 | 1,628.52 |
| Dividend amounts | 475.09 | 380.07 | 237.54 |
| Long term debt to working capital | 1.81 | 2.44 | 3.00 |
| Current Liability ratio- Current Liabilities/Non-Current Liabilities | 1.51 | 1.55 | 1.90 |
| Total Debts to Total assets (times) | 0.58 | 0.60 | 0.60 |
| Debt Service Coverage Ratios (times) | 2.92 | 1.50 | 3.12 |
| Interest Income | 27.16 | 22.10 | 10.99 |
| Interest Expense | 226.32 | 270.75 | 199.61 |
| Interest service coverage ratio (times) | 14.57 | 10.53 | 10.47 |
| **Particulars** | **As at March 31, 2025** | **As at March 31, 2024** | **As at March 31, 2023** |
| **Balance Sheet** | | | |
| Net Fixed assets | 5,488.74 | 4,294.12 | 4,177.40 |
| Current assets | 25,984.25 | 21,520.01 | 17,024.28 |
| Non-Current assets | 16,463.92 | 16,406.33 | 14,031.23 |
| **Total Assets** | **47,936.91** | **42,220.46** | **35,232.91** |
| Non-Current Liabilities (including maturities of long-term borrowings and short-term borrowings) | 24,809.93 | 20,657.68 | 16,816.86 |
| Financial (borrowings, trade payables, and other financial liabilities) | 751.83 | 503.68 | 563.51 |
| Provisions | 322.57 | 270.18 | 231.26 |
| Deferred tax liabilities (net) | 286.02 | 196.46 | 208.37 |
| Other non-current liabilities | 28.00 | 31.50 | 37.14 |
| Current Liabilities | | | |
| Financial (borrowings, trade payables, and other financial liabilities) | 11,008.60 | 11,942.14 | 10,447.48 |
| Provisions | 218.27 | 166.64 | 115.74 |
| Current tax liabilities (net) | 39.80 | 34.58 | 16.05 |
| Other current liabilities | 1,029.62 | 906.49 | 886.65 |
| Equity (equity and other equity) | 9,442.27 | 7,511.11 | 5,909.85 |
| **Total equity and liabilities** | **47,936.91** | **42,220.46** | **35,232.91** |
| **Profit and Loss** | | | |
| Total revenue | | | |
| - Revenue from operations | 44,089.01 | 38,778.82 | 31,973.99 |
| - Other income | 69.56 | 105.82 | 138.00 |
| Total Expenses | 40,579.10 | 36,173.55 | 30,133.36 |
| Profit / (loss) before tax | 3,527.84 | 2,702.92 | 1,936.03 |
| Total comprehensive income | 2,285.63 | 1,638.83 | 1,364.66 |
| - Profit / (loss) after tax | 2,235.56 | 1,686.37 | 1,328.67 |
| - Other comprehensive income | 50.07 | -47.54 | 35.99 |
| Total comprehensive income | 2,285.63 | 1,638.83 | 1,364.66 |
| Earnings per equity share: Basic; (Continuing operations) | 46.42 | 34.97 | - |

| Particulars | As at March 31, 2025 | As at March 31, 2024 | As at March 31, 2023 |
|---|---|---|---|
| Earnings per equity share: Diluted (Continuing operations) | 46.42 | 34.97 | - |
| Earnings per equity share: Basic (Discontinued operations) | 0.63 | 0.53 | - |
| Earnings per equity share: Basic (Total Continuing and discontinued operations | 47.05 | 35.50 | 27.97 |
| Earnings per equity share: Diluted (Total Continuing and discontinued operations) | 47.05 | 35.50 | 27.97 |
| **Cash Flow** | | | |
| Net cash (used in) operating activities | 3,502.92 | -1,252.67 | -4,404.81 |
| Net cash generated from / (used in) investing activities | -2,898.96 | -1,481.36 | -1,307.76 |
| Net cash generated from financing activities | 1,155.24 | 3,238.64 | 6,118.08 |
| Cash and cash equivalents (opening balance) | 2,355.80 | 1,851.19 | 1,445.68 |
| Balance as per statement of cash flows | 4,115.00 | 2,355.80 | 1,851.19 |
| **Additional Information** | | | |
| Net worth | 8,481.39 | 6,751.08 | 5,422.76 |
| Cash and Cash Equivalents | 4,115.00 | 2,355.80 | 1,851.19 |
| Current Investments | 515.31 | 163.19 | 191.92 |
| Net Sales | 36,887.44 | 32,668.46 | 27,433.68 |
| EBITDA | 6,431.35 | 5,546.00 | 4,070.45 |
| EBIT | 2,708.76 | 2,211.35 | 1,628.52 |
| Dividend amounts | 475.09 | 380.07 | 237.54 |
| Long term debt to working capital | 1.81 | 2.44 | 3.00 |
| Current Liability ratio- Current Liabilities/Non-Current Liabilities | 1.51 | 1.55 | 1.90 |
| Total Debts to Total assets (times) | 0.58 | 0.60 | 0.60 |
| Debt Service Coverage Ratios (times) | 2.92 | 1.50 | 3.12 |
| Interest Income | 27.16 | 22.10 | 10.99 |
| Interest Expense | 226.32 | 270.75 | 199.61 |
| Interest service coverage ratio (times) | 14.57 | 10.53 | 10.47 |

## FINANCIAL INDEBTEDNESS

Details of the outstanding borrowings of our Company as on December 31, 2025:

| S. No. | Nature of Borrowing | Amount (in ₹ crore) | Percentage (%) |
|---|---|---|---|
| 1. | Secured Borrowings | 10.46 | 0.83 |
| 2. | Unsecured Borrowings | 1,245.27 | 99.17 |
| | **Total** | **1,255.73** | **100.00** |

| Standalone | Amount (in ₹ crore) |
|---|---|
| Debt Securities | 125.00 |
| Borrowings (Other than Debt Securities)* | 1,130.73 |
| **Total** | **1,255.73** |

*Including accrued interest.

Set forth below, is a brief summary of the borrowings by our Company as on December 31, 2025, together with a brief description of certain significant terms of such financing arrangements.

***Details of Secured Borrowings:***

**Secured Term Loans From Banks and Financial Institutions**:

The total sanctioned amount of term loans availed from Banks and Financial Institutions as on December 31, 2025 is ₹ **13.70 crore** and the amount outstanding as on December 31, 2025 is ₹ **10.46 crore** as per Ind AS after EIR impact. The details of the secured term loans as of December 31, 2025 are set out below:

| S.No | Lender's Name | Type of Facility | Date of Sanction | Amount Sanctioned (₹ in crore) | Principal outstanding as on December 31, 2025 (₹ in crore) | Repayment Date/ Schedule | Prepayment | Security | Credit Rating, if applicable |
|---|---|---|---|---|---|---|---|---|---|
| 1. | State owned corporation -Tamil Nadu state government | Soft loan | - | 13.70 | 10.46 | Apr'2026 & Apr 2030 | - | First charge on the specific plant and equipment and also secured by equitable mortgage created by way of deposit of title deeds of land. | - |
| **Total principal outstanding** | | | | **13.70** | **10.46** | | | | |
| Add: Interest accrued | | | | | - | | | | |
| Less: Unamortised expenses | | | | | - | | | | |
| **Outstanding bank borrowings as per Ind AS** | | | | | **10.46** | | | | |

**Working Capital Demand Loans – Secured and Cash Credit / Overdraft against Fixed Deposit ("ODFD")**

The total sanctioned amount of working capital demand loans and cash credit facility and overdraft availed from banks as on December 31, 2025 is ₹ **550.09** crore, the amount outstanding as on December 31, 2025 is ₹ **Nil** crore as per Ind AS after EIR impact. The details of the working capital demand loans and cash credit/ ODFD facilities are set out below:

| S.No | Lender's Name | Type of Facility (CC/ ODFD) | Date of Sanction / Last Renewal | Amount Sanctioned (₹ in crore) | Principal outstanding as on December 31, 2025 (₹ in crore) | Repayment Date/ Schedule | Security | Credit Rating, if applicable |
|---|---|---|---|---|---|---|---|---|
| 1. | State Bank of India | WC/CC/EPC/PCFC | 19-03-2025 | 550.00 | - | NA | Exclusive first charge on entire current assets. | CARE A1+ |
| 2. | ICICI Bank Ltd | OD Against FD | 19-07-2024 | 0.09 | - | NA | ₹ 0.10 crore FD | - |
| **Total principal outstanding** | | | | **550.09** | **-** | | | |
| Add: Interest accrued | | | | | - | | | |
| Less: Unamortised expenses | | | | | - | | | |
| **Outstanding bank borrowings as per Ind AS** | | | | | - | | | |

***Rescheduling:*** *Not applicable*

***Events of Default:*** The facility documents executed by the Company stipulates certain events as "*Events of Default*", pursuant to which the Company may be required to immediately repay the entire loan facility availed by it and be subject to additional penalties by the relevant lenders. Such events include but are not limited to:

1) A payment default not corrected within 90 days bank has power to recall the loan

2) Company may be subject to additional penalties if it doesn't:
   a. Non-submission of renewal data & annual accounts within agreed timelines
   b. Non-submission of stock statements within agreed timelines

3) In case breach of agreed financial covenants, bank has powers to levy penal interest

***Details of Unsecured Borrowings:***

**Unsecured Term Loans From Banks and Financial Institutions**:

The total sanctioned amount of term loans availed from Banks and Financial Institutions as on December 31, 2025 is ₹ **2,428.73 crore** and the amount outstanding as on December 31, 2025 is ₹ **1,020.27 crore** as per Ind AS after EIR impact. The details of the unsecured term loans as of December 31, 2025 are set out below:

| S.No. | Lender's Name | Type of Facility | Date of Sanction | Amount Sanctioned (₹ in crore) | Principal outstanding as on December 31, 2025 (₹ in crore) | Repayment Date/ Schedule | Prepayment | Security | Credit Rating, if applicable |
|---|---|---|---|---|---|---|---|---|---|
| 1. | HDFC Bank Ltd | Term Loan | March 28, 2022 | 490.00 | 177.49 | FY 2022-23 Rs.10 Cr (Rs.2.5 Cr each Qtr)<br>FY 2023-24 Rs.50 Cr (Rs.12.5 Cr each Qtr)<br>FY 2024-25 Rs.140 Cr (Rs.35 Cr each Qtr)<br>FY 2025-26 Rs.150 Cr (Rs.37.5 Cr each Qtr) | - | Unsecured | CARE AA+; Stable |

| S.No. | Lender's Name | Type of Facility | Date of Sanction | Amount Sanctioned (₹ in crore) | Principal outstanding as on December 31, 2025 (₹ in crore) | Repayment Date/ Schedule | Prepayment | Security | Credit Rating, if applicable |
|---|---|---|---|---|---|---|---|---|---|
| | | | | | | FY 2026-27 Rs.140 Cr (Rs.35 Cr each Qtr) | | | |
| 2. | HDFC Bank Ltd | Term Loan | June 29, 2023 | 250.00 | 41.74 | Rs.20.825 Cr each Qtr from Sep'23 to June 26, Rs.0.10 Cr on 29-07-2026 | - | Unsecured | CARE AA+; Stable |
| 3. | Axis Bank Ltd | Term Loan | March 23, 2023 | 200.00 | 11.62 | Rs.25 Cr each for end of June'24 & Sep'24 Rs.80 Cr prepaid in Oct'24 Rs.11.65 Cr each Qtr from Dec'24 to Mar'26 | - | Unsecured | CARE AA+; Stable |
| 4. | Axis Bank Ltd | Term Loan | May 06, 2023 | 500.00 | 124.78 | Rs.62.50 Cr each Qtr from Aug'24 to May'26 | - | Unsecured | CARE AA+; Stable |
| 5. | Axis Bank Ltd | Term Loan | March 21, 2025 | 150.00 | 127.48 | Rs.7.50 Cr each Qtr from June'25 to Mar'30 | - | Unsecured | CARE AA+; Stable |
| 6. | Deutsche Bank AG | Term Loan | March 20, 2025 | 300.00 | 225.00 | Rs. 25 Cr each Qtr from June'25 to Mar'28 | - | Unsecured | CARE AA+; Stable |
| 7. | Deutsche Bank AG | Term Loan | March 26, 2025 | 150.00 | 112.50 | Rs. 12.50 Cr each Qtr from June'25 to Mar'28 | - | Unsecured | CARE AA+; Stable |
| 8. | Federal bank Ltd | Term Loan | February 26, 2025 | 200.00 | 166.67 | Rs.16.67 Cr each Qtr from July'25 to Apr'28 | - | Unsecured | CARE AA+; Stable |
| 9. | Sales Tax Deferral loan from Karnataka state government | Deferral loan | - | 188.73 | 31.46 | June'2016 to June 2027, yearly instalment of Rs.15.73 Crores | - | Unsecured | - |
| **Total principal outstanding** | | | | **2,428.73** | **1,018.74** | | | | |
| Add: Interest accrued | | | | | **1.53** | | | | |
| Less: Unamortised expenses | | | | | **-** | | | | |
| **Outstanding bank borrowings as per Ind AS** | | | | | **1,020.27** | | | | |

***Rescheduling:*** *Not applicable*

***Events of Default:*** The facility documents executed by the Company stipulates certain events as "*Events of Default*", pursuant to which the Company may be required to immediately repay the entire loan facility availed by it and be subject to additional penalties by the relevant lenders. Such events include, but are not limited to:

1) A payment default not corrected within 90 days bank has power to recall the loan

2) In case breach of agreed financial covenants, bank has powers to levy penal interest

**Working Capital Demand Loans – Unsecured and Cash Credit / Overdraft against Fixed Deposit ("ODFD")**

The total sanctioned amount of working capital demand loans and cash credit facility and overdraft availed from banks as on December 31, 2025 is ₹ **967.00 crore** and the amount outstanding as on December 31, 2025 is ₹ 1**00.00** crore as per Ind AS after EIR impact. The details of the working capital demand loans and cash credit/ ODFD facilities are set out below:

| S.No. | Lender's Name | Type of Facility (CC/ ODFD) | Date of Sanction / Last Renewal | Amount Sanctioned (₹ in crore) | Principal outstanding as on December 31, 2025 (₹ in crore) | Repayment Date/ Schedule | Security | Credit Rating, if applicable |
|---|---|---|---|---|---|---|---|---|
| 1. | MUFG Bank Ltd | WC/EPC | January 21, 2025 | 100.00 | - | - | Unsecured | - |
| 2. | HDFC Bank Ltd | WC/CC/EPC | January 27, 2025 | 275.00 | - | NA | Unsecured | - |
| 3. | HSBC | WC/CC/EPC | December 11, 2024 | 200.00 | - | NA | Unsecured | - |
| 4. | BNP Paribas | WC/CC/EPC | January 12, 2018 | 100.00 | | NA | Unsecured | |
| 5. | Standard Chartered Bank | EPC/OD/EPC | April 09, 2025 | 67.00 | - | NA | Unsecured | - |
| 6. | DBS Bank Ltd | WC/CC/EPC | January 18, 2023 | 25.00 | - | NA | Unsecured | - |
| 7. | Federal Bank Ltd | WCL/OD | January 21, 2025 | 200.00 | 100.00 | January 06, 2026 | Unsecured | - |
| **Total principal outstanding** | | | | **967.00** | **100.00** | | | |
| Add: Interest accrued | | | | | - | | | |
| Less: Unamortised expenses | | | | | - | | | |
| **Outstanding bank borrowings as per Ind AS** | | | | | **100.00** | | | |

***Events of Default:*** The facility documents executed by the Company stipulates certain events as "*Events of Default*", pursuant to which the Company may be required to immediately repay the entire loan facility availed by it and be subject to additional penalties by the relevant lenders. Such events include, but are not limited to:

1) A payment default not corrected within 90 days bank has power to recall the loan

2) In case breach of agreed financial covenants, bank has powers to levy penal interest

**Private Placement of Non-Convertible Debentures**

| Sr. No. | Series | ISIN | Date of allotment | Redemption Schedule / Maturity Date | Tenure | Coupon | Principal Amount outstanding as on | Credit Rating, if any | Security |
|---|---|---|---|---|---|---|---|---|---|

| | | | | | | | **December 31, 2025 (₹ in crore)** | | |
|---|---|---|---|---|---|---|---|---|---|
| 1. | - | INE494B08036 | March 14, 2023 | March 13, 2026 | 3 Years | Initial rate 7.90% (The sum of the Repo Rate and spread of 140 basis points) | 125.00 | CARE AA+; Stable | Unsecured |
| **Total principal outstanding** | | | | | | | **125.00** | | |
| **Less: Unamortised expenses** | | | | | | | **0** | | |
| **Add: Accrued Interest** | | | | | | | **0** | | |
| **Add: Unclaimed** | | | | | | | **0** | | |
| **Amount outstanding as per Ind AS** | | | | | | | **125.00** | | |

**Commercial Papers:** Our Company has not issued any Commercial Papers.

**Loan from Directors and Relatives of Directors**
Our Company has not taken any loan from Directors or relative of Directors.

**Inter-Corporate Deposits**

As on December 31, 2025, our Company has not borrowed any amount by way of inter-corporate deposits.

**Inter-Corporate Loans:**

As on December 31, 2025 our Company has not borrowed any amount in the nature of demand loans from companies under same management.

**Servicing behaviour on existing debt securities, payment of interest on due dates on financing facilities or securities**

Our Company has not defaulted in payment of any interest and/or principal for the existing loans and other financial indebtedness.

**Details of corporate guarantee issued by the Company:**

Our Company has not issued any corporate guarantee as on December 31, 2025.

**Details of rest of the borrowings (if any, including but not limited to, hybrid debt like FCCB, Optionally Convertible Debentures/Preference Shares) as on December 31, 2025:**

| S. No. | Name of holders of Debt security | Amount (₹ in crore) |
|---|---|---|
| NIL | | |

**List of top 10 holders of non-convertible securities in terms of value (in cumulative basis) as on December 31, 2025:**

***(i) Non-Convertible Debentures***

| Sr. No. | Name of the holder of Non-convertible Securities | Amount (in ₹ crore) | % of total non-convertible securities outstanding |
|---|---|---|---|
| 1. | Axis Bank Limited | 125.00 | 100.00 |

***(ii) Non-Convertible Redeemable Preference Shares***

| *Sr. No.* | *Name of the holder of non convertible redeemable preference shares* | *Number of non convertible redeemable preference shares* | *Amount (in ₹ crore)* | *% of total non-convertible redeemable preference shares outstanding* |
|---|---|---|---|---|
| 1. | TVS Holdings Limited | 95,51,31,144 | 955.13 | 50.26 |
| 2. | ICICI Prudential Balanced Advantage Fund | 11,94,14,876 | 119.41 | 6.28 |
| 3. | Axis Mutual Fund | 2,51,59,780 | 25.16 | 1.32 |
| 4. | NPS Trust | 2,45,07,184 | 24.51 | 1.29 |
| 5. | Canara Robeco Mutual Fund | 2,17,12,988 | 21.71 | 1.14 |
| 6. | Europacific Growth Fund | 1,94,91,340 | 19.49 | 1.02 |
| 7. | Government of Singapore | 1,75,08,192 | 17.51 | 0.92 |
| 8. | New World Fund Inc | 1,73,15,908 | 17.32 | 0.91 |
| 9. | SBI Retirement Mutual Fund | 1,47,50,628 | 14.75 | 0.77 |
| 10. | Invesco India Mutual Fund | 1,40,40,712 | 14.04 | 0.74 |

**Details of any outstanding borrowings taken/ debt securities issued where taken/ issued (a) for consideration other than cash, whether in whole or in part, (b) at a premium or discount, or (c) in pursuance of an option as on December 31, 2025.**

Nil.

**Restrictive Covenants under our Financing Arrangements:**

Many of our financing arrangements include various restrictive conditions and covenants restricting certain corporate actions and our Company is required to take the prior approval of the lenders before carrying out such activities. For instance, our Company, inter alia, is required to obtain the prior written consent or intimation, as the case may be, in the following:

1) Should not enter into scheme of merger, amalgamation not to enter into any scheme of merger, amalgamation, compromise or reconstruction without the prior written intimation of the bank.

2) Shall keep the bank informed when change in the ownership/Control/Management/Beneficial owner change.

3) Declare dividend for any year except out of current year profits.

## MATERIAL DEVELOPMENTS

Other than as disclosed below or elsewhere in this Information Memorandum or the Audited Financial Statements, since April 1, 2025 till the date of filing this Information Memorandum, there have been no event/ development or change having implications on the financials/credit quality (e.g., any material regulatory proceedings against the Company/ Promoter/ Directors, litigations resulting in material liabilities, corporate restructuring event etc.) at the time of the Issue which may affect the Issue or the investor's decision to continue to invest in NCRPS.

The Company has approved a scheme of amalgamation under Sections 230 to 232 of the Companies Act, 2013 for merger of its wholly owned subsidiary, Sundaram Auto Components Limited (transferor company) into the Company. Since the transferor company is a wholly owned subsidiary, no consideration/shares are proposed to be issued by the Company pursuant to the amalgamation and the share capital of the transferor company held by the Company (and its nominees) will be cancelled. The scheme upon becoming effective, the transferor company will stand transferred to and vested in the Company as a going concern, and the transferor company will be dissolved without being wound up. The scheme of amalgamation is pending approval before the National Company Law Tribunal, Division Bench - I, Chennai.

## SECTION VI- LEGAL AND OTHER INFORMATION

## OUTSTANDING LITIGATIONS

Our Company, Directors, Promoter, Subsidiaries and Group Companies are subjected to various legal proceedings from time to time, mostly arising in the ordinary course of its business. The legal proceedings are initiated by us and also by customers and other parties. These legal proceedings are primarily in the nature of (a) civil suits (b) criminal complaints, (c) business operations related litigations. We believe that the number of proceedings in which we are involved in is not unusual for a company of our size in the context of doing business in India. Except as disclosed below, there are no outstanding litigation including, suits, criminal or civil prosecutions and taxation-related proceedings against our Company, Directors, Promoter, Subsidiaries and Group Companies that would have a material adverse effect on our operations or financial position.

For the purposes of above, our Company has considered and adopted a policy of materiality approved by the Board vide its meeting dated October 27, 2015 (effective w.e.f. December 1, 2015 and last modified on March 20, 2024) for identification of material litigations ("**Material Threshold**"). In terms of materiality policy, any outstanding litigation for the purpose of disclosures in this Information Memorandum:

a. involving the Company, in which the aggregate monetary claim by or against our Company exceeds lower of the following:
    a. five percent of the average of absolute value of profit or loss after tax, as per the last three audited consolidated financial statements of the Company, i.e., ₹ 91.13 crore; or
    b. two percent of turnover, as per the last audited consolidated financial statements of the Company, i.e., ₹ 881.78 crore; or

    Accordingly, all litigation involving monetary amount of claim exceeding ₹ 91.13 crore has been considered as material;

b. involving the Directors of the Company whose outcome may have a bearing on the business, operations or reputation of the Company, has been considered as material;

c. in relation to the Promoter, for the purpose of disclosures in this Information Memorandum, all pending proceedings whether civil, arbitral, or otherwise, of claims exceeding the Materiality Threshold of the Issuer in this regard has been considered as material.

d. in relation to the Subsidiaries, for the purpose of disclosures in this Information Memorandum, all pending proceedings whether civil, arbitral, or otherwise, of claims exceeding the Materiality Threshold of the Issuer in this regard has been considered as material.

e. in relation to the Group Companies, for the purpose of disclosures in this Information Memorandum, all pending proceedings whether civil, arbitral, or otherwise, of claim exceeding Materiality Threshold of the Issuer in this regard has been identified as material.

f. all criminal proceedings whether complaints, first information reports, bail applications or otherwise wherein our Company, Directors, Promoter, Subsidiaries and Group Companies are a party.

**Save as disclosed below, there are no:**

- outstanding civil or tax proceedings involving our Company, Directors, Subsidiaries and Promoter in which the pecuniary amount involved is in excess of the Materiality Threshold.
- outstanding actions initiated or show-cause notices issued by regulatory authorities such as SEBI or RBI or the Stock Exchanges or MCA, Registrar of Companies or any other such similar authorities, involving our Company, Directors, Promoter, Subsidiaries and Group Companies.
- outstanding criminal proceedings filed by or against our Company, Directors, Promoter, Subsidiaries and Group Companies.
- defaults in or non-payment of any statutory dues by our Company.
- litigations or legal actions pending or taken against our Promoter by a Government department or a statutory body during the last three years immediately preceding the year of this Information Memorandum.
- inquiries, inspections or investigations initiated or conducted under the Securities laws or Companies Act or any previous companies' law in the last three years immediately preceding the year of issue of this Information

Memorandum against our Company and if there were any prosecutions filed (whether pending or not); fines imposed or compounding of offences done in the last three years immediately preceding the year of this Information Memorandum for the Company.

- outstanding litigation involving our Company, Directors, Promoter, Subsidiaries or any other person, whose outcome could have material adverse effect on the position of our Company, or which may affect the Issue or an investor's decision to invest in the Issue.
- pending proceedings initiated against our Company for economic offences.
- material frauds committed against our Company in the last three years preceding the date of this Information Memorandum and actions taken by our Company in this regard.

The Company has no material litigation, involving our Company, our Promoter and Director, except the following:

**I. Litigations Involving our Company:**

- **Litigations against our Company**

A. **Criminal Proceedings**

Nil

B. **Material Civil Proceedings**

Nil

C. **Material Tax proceedings**

The Directorate of Revenue Intelligence, Chennai had issued a show cause notice to the Company on September 28, 2020 disputing the HSN classification of certain parts for the period from October 14, 2015 to March 31, 2020 involving a differential duty of ₹ 39.26 crore and the Company had filed its reply before CoC Adjudication on January 18, 2021. The matter is currently ongoing and CoC Adjudication has passed an order on May 20, 2025 making a demand for an amount of ₹ 152.54 Cr which includes penalty and fine of ₹ 113.27 crore. The Company has filed its appeal before the CESTAT against the order dated May 20, 2025.

D. **Regulatory and Statutory proceedings**

Nil

E. **Details of any inquiries, inspections or investigations initiated or conducted under the securities laws or Companies Act or any previous companies law in the last three years immediately preceding the year of issue of this Information Memorandum in the case of Company; and if there were any prosecutions filed (whether pending or not); fines imposed or compounding of offences done in the last three years immediately preceding the year of this Information Memorandum for the Company.**

Nil

- **Litigations by our Company**

A. **Criminal Proceedings**

Nil

B. **Material Civil Proceedings**

Nil

**Arbitration Proceedings initiated by our Company**
Nil

**Insolvency Proceedings initiated by our Company**

Nil

**Notices issued by the Company for recovery of loans**

Nil

**II. Involving our Promoter:**

- **Litigations against our Promoter**

A. **Criminal proceedings**

Nil

B. **Material Civil proceedings**

Nil

C. **Material Tax proceedings**

Nil

D. **Statutory and Regulatory proceedings**

Nil

- **Litigations by our Promoter**

**A. Criminal proceedings**

Nil

**B. Material Civil proceedings**

Nil

**III. Litigations involving our Directors:**

- **Litigations against our Directors**

A. **Criminal proceedings**

Nil

B. **Material Civil proceedings**

Nil

C. **Material Tax proceedings**

Nil

D. **Statutory and Regulatory proceedings**

Nil

- **Litigations by our Directors**

A. **Criminal proceedings**

Nil

B. **Material Civil proceedings**

Nil

## IV. Litigations involving our Subsidiaries:

- **Litigations against our Subsidiaries**

Except as disclosed below, there are no other proceedings against our Subsidiaries:

A. **Criminal proceedings**

Nil

B. **Material Civil proceedings**

Nil

C. **Material Tax proceedings**

Nil

D. **Statutory and Regulatory proceedings**

Nil

- **Litigations by our Subsidiaries**

A. **Criminal proceedings**

**Cash swindling by deputed employees**: Two persons who were employed in the capacity of vehicle evaluation engineers of DriveX Mobility Private Limited ("**DriveX**"), have swindled money from DriveX which was supposed to be paid to the sellers of the vehicles. The employees faked the bank account numbers of the customers for fraudulent transfer of payment. FIR has been filed by DriveX against both the parties under Section 303 and 318 of The Bharatiya Nyaya Sanhita, 2023 and the police investigation is underway.

Our Subsidiary, TVS Credit Services Limited, a non-deposit taking Non-Banking Finance Company, has initiated approximately 48 criminal proceedings, including filing of FIRs, against various customers for defaults on loans. These include cases filed under Section 138 of the Negotiable Instruments Act, 1881.

B. **Material Civil proceedings**

Nil

C. **Material Tax proceedings**

Nil

D. **Statutory and Regulatory proceedings**

Nil

## V. Litigations involving our Group Companies

- **Litigations against our Group Companies**

A. **Criminal proceedings**

Nil

B. **Material Civil proceedings**

Nil

C. **Material Tax proceedings**

Nil

D. **Statutory and Regulatory proceedings**

Nil

- **Litigations by our Group Companies**

A. **Criminal proceedings**

Nil

B. **Material Civil proceedings**

Nil

**VI. Details of acts of material frauds committed against our Company in the last three years and the current financial year, if any,**

Nil

**VII. Details of default, if any, in the past three years and the current financial year including therein the amount involved, duration of default and present status, in repayment of statutory dues; debentures and interests thereon; deposits and interests thereon; and loan from any bank or financial institutions and interest thereon:**

Nil

**VIII. Summary of reservations or qualifications or adverse remarks of auditors in the last three financial years immediately preceding the year of filing of the Information Memorandum and of their impact on the financial statements and financial position of the company and the corrective steps taken and proposed to be taken by the company for each of the said reservations or qualifications or adverse remarks:**

Nil

## OTHER REGULATORY AND STATUTORY DISCLOSURES

### Authority of Listing

National Company Law Tribunal, Chennai has approved the Scheme, vide its order dated July 31, 2025. For more details relating to the Scheme please refer to the section titled "*Scheme of Arrangement*" on page 40 of this Information Memorandum. In accordance with the said Scheme, the NCRPS of our Company issued pursuant to the Scheme shall be listed and admitted to trading on the BSE and NSE. Such listing and admission for trading is not automatic and is subject to fulfillment by the Company of criteria of BSE and NSE and also subject to such other terms and conditions as may be prescribed by BSE and NSE at the time of application by our Company seeking listing.

The Company has received approval for listing of NCRPS NSE and BSE vide their letter no. NSE/LIST/50825 dated November 21, 2025, and letter no. DCS/AMAL/BW/IP/3919/2025-26 dated November 20, 2025, respectively. Further, the Company has also received a letter bearing no. HO/49/12/16(4)2026-CFD-RAC-DCR1 dated February 9, 2026 from the SEBI in relation to relaxation from applicability of Rule 19(2)(b) of the SCRR for listing of the NCRPS of the Company on Stock Exchanges.

### Eligibility Criterion

There being no Initial public offering or rights issue, the eligibility criteria in terms of Chapter II of SEBI ICDR Regulations do not become applicable. However, SEBI vide its Master Circulars, has subject to certain conditions, permitted companies to make an application for relaxing from the strict enforcement of Rule 19(2)(b) of SCRR, as amended. Our Company has submitted this Information Memorandum, containing information about itself, making disclosure in line with the disclosure requirement for public issues, as applicable, to BSE and NSE for making the said Information Memorandum available to public through their website viz. www.bseindia.com and www.nseindia.com respectively. Our Company has made the said Information Memorandum available on its website www.tvsmotor.com. Our Company has published an advertisement in the newspapers containing its details in line with the details required as per the Master Circulars on February 13, 2026. The advertisement draws specific reference to the availability of this Information Memorandum on its website.

### Disclaimer Clause of SEBI

**IT IS TO BE DISTINCTLY UNDERSTOOD THAT FILING OF OFFER DOCUMENT TO THE SECURITIES AND EXCHANGE BOARD OF INDIA (SEBI) SHOULD NOT IN ANY WAY BE DEEMED OR CONSTRUED THAT THE SAME HAS BEEN CLEARED OR APPROVED BY SEBI. SEBI DOES NOT TAKE ANY RESPONSIBILITY EITHER FOR THE FINANCIAL SOUNDNESS OF ANY SCHEME OR THE PROJECT FOR WHICH THE ISSUE IS PROPOSED TO BE MADE OR FOR THE CORRECTNESS OF THE STATEMENTS MADE OR OPINIONS EXPRESSED IN THE OFFER DOCUMENT. THE COMPANY ENSURES THAT THE DISCLOSURES MADE IN THE OFFER DOCUMENT ARE GENERALLY ADEQUATE AND ARE IN CONFORMITY WITH THE SEBI (ISSUE AND LISTING OF NON-CONVERTIBLE SECURITIES) REGULATIONS, 2021. THIS REQUIREMENT IS TO FACILITATE INVESTORS TO TAKE AN INFORMED DECISION FOR MAKING INVESTMENT IN THE PROPOSED ISSUE.**

### Disclaimer Clause of NSE

**BASED ON THE DRAFT SCHEME AND OTHER DOCUMENTS SUBMITTED BY THE COMPANY, INCLUDING UNDERTAKING GIVEN IN TERMS OF REGULATION 11 OF SEBI (LODR) REGULATIONS, 2015, WE HEREBY CONVEY OUR "NO-OBJECTION" IN TERMS OF REGULATION 94 OF SEBI (LODR) REGULATIONS, 2015, SO AS TO ENABLE THE COMPANY TO FILE THE DRAFT SCHEME WITH NCLT. HOWEVER, THE EXCHANGE RESERVES ITS RIGHTS TO RAISE OBJECTIONS AT ANY STAGE IF THE INFORMATION SUBMITTED TO THE EXCHANGE IS FOUND TO BE INCOMPLETE/ INCORRECT/ MISLEADING/ FALSE OR FOR ANY CONTRAVENTION OF RULES, BYE-LAWS AND REGULATIONS OF THE EXCHANGE, LISTING REGULATIONS, GUIDELINES / REGULATIONS ISSUED BY STATUTORY AUTHORITIES.**

### Disclaimer Clause of BSE

**THE EXCHANGE RESERVES ITS RIGHT TO WITHDRAW ITS 'NO ADVERSE OBSERVATION' AT ANY STAGE IF THE INFORMATION SUBMITTED TO THE EXCHANGE IS FOUND TO BE INCOMPLETE /**

**INCORRECT / MISLEADING / FALSE OR FOR ANY CONTRAVENTION OF RULES, BYE-LAWS AND REGULATIONS OF THE EXCHANGE, LISTING AGREEMENT, GUIDELINES/REGULATIONS ISSUED BY STATUTORY AUTHORITIES.**

**PLEASE NOTE THAT THE AFORESAID OBSERVATIONS DOES NOT PRECLUDE THE COMPANY FROM COMPLYING WITH ANY OTHER REQUIREMENTS.**

**Disclaimer Statement of Credit Rating Agency**

**THE RATINGS ISSUED BY CARE RATINGS ARE OPINIONS ON THE LIKELIHOOD OF TIMELY PAYMENT OF THE OBLIGATIONS UNDER THE RATED INSTRUMENT AND ARE NOT RECOMMENDATIONS TO SANCTION, RENEW, DISBURSE, OR RECALL THE CONCERNED BANK FACILITIES OR TO BUY, SELL, OR HOLD ANY SECURITY. THESE RATINGS DO NOT CONVEY SUITABILITY OR PRICE FOR THE INVESTOR AND NO PART OF THE MATERIAL SHOULD BE CONSTRUED AS AN EXPERT ADVICE OR INVESTMENT ADVICE WITHIN THE MEANING OF ANY LAW OR REGULATION. THE RATING AGENCY DOES NOT CONSTITUTE AN AUDIT ON THE RATED ENTITY. CARE RATINGS HAS BASED ITS RATINGS/OUTLOOK BASED ON INFORMATION OBTAINED FROM RELIABLE AND CREDIBLE SOURCES. CARE RATINGS DOES NOT, HOWEVER, GUARANTEE THE ACCURACY, ADEQUACY, OR COMPLETENESS OF ANY INFORMATION AND IS NOT RESPONSIBLE FOR ANY ERRORS OR OMISSIONS AND THE RESULTS OBTAINED FROM THE USE OF SUCH INFORMATION.**

**Disclaimer statement from the Issuer**

**THE ISSUER ACCEPTS NO RESPONSIBILITY FOR STATEMENTS MADE OTHER THAN IN THIS INFORMATION MEMORANDUM OR IN ADVERTISEMENT OR ANY OTHER MATERIAL ISSUED BY OR AT THE INSTANCE OF OUR COMPANY IN CONNECTION WITH THE ISSUE OF THE NCRPS AND ANYONE PLACING RELIANCE ON ANY OTHER SOURCE OF INFORMATION WOULD BE DOING SO AT THEIR OWN RISK.**

**Disclaimer in Respect of Jurisdiction**

**THE ISSUE IS BEING MADE IN INDIA, TO EACH SHAREHOLDERS OF THE COMPANY AS ON THE RECORD DATE, DECIDED BY THE BOARD OF DIRECTORS OF THE COMPNAY. THIS INFROMATION MEMORANDUM WILL NOT, HOWEVER CONSTITUTE AN OFFER TO SELL OR AN INVITATION TO SUBSCRIBE FOR THE NCRPS OFFERED HEREBY IN ANY JURISDICTION OTHER THAN INDIA TO ANY PERSON TO WHOM IT IS UNLAWFUL TO MAKE AN OFFER OR INVITATION IN SUCH JURISDICTION. ANY PERSON INTO WHOSE POSSESSION THIS INFORMATION MEMORANDUM COMES IS REQUIRED TO INFORM HIMSELF OR HERSELF ABOUT, AND TO OBSERVE, ANY SUCH RESTRICTIONS**.

**Undertaking by the Issuer**

**INVESTORS ARE ADVISED TO READ THE RISK FACTORS CAREFULLY BEFORE TAKING AN INVESTMENT DECISION IN THIS ISSUE. FOR TAKING AN INVESTMENT DECISION, INVESTORS MUST RELY ON THEIR OWN EXAMINATION OF THE ISSUER AND THE OFFER INCLUDING THE RISKS INVOLVED. THE NCRPS HAVE NOT BEEN RECOMMENDED OR APPROVED BY ANY REGULATORY AUTHORITY IN INDIA, INCLUDING THE SECURITIES AND EXCHANGE BOARD OF INDIA (SEBI) NOR DOES SEBI GUARANTEE THE ACCURACY OR ADEQUACY OF THIS DOCUMENT. SPECIFIC ATTENTION OF INVESTORS IS INVITED TO THE STATEMENT OF THE "*RISK FACTORS*" CHAPTER ON PAGE 11 OF THE INFORMATION MEMORANDUM.**

**OUR COMPANY, HAVING MADE ALL REASONABLE INQUIRIES, ACCEPTS RESPONSIBILITY FOR, AND CONFIRMS THAT THIS INFROMATION MEMORANDUM CONTAINS ALL INFORMATION WITH REGARD TO THE ISSUER AND THE ISSUE, THAT THE INFORMATION CONTAINED IN THIS INFROMATION MEMORANDUM IS TRUE AND CORRECT IN ALL MATERIAL ASPECTS AND IS NOT MISLEADING IN ANY MATERIAL RESPECT, THAT THE OPINIONS AND INTENTIONS EXPRESSED HEREIN ARE HONESTLY HELD AND THAT THERE ARE NO OTHER FACTS, THE OMISSION OF WHICH MAKE THIS INFROMATION MEMORANDUM AS A WHOLE OR ANY OF SUCH**

**INFORMATION OR THE EXPRESSION OF ANY SUCH OPINIONS OR INTENTIONS MISLEADING IN ANY MATERIAL RESPECT.**

**OUR COMPANY DECLARES THAT NOTHING IN THE INFROMATION MEMORNDUM IS CONTRARY TO THE PROVISIONS OF COMPANIES ACT, 2013 (18 OF 2013), THE SECURITIES CONTRACTS (REGULATION) ACT, 1956 AND THE SECURITIES AND EXCHANGE BOARD OF INDIA ACT, 1992 AND THE RULES AND REGULATIONS MADE THEREUNDER**.

**Filing**

Copy of this Information Memorandum has been filed with BSE and NSE.

**Listing**

Application has been made to Stock Exchanges for permission for listing and trading in and for an official quotation of the NCRPS of the Company. The Company has nominated NSE as the Designated Stock Exchange for Issue. The Company shall ensure that it will take all steps for the completion of necessary formalities for listing and commencement of trading at NSE and BSE within such period as approved by SEBI.

**Expert Opinions**

Save as stated elsewhere in this Information Memorandum, we have not obtained an expert opinion.

**Common form of Transfer**

The Issuer undertakes that there shall be a common form of transfer for the NCRPS and the provisions of the Companies Act, 2013 and all Applicable Laws shall be duly complied with in respect of all transfer of debentures and registration thereof.

**Underwriting**

This Issue shall not be underwritten.

**Change in Auditors of our Company during the last three years and the current financial year**

| Name of the Auditor | Address | Date of Appointment | Date of cessation, if applicable | Date of Resignation, if applicable |
|---|---|---|---|---|
| M/s. Sundaram & Srinivasan | Old No. 23, New No. 4, C P Ramaswamy Road, Alwarpet, Chennai - 600018 | July 24, 2023 | - | - |
| M/s. V Sankar Aiyar & Co | Chartered Accountants, 2-C, Court Chambers, 35 New Marine Lines, Mumbai - 400 020. | July 14, 2014 | July 24, 2023 | July 24, 2023 |

**Debentures or bonds and redeemable preference shares and other instruments issued by our Company and outstanding**

Except as disclosed under section titled "*Financial Indebtedness*" on page 71, our Company does not have any outstanding debentures or bonds or redeemable preference shares.

**Dividend**

Our Company has framed dividend distribution policy, which is available on its website pursuant to SEBI circular No. SEBI/LAD-NRO/GN/2016-17/008 dated July 8, 2016, mandating top 500 listed companies based on the market capitalization to formulate dividend distribution policy. The declaration and payment of dividends on our Equity Shares and Preference Shares will be recommended by the Board of Directors and approved by our Shareholders, at their discretion, and will depend on a number of factors, including but not limited to our profits, capital requirements and overall financial condition. Our Company has declared following dividends during last three financial years:

| 2024-2025 | 2023-2024 | 2022-2023 |
|---|---|---|
| Dividend of ₹ 475.00 crore declared for March 31, 2025 (₹ 10 / share) | Dividend of ₹ 380.00 crore declared for March 31, 2024 (₹ 8 / share) | Dividend of ₹ 237.54 crore declared for March 31, 2023 (₹ 5 / share) |

**Mechanism for redressal of investor grievances**

The Registrar Agreement dated August 20, 2025 between the Registrar to the Issue and our Company will provide for retention of records with the Registrar to the Issue for a period of at least eight years from the last date of dispatch of the Allotment Advice and demat credit to enable the investors to approach the Registrar to the Issue for redressal of their grievances. All grievances relating to the Issue may be addressed to the Registrar to the Issue, giving full details such as name, address of the Applicant, number of NCRPS applied for, amount paid on application and the bank branch or collection center where the application was submitted.

The contact details of Registrar and Transfer Agent to the Issue are as follows:

**Integrated Registry Management Services Private Limited**
II Floor, "Kences Towers", No.1, Ramakrishna Street,
North Usman Road, T Nagar, Chennai - 600 017
**SEBI Registration No**: INR000000544
**Tel**: 044 – 28140801 - 803
**Fax**: 044 – 28140247
**E-mail**: einward@integratedindia.in
**Investor Grievance Email**: srirams@integratedindia.in
**Website**: https://www.integratedindia.in
**Contact Person and Compliance Officer**: Mr. Sriram S

The Registrar shall endeavour to redress complaints of the investors within three (3) days of receipt of the complaint during the currency of this Information Memorandum and continue to do so during the period it is required to maintain records under the RTA Regulations and our Company shall extend necessary co-operation to the Registrar for its complying with the said regulations. However, the Registrar shall ensure that the time taken to redress investor complaints does not exceed fifteen (15) days from the date of receipt of complaint. The Registrar shall provide a status report of investor complaints and grievances on a fortnightly basis to our Company. Similar status reports should also be provided to our Company as and when required by our Company.

The details of the person appointed to act as Company Secretary and Compliance Officer for the purposes of this Issue are set out below:

**Company Secretary and Compliance Officer**
**Mr. K S Srinivasan**
**"**Chaitanya", No.12, Khader Nawaz Khan Road,
Nungambakkam, Chennai,
Tamil Nadu 600006
**Tel**: +91 44 - 2833 2115
**E-mail**: Srinivasan.ks@tvsmotor.com

Eligible Shareholders may contact the Registrar to the Issue or the Company Secretary and Compliance Officer in case of any pre-issue or post Issue related issues.

**Reservations / Qualifications / Adverse Remarks or Emphasis of Matter by Auditors**

There are no reservations or qualifications or adverse remarks or emphasis of matter by the Statutory Auditors in the financial statements of our Company in the last three financial years immediately preceding this Information Memorandum.

**The amount of corporate guarantee issued by the Issuer along with details of the counterparty (viz. name and nature of the counterparty - subsidiary, Joint Venture entity, group company etc) on behalf of whom it has been issued**:

Nil

**Details of any other contingent liabilities of the issuer based on the last audited financial statements including amount and nature of liability:**

| Details | March 31, 2025 (₹ in crore) | March 31, 2024 (₹ in crore) | March 31, 2023 (₹ in crore) |
|---|---|---|---|
| (a) Claims against the company not acknowledged as debts: | | | |
| (i) Excise | 23.90 | 23.89 | 52.44 |
| (ii) Service tax | 7.17 | 8.08 | 8.65 |
| (iii) Customs | - | - | 39.67 |
| (iv) Sales tax | - | 2.00 | 2.74 |
| (v) Income tax | 48.07 | 54.99 | 73.67 |
| (vi) GST | 55.03 | 16.28 | 3.46 |
| (vii) Legal cases filed by customers | - | - | 4.04 |
| (viii) Legal cases filed by borrowers against the Company | 13.15 | 6.15 | - |
| 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. | | | |
| | | | |
| (b) Other money for which the company is contingently liable: | | | |
| (i) On bills discounted with banks | 330.98 | 250.99 | 146.91 |
| (ii) On factoring arrangements | - | - | - |
| | | | |
| (c) Commitments: | | | |
| (i) Estimated amount of contracts remaining to be executed on capital account and not provided for | 343.18 | 252.41 | 281.43 |
| (ii) On Investments | - | 1.88 | 3.90 |
| (iii) Undrawn loans sanctioned to customers by financial enterprises | 41.29 | 63.47 | 43.58 |
| (iv) Estimated Indemnity amount on account of tax paid due to interpretational difference in GST tax rate | 15.94 | 15.94 | - |
| | | | |
| (d) Other commitments: | | | |
| On import of capital goods under Export Promotion Capital Goods Scheme | - | - | - |
| **Total** | **878.71** | **696.08** | **660.49** |

**Any material event / development or change having implications on the financials/credit quality (e.g. any material regulatory proceedings against the Issuer/promoter, litigations resulting in material liabilities, corporate restructuring event etc.) at the time of issue which may affect the issue or the investor's decision to invest / continue to invest in the debt securities**:

Nil, save as except as disclosed in this Information Memorandum.

**Project details: gestation period of the project; extent of progress made in the project; deadlines for completion of the project; the summary of the project appraisal report (if any), schedule of implementation of the project:**

Not Applicable

**Except as mentioned under the section titled "*Capital Structure*" on page 21 of this Information Memorandum, our Promoter and Promoter Group or Directors of our Company has not purchased or sold any securities in our Company, in six months immediately preceding the date of this Information Memorandum.**

**Illustration for guidance in respect of the day count convention and effect of holidays on payments:**

The illustration for guidance in respect of the day count convention and effect of holidays on payments, as required by SEBI Operational Circular is disclosed in Annexure II of this Information Memorandum.

## SECTION VII- ISSUE STRUCTURE

The following are the key terms of the NCRPS.

| | |
|---|---|
| **Security Name** | 6% Cumulative Non-Convertible Redeemable Preference Shares |
| **Issuer** | TVS Motor Company Limited |
| **Type of Instrument** | Cumulative Non-Convertible Redeemable Preference Shares |
| **Nature of Instrument (Secured or Unsecured)** | Unsecured |
| **Seniority** | Claims of the NCRPS holder shall rank senior to claims by any holder of equity shares of the Company and shall rank pari passu with all other preference shares issued by the Company. Claims of the NCRPS holder shall be subordinate to both secured and unsecured creditors of the Company. |
| **Eligible Shareholders** | Each Allottee whose name is recorded in the register of members of our Company and/or the records of the depository(ies) as equity shareholder of our Company on the Record Date i.e., August 25, 2025 |
| **Listing (including name of stock Exchange(s) where it will be listed and timeline for listing) / Designated Stock Exchange)** | The NCRPS shall be listed on BSE and NSE.<br><br>NSE shall be the Designated Stock Exchange. |
| **Rating of the Instrument** | A1+ by CARE Ratings Limited vide rating letter dated September 5, 2025 revalidated vide letter dated January 23, 2026 |
| **Issue** | Bonus issue of 6% Cumulative Non-Convertible Redeemable Preference Shares of face value of ₹ 10 each for an amount aggregating up to ₹ 19,00,34,84,560/- |
| **Issue Size** | The Company has issued 1,90,03,48,456 NCRPS of the face value of ₹10 each aggregating to ₹ 19,00,34,84,560 |
| **Minimum Subscription** | Not Applicable |
| **Option to Retain Oversubscription Amount** | Not Applicable |
| **Objects of the Issue** | The Board of Directors of the Company formulated the Scheme of Arrangement for issuance of NCRPS of our Company by way of bonus, to each Allottee whose name is recorded in the register of members of our Company and/or the records of the depository(ies) as equity shareholder of our Company on the Record Date, by utilizing its general reserves/ retained earnings, 4 NCRPS of our Company of face value of ₹ 10 each fully paid up for every 1 equity share of ₹ 1 each fully paid up held by such Allottee.<br><br>Kindly refer the section titled "*Scheme of Arrangement*" on page 40. |
| **Details of the utilisation of the Proceeds** | Not Applicable |
| **Dividend Rate** | 6% per annum payable at annual rests<br><br>The payment of coupon/ dividend will be at completion of 12 month and for the balance period if, the term extends beyond 12 months, the coupon/ dividend shall be adjusted proportionately for such balance period and paid at the time of the redemption. |
| **Step Up/Step Down Coupon Rate** | Not Applicable |
| **Dividend Payment Frequency** | The dividend shall be paid out of profits, as and when declared by the Board. |
| **Dividend Payment Date** | The dividend shall be paid as and when declared by the Board. |
| **Cumulative / non cumulative, in case of dividend** | Cumulative |
| **Coupon Type (Fixed, floating or other structure)** | Fixed |

| | |
|---|---|
| **Coupon/ Reset Process (including rates, spread, effective date, interest rate cap and floor etc.)** | Not Applicable |
| **Day Count Basis** | Actual / Actual |
| **Interest on application money** | Not Applicable |
| **Default Interest rate** | Not Applicable |
| **Tenor** | 12 months from the Date of Allotment i.e., September 1, 2025 |
| **Redemption Date(s)** | 12 months from the Date of Allotment i.e., September 1, 2025 |
| **Redemption Amount** | ₹ 2014,36,93,634 (Principal repayment of ₹ 1900,34,84,560, Dividend payout of ₹ 114,02,09,074) |
| **Redemption Premium / Discount** | At par of ₹ 10 |
| **Issue Price** | Bonus Issue |
| **Discount at which security is issued and the effective yield as a result of such discount** | Not Applicable |
| **Put Date** | Not Applicable |
| **Put Price** | Not Applicable |
| **Call Date** | Not Applicable |
| **Call Price** | Not Applicable |
| **Put Notification Time (Timelines by which the investor need to intimate Issuer before exercising the put)** | Not Applicable |
| **Call Notification Time (Timelines by which the investor need to intimate Issuer before exercising the call)** | Not Applicable |
| **Face Value** | ₹ 10 per NCRPS |
| **Minimum Application size and in multiples of NCRPS thereafter** | Not Applicable<br>The Company has allotted 4 NCRPS of face value of ₹ 10 each fully paid up for every 1 equity share of ₹ 1 each fully paid up held by such Allottee |
| **Issue Timing** | Not Applicable |
| **Issue Opening Date** | Not Applicable |
| **Issue Closing Date** | Not Applicable |
| **Date of earliest closing of the issue, if any** | Not Applicable |
| **Pay-in date** | Not Applicable |
| **Deemed Date of Allotment** | September 1, 2025 |
| **Settlement mode of the Instrument** | Payment of dividend and Redemption Amount will be made by way of RTGS / NEFT / any other electronic mode / any other permissible mode of payment. |
| **Depositories** | National Securities Depository Limited and Central Depository Services (India) Limited |
| **Disclosure of Dividend / redemption dates** | Dividend shall be given only in case of profits. The Redemption Date shall be 12 months from the Date of Allotment i.e., September 1, 2025 |
| **Record Date for issuance of NCRPS** | August 25, 2025 |
| **All covenants of the issue (including side letters, accelerated payment clause, etc.)** | NA |
| **Description regarding Security (where applicable) including type of security** | NA |

| | |
|---|---|
| **(movable/immovable/tangible etc.), type of charge (pledge/ hypothecation/ mortgage etc.), date of creation of security/ likely date of creation of security, minimum security cover, revaluation, replacement of security, interest to the debenture holder over and above the coupon rate as specified in the Trust Deed and disclosed in the Disclosure Document** | |
| **Transaction Documents** | This Information Memorandum read with the Scheme of Arrangement |
| **Conditions Precedent to Disbursement** | Not Applicable |
| **Conditions Subsequent to Disbursement** | Not Applicable |
| **Events of Defaults (including manner of voting /conditions of joining Inter Creditor Agreement)** | Not Applicable |
| **Creation of recovery expense fund** | Our Company has created recovery expense fund with the Designated Stock Exchange for the purpose of the Issue. |
| **Conditions for breach of covenants (as specified in Debenture Trust Deed)** | Not Applicable |
| **Role and Responsibilities of Debenture Trustee** | Not Applicable |
| **Risk factors pertaining to the issue** | As specified in section titled "*Risk Factors*" on page 11 of this Information Memorandum |
| **Governing Law and Jurisdiction** | The NCRPS are governed by and shall be construed in accordance with the existing laws of India. Any dispute arising thereof will be subject to the exclusive jurisdiction of the courts at Chennai, Tamil Nadu in India. |

## SECTION VIII - MAIN PROVISIONS OF THE ARTICLES OF ASSOCIATION

## ARTICLES OF ASSOCIATION OF

## TVS MOTOR COMPANY LIMITED

The regulations 1 to 105 comprised in these Articles of Association were adopted pursuant to the Special Resolution passed by the shareholders of the Company through postal ballot on 21st December 2017, in substitution for and to the entire exclusion of the earlier regulations comprised in the extant Articles of Association of the Company.

**APPLICABILITY OF TABLE 'F'**

1. The regulations contained in Table F, in Schedule I to the Companies Act, 2013 (Table 'F'), shall not apply to the Company, except in so far as the same are repeated, contained or expressly made applicable in this Articles or by the said Act.

   The regulations for the management of the Company and for the observance by the members thereof and their representatives and to any exercise of the Statutory Powers of the Company with reference to the repeal or alteration, additions, substitutions, modifications and variations to its regulations in the manner prescribed under the Companies Act, 2013, shall be such as are contained in these articles.

**Interpretation**

In the interpretation of these Articles, the following expressions shall have the following meanings, unless repugnant to the subject or context:

2. (a) "Articles" means the Articles of Association as adopted including any alteration, modification and substitution thereto, from time to time, in accordance with the provisions of these Articles and Act.

   (b) Memorandum of Association" or "Memorandum" means the Memorandum of Association as adopted including any alteration, modification and substitution thereto, from time to time, in accordance with the provisions of these Articles and Act.
   (c) 'Month' means a calendar month.
   (d) Promoters means Sundaram-Clayton Limited and their successors and assigns
   (e) 'Seal' means the Common Seal for the time being of the Company require.

   (f) "The Act" or "The Companies Act" means the Companies Act, 2013, or any statutory modification or re-enactment thereof for the time being in force, and shall be deemed to include rules, regulations, notifications, guidelines, circulars or clarifications made, issued / given thereunder from time to time and applicable and subsisting provisions of the Companies Act, 1956, if any, along with relevant rules made there under.
   (g) "The Company" or "This Company" means 'TVS Motor Company Limited'.

3. The marginal notes, titles, sub-titles, heading or sub-heading used hereto in these Articles shall not affect the construction hereof.

   Words importing the masculine gender shall include the feminine and neuter gender.

   Words importing the singular number include, where the context admits or requires, the plural number and vice versa.

   Save as a foresaid and unless the context otherwise requires, words or expressions defined or contained in these Articles, shall bear the same meaning as defined in the act, SEBI laws in force at the date at which these articles become binding on the Company.

***Share capital and variation of rights***

4. (a) ***Capital and Shares***

   The authorized share capital of the Company shall be such amount and be divided into such class, number or kind of Shares as may be provided in the Memorandum of Association, from time to

time.

(b) The board shall have power to modify, increase, reduce, consolidate, subdivide or otherwise alter the share capital and to divide the Shares into several classes and attach thereof such preferential, deferred, qualified, special rights, privileges or conditions, in such manner as may be permitted by the Act for issuing, allotting or otherwise dispose of the same or any of them to such persons, in such proportion either at a premium or at par, as fully or partly paid up, for cash or for consideration other than cash, by way of payment or part payment for any property or assets or goods of any kind whatsoever acquired or services availed or upon conversion of shares or loans, and to vary, modify or abrogate any such rights, privileges or conditions.

(c) The Company shall, subject to the applicable provisions of the Act, compliance with Law and the consent of the Board, have the power to issue Share Equivalents on such terms and in such manner as the Board deems fit including their conversion, repayment, and redemption whether at a premium or otherwise.

**American Depository Receipts (ADRs) / Global Depository Receipts (GDRs)**

5. The Company shall, subject to the applicable provisions of the Act, compliance with all Laws and the consent of the Board, have the power to issue ADRs or GDRs on such terms and in such manner as the Board deems fit including their conversion and repayment. Such terms may include at the discretion of the Board, limitations on voting by holders of ADRs or GDRs, including without limitation, exercise of voting rights in accordance with the directions of the Board and applicable security laws.

6. (a) (i) Every Member or allottee of Shares of the Company shall be entitled to receive one certificate specifying the name of the person(s) in whose favour it is issued, the Shares to which it relates, the certificate number and the amount paid up thereon.

(ii) Such certificate shall be issued only in pursuance of a resolution passed by the Board or a Committee of the Board in this regard and on surrender to the Company of its letter of allotment or its fractional coupons of requisite value, save in cases of issues against letters of acceptance or of renunciation or in case of issue of bonus Shares.

Provided that if the letter of allotment is lost or destroyed, the Board or a Committee of the board may impose such reasonable terms, if any, as to seek supporting evidence and indemnity and the payment of out of-pocket expenses incurred by the Company in investigating evidence, as it may think fit.

(iii) Every such certificate shall be signed by two Directors, one of whom shall be the managing director, if any, and the Company Secretary, wherever the company has appointed a Company Secretary, or any person authorised by the board.

(iv) Particulars of every share certificate issued shall be entered in the Register of Members against the name of the person to whom it has been issued indicating the date of issue.

(b) Save as otherwise provided in SEBI laws, every person whose name is entered as a Member in the register of Members shall be entitled to receive within two months after allotment or within one month after the application for registration of transfer or transmission, or such time as may be required under the Act and the Rules –

(i) one certificate for all his Shares without payment of any charges ; or

(ii) several certificates issued for one or more of his Shares, upon payment of Rs. 100/- for every certificate or such charges as may be fixed by the Board or a Committee of the board for each certificate after the first. The charges may be waived off by the board or the Committee.

(c) In respect of any share or shares held jointly by several persons, the Company shall not be bound to issue more than one certificate, and delivery of a certificate for a share to one of several joint holders shall be sufficient delivery to all such holders.

7. (a) If any share certificate be worn out, defaced, mutilated or torn or if there be no further space on the back for endorsement of transfer, then upon production and surrender thereof to the Company, a new certificate may be issued in lieu thereof, and if any certificate is lost or destroyed then upon proof thereof to the satisfaction of the Company and on execution of such indemnity as the Company deem adequate, a new certificate in lieu thereof shall be given. Every certificate under this Article shall be issued on payment of twenty rupees for each certificate.

(b) The provisions of Articles (6) and (7)(a) shall mutatis mutandis apply to debentures of the Company.

8. Except as required by law, no person shall be recognised by the Company as holding any share upon any trust, and the Company shall not be bound by, or be compelled in any way to recognise (even when having notice thereof) any equitable, contingent, future or partial interest in any share, or any interest in any fractional part of a share, or (except only as by these regulations or by law otherwise provided) any other rights in respect of any share except an absolute right to the entirety thereof in the registered holder.

9. (a) The Company may exercise the powers of paying commissions conferred by sub-Section (6) of Section 40, provided that the rate per cent or the amount of the commission paid or agreed to be paid shall be disclosed in the manner required by that Section and rules made thereunder.

(b) The rate or amount of the commission shall not exceed the rate or amount prescribed in rules made under sub-Section (6) of Section 40.

(c) The commission may be satisfied by the payment of cash or the allotment of fully or partly paid securities or partly in the one way and partly in the other.

10. (a) If at any time the share capital is divided into different classes of shares, the rights attached to any class (unless otherwise provided by the terms of issue of the shares of that class) may, subject to the provisions of Section 48, and whether or not the Company is being wound up, be varied with the consent in writing of the holders of three-fourths of the issued shares of that class, or with the sanction of a special resolution passed at a separate meeting of the holders of the shares of that class.

(b) To every such separate meeting, the provisions of these regulations relating to general meetings shall mutatis mutandis apply, but so that the necessary quorum shall be at least two persons holding at least one-third of the issued shares of the class in question.

11. (a) Except so far as otherwise provided by the conditions of issue or by these Articles, any capital raised by the creation of new Shares shall be considered as part of the existing capital, and shall be subject to the provisions herein contained, with reference to the payment of calls and instalments, forfeiture, lien, surrender, transfer and transmission, voting and otherwise.

(b) The rights conferred upon the holders of the shares of any class issued with preferred or other rights shall not, unless otherwise expressly provided by the terms of issue of the shares of that class, be deemed to be varied by the creation or issue of further shares ranking pari-passu therewith

12. Subject to the provisions of Section 55, the Company shall have power to issue any kind of preference shares with a right to vary, modify and alter thereafter, on such terms and conditions and be redeemed in such manner including by conversion into shares, as provided under the Act.

***Issue of securities with differential rights***

13. The share capital of the Company may be classified into shares with differential rights including for dividend, voting or otherwise decided by the board of directors of the Company, in accordance with the provisions of the Act.

***Lien***

14. (a) The Company shall have a first and paramount lien—

(i) on every share (not being a fully paid share), for all monies (whether presently payable or not) called, or payable at a fixed time, in respect of that share; and

(ii) on all shares (not being fully paid shares) standing registered in the name of a single person, for all monies presently payable by him or his estate to the Company

Provided that the Board of directors may at any time declare any share to be wholly or in part exempt from the provisions of this clause.

(b) The Company's lien, if any, on a share shall extend to all dividends payable and bonuses declared from time to time in respect of such shares.

15. The Company may sell, in such manner as the Board thinks fit, any shares on which the Company has a lien:

Provided that no sale shall be made—

(a) unless a sum in respect of which the lien exists is presently payable; or

(b) until the expiration of fourteen days after a notice in writing stating and demanding payment of such part of the amount in respect of which the lien exists as is presently payable, has been given to the registered holder for the time being of the share or the person entitled thereto by reason of his death or insolvency.

16. (a) To give effect to any such sale, the Board may authorise some person to transfer the shares sold to the purchaser thereof.

(b) The purchaser shall be registered as the holder of the shares comprised in any such transfer.

(c) The purchaser shall not be bound to see to the application of the purchase money, nor shall his title to the shares be affected by any irregularity or invalidity in the proceedings.

17. (a) The proceeds of the sale shall be received by the Company and applied in payment of such part of the amount in respect of which the lien exists as is presently payable.

(b) The residue, if any, shall, subject to a like lien for sums not presently payable as existed upon the shares before the sale, be paid to the person entitled to the shares at the date of the sale.

(c) Subject to the Act and these articles, the right of lien under the Articles (14) to 16 shall extend to other securities.

***Calls on shares***

18. (a) The Board may, from time to time, make calls upon the members in respect of any monies unpaid on their shares (whether on account of the nominal value of the shares or by way of premium) and not by the conditions of allotment thereof made payable at fixed times:

Provided that the call money and intervals between calls shall be at the discretion of the board or a Committee of the board.

(b) Each member shall, subject to receiving at least fourteen days' notice specifying the time, place and mode of payment, pay to the Company, as specified, the amount called on his shares.

(c) A call may be revoked or postponed at the discretion of the Board.

19. A call shall be deemed to have been made at the time when the resolution of the Board authorising the call was passed and may be required to be paid by instalments.

20. The joint holders of a share shall be jointly and severally liable to pay all calls in respect thereof.

21. (a) If a sum called in respect of a share is not paid before or on the day appointed for payment thereof, the person from whom the sum is due shall pay interest thereon from the day appointed for payment thereof to the time of actual payment at ten per cent per annum or at such lower rate, if any, as the Board may determine.

(b) The Board shall be at liberty to waive payment of any such interest wholly or in part.

22. (a) Any sum which by the terms of issue of a share becomes payable on allotment or at any fixed date, whether on account of the nominal value of the share or by way of premium, shall, for the purposes of these regulations, be deemed to be a call duly made and payable on the date on which by the terms of issue such sum becomes payable.

(b) In case of non-payment of such sum, all the relevant provisions of these regulations as to payment of interest and expenses, forfeiture or otherwise shall apply as if such sum had become payable by virtue of a call duly made and notified.

23. The Board may, if it thinks fit, receive from any member willing to advance the same, all or any part of the monies uncalled and unpaid upon any shares held by him.

***Transfer of shares***

24. (a) The instrument of transfer of any share in the Company shall be executed by or on behalf of both the transferor and transferee.

(b) The transferor shall be deemed to remain a holder of the share until the name of the transferee is entered in the register of members in respect thereof.

(c) Every instrument of transfer shall be left at the Office for registration, accompanied by the certificate of the Share to be transferred or, if no such certificate is in existence, by the Letter of Allotment of the Share and such other evidences as the Board may require to prove the title of the transferor or his right to transfer the Share.

(d) Every instrument of transfer which shall be registered shall be retained by the Company, but any instrument of transfer which the Board may refuse to register, unless the Board decide otherwise, shall be returned to the person depositing the same.

25. The Board may, subject to the right of appeal conferred by Section 58 decline to register—

(a) the transfer of a share, not being a fully paid share, to a person of whom they do not approve; or

(b) any transfer of shares on which the Company has a lien.

26. The Board may decline to recognise any instrument of transfer unless—

(a) the instrument of transfer is in the form as prescribed in rules made under sub-Section (1) of Section 56;

(b) the instrument of transfer is accompanied by the certificate of the shares to which it relates, and such other evidence as the Board may reasonably require to show the right of the transferor to make the transfer; and

(c) the instrument of transfer is in respect of only one class of shares.

(d) The board shall have power on giving not less 7 (seven) days previous notice or such lesser period as may be specified by SEBI, by advertisement in a vernacular and in an English newspaper having wide circulation in the city, town or village in which the office of the Company is situated and by publishing a notice on website of the Company.

27. On giving not less than seven days' previous notice in accordance with Section 91 and rules made thereunder, the registration of transfers may be suspended at such times and for such periods as the Board may from time to time determine:

Provided that such registration shall not be suspended for more than thirty days at any one time or for more than forty-five days in the aggregate in any year.

***Transmission of shares***

28. (a) On the death of a member, the survivor or survivors where the member was a joint holder, and his nominee or nominees or legal representatives where he was a sole holder, shall be the only persons recognised by the Company as having any title to his interest in the shares.

(b) Nothing in clause (a) shall release the estate of a deceased joint holder from any liability in respect of any share which had been jointly held by him with other persons.

29. (a) Any person becoming entitled to a share in consequence of the death or insolvency of a member may, upon such evidence being produced as may from time to time properly be required by the Board and subject as hereinafter provided, elect, either—

(i) to be registered himself as holder of the share; or

(ii) to make such transfer of the share as the deceased or insolvent member could have made.

(b) The Board shall, in either case, have the same right to decline or suspend registration as it would have had, if the deceased or insolvent member had transferred the share before his death or insolvency.

30. (a) If the person so becoming entitled shall elect to be registered as holder of the share himself, he shall deliver or send to the Company a notice in writing signed by him stating that he so elects.

(b) If the person aforesaid shall elect to transfer the share, he shall testify his election by executing a transfer of the share.

(c) All the limitations, restrictions and provisions of these regulations relating to the right to transfer and the registration of transfers of shares shall be applicable to any such notice or transfer as aforesaid as if the death or insolvency of the member had not occurred and the notice or transfer were a transfer deed signed by that member.

31. A person becoming entitled to a share by reason of the death or insolvency of the holder shall be entitled to the same dividends and other advantages to which he would be entitled if he were the registered holder of the share, except that he shall not, before being registered as a member in respect of the share, be entitled in respect of it to exercise any right conferred by membership in relation to meetings of the Company:

Provided that the Board may, at any time, give notice requiring any such person to elect either to be registered himself or to transfer the share, and if the notice is not complied with within ninety days, the Board may thereafter withhold payment of all dividends, bonuses or other monies payable in respect of the share, until the requirements of the notice have been complied with.

No fee shall be payable to the Company, in respect of the registration of the transfer or transmission of shares, or for registration of any power of attorney, probate , letters of administration or other similar documents.

***Forfeiture of shares***

32. If a member fails to pay any call, or instalment of a call, on the day appointed for payment thereof, the Board may, at any time thereafter during such time as any part of the call or instalment remains unpaid, serve a notice on him requiring payment of so much of the call or instalment as is unpaid, together with any interest which may have accrued.

33. The notice aforesaid shall -

(a) name a further day (not being earlier than the expiry of fourteen days from the date of service of the notice) on or before which the payment required by the notice is to be made; and

(b) state that, in the event of non-payment on or before the day so named, the shares in respect of which the call was made shall be liable to be forfeited.

34. If the requirements of any such notice as aforesaid are not complied with, any share in respect of which the notice has been given may, at any time thereafter, before the payment required by the notice has been made, be forfeited by a resolution of the Board to that effect.

35. (a) A forfeited share may be sold or otherwise disposed of on such terms and in such manner as the Board thinks fit.

(b) At any time before a sale or disposal as aforesaid, the Board may cancel the forfeiture on such terms as it thinks fit.

***Dematerialization & Rematerialization of securities***

36. (a) *Dematerialization & Rematerialization of securities:*

The Company shall be entitled to dematerialize / rematerialize all or any of its existing securities, held in the depositories and / or to offer its fresh securities or buy back its securities in a dematerialized form pursuant to the Depositories Act and the relevant rules thereof.

(b) *Securities in Depositories in be in fungible form:*

All securities held by a Depository shall be dematerialized and be in fungible form. Nothing contained in Sections 88,89 and 186 of the Act shall apply to a Depository in respect of the Securities held by it on behalf of the Beneficial Owner(s).

(c) *Rights of Depositories & Beneficial Owners:*

Notwithstanding anything to the contrary contained in the Act or these Articles, a Depository shall be deemed to be the Registered owner for the purpose of effecting transfer of ownership of Securities on behalf of the Beneficial Owner.

Save as otherwise provided as above, the Depository as the Registered Owner of the Securities shall not have any voting rights or any other rights in respect of the Securities held by it.

37. (a) A person whose shares have been forfeited shall cease to be a member in respect of the forfeited shares, but shall, notwithstanding the forfeiture, remain liable to pay to the Company all monies which, at the date of forfeiture, were presently payable by him to the Company in respect of the shares.

(b) The liability of such person shall cease if and when the Company shall have received payment in full of all such monies in respect of the shares.

38. (a) A duly verified declaration in writing that the declarant is a director, the manager or the secretary, of the Company, and that a share in the Company has been duly forfeited on a date stated in the declaration, shall be conclusive evidence of the facts therein stated as against all persons claiming to be entitled to the share;

(b) The Company may receive the consideration, if any, given for the share on any sale or disposal thereof and may execute a transfer of the share in favour of the person to whom the share is sold or disposed of;

(c) The transferee shall thereupon be registered as the holder of the share; and

(d) The transferee shall not be bound to see to the application of the purchase money, if any, nor shall his title to the share be affected by any irregularity or invalidity in the proceedings in reference to the forfeiture, sale or disposal of the share.

39. The provisions of these regulations as to forfeiture shall apply in the case of nonpayment of any sum which, by the terms of issue of a share, becomes payable at a fixed time, whether on account of the nominal value of the share or by way of premium, as if the same had been payable by virtue of a call duly made and notified.

***Alteration of capital***

40. Subject to the provisions of Section 61, the Company may, by ordinary resolution,—

(a) Increase its share capital by such amount as it thinks expedient;

(b) consolidate and divide all or any of its share capital into shares of larger amount than its existing shares;

(c) convert all or any of its fully paid-up shares into stock, and reconvert that stock into fully paid-up shares of any denomination;

(d) sub-divide its existing shares or any of them into shares of smaller amount than is fixed by the memorandum;

(e) cancel any shares which, at the date of the passing of the resolution, have not been taken or agreed to be taken by any person.

41. Where shares are converted into stock,—

(a) the holders of stock may transfer the same or any part thereof in the same manner as, and subject to the same regulations under which, the shares from which the stock arose might before the conversion have been transferred, or as near thereto as circumstances admit:

Provided that the Board may, from time to time, fix the minimum amount of stock transferable, so, however, that such minimum shall not exceed the nominal amount of the shares from which the stock arose.

(b) the holders of stock shall, according to the amount of stock held by them, have the same rights, privileges and advantages as regards dividends, voting at meetings of the Company, and other matters, as if they held the shares from which the stock arose; but no such privilege or advantage (except participation in the dividends and profits of the Company and in the assets on winding up) shall be conferred by an amount of stock which would not, if existing in shares, have conferred that privilege or advantage.

(c) such of the regulations of the Company as are applicable to paid-up shares shall apply to stock and the words "share" and "shareholder" in those regulations shall include "stock" and "stock-holder" respectively.

42. The Company may, by special resolution, reduce in any manner and with, and subject to, any incident authorised and consent required by law,—

(a) its share capital;

(b) any capital redemption reserve account; or

(c) any share premium account.

This Article is not to derogate any power the Company would have under Law, if it were omitted.

***Capitalisation of profits***

43. (a) The Company in general meeting may, upon the recommendation of the Board, resolve—

(i) that it is desirable to capitalise any part of the amount for the time being standing to the credit of any of the Company's reserve accounts, or to the credit of the profit and loss account, or otherwise available for distribution; and

(ii) that such sum be accordingly set free for distribution in the manner specified in clause (ii) amongst the members who would have been entitled thereto, if distributed by way of dividend and in the same proportions.

(b) The sum aforesaid shall not be paid in cash but shall be applied, subject to the provision contained in clause (iii), either in or towards—

(i) paying up any amounts for the time being unpaid on any shares held by such members respectively;

(ii) paying up in full, unissued shares of the Company to be allotted and distributed, credited as fully paid-up, to and amongst such members in the proportions aforesaid;

(iii) partly in the way specified in sub-clause (i) and partly in that specified in sub-clause (ii);

(c) A securities premium account and a capital redemption reserve account may, for the purposes of this regulation, be applied in the paying up of unissued shares to be issued to members of the Company as fully paid bonus shares;

(d) The Board shall give effect to the resolution passed by the Company in pursuance of this regulation.

44. (a) Whenever such a resolution as aforesaid shall have been passed, the Board shall—

(i) make all appropriations and applications of the undivided profits resolved to be capitalised thereby, and all allotments and issues of fully paid shares if any; and

(ii) generally do all acts and things required to give effect thereto.

(b) The Board shall have power—

(i) to make such provisions, by the issue of fractional certificates or by payment in cash or otherwise as it thinks fit, for the case of shares becoming distributable in fractions; and

(ii) to authorise any person to enter, on behalf of all the members entitled thereto, into an agreement with the Company providing for the allotment to them respectively, credited as fully paid-up, of any further shares to which they may be entitled upon such capitalisation, or as the case may require, for the payment by the Company on their behalf, by the application thereto of their respective proportions of profits resolved to be capitalised, of the amount or any part of the amounts remaining unpaid on their existing shares;

(c) Any agreement made under such authority shall be effective and binding on such members.

***Buy-back of Securities***

45. Notwithstanding anything contained in these articles but subject to the provisions of Sections 68 to 70 and any other applicable provision of the Act or any other law for the time being in force, the Company may purchase its own shares / securities or other specified securities.

***General meetings***

46. All general meetings other than annual general meeting shall be called extraordinary general meeting.

47. The Board may, whenever it thinks fit, call an extraordinary general meeting or it shall do so upon a requisition received from such number of shareholders who hold, on the date of receipt of requisition, not less than 1/10$^{th}$ of such of the paid up share capital of the Company as that date carries the right of voting and such meeting shall be held at the Registered office or at such place and time, in accordance with the provisions of the Act.

***Proceedings at general meetings***

48. (a) No business shall be transacted at any general meeting unless a quorum of members is present at the time when the meeting proceeds to business.

(b) Save as otherwise provided herein, the quorum for the general meetings shall be as provided in Section 103 of the Act.

49. The chairperson, if any, of the Board shall preside as Chairperson at every general meeting of the Company.

50. If there is no such Chairperson, or if he is not present within fifteen minutes after the time appointed for holding the meeting, or is unwilling to act as chairperson of the meeting, the directors present shall elect one of their members to be Chairperson of the meeting.

51. If at any meeting no director is willing to act as Chairperson or if no director is present within fifteen minutes after the time appointed for holding the meeting, the members present shall choose one of their members to be Chairperson of the meeting.

***Adjournment of meeting***

52. (a) The Chairperson may, with the consent of the members, adjourn the meeting from time to time and from place to place, but no business shall be transacted at any adjourned meeting other than the business left unfinished at the meeting from which the adjournment took place.

(b) When a meeting is adjourned for thirty days or more, notice of the adjourned meeting shall be given as in the case of an original meeting.

(c) Save as aforesaid, and as provided in Section 103 of the Act, it shall not be necessary to give any notice of an adjournment or of the business to be transacted at an adjourned meeting.

***Voting rights***

53. Subject to any rights or restrictions for the time being attached to any class or classes of shares,—

(a) on a show of hands, every member present in person shall have one vote; and

(b) on a poll, the voting rights of members shall be in proportion to his share in the paid-up equity share capital of the Company.

(c) At any general meeting a resolution put to the vote at the meeting shall, unless a poll is demanded under Section 109 of the Act or voting is carried out electronically, be decided on a show of hands in accordance with the Act.

In the case of an equality of votes, the Chairman shall, have a right to vote, both on a show of hand & a casting vote at the poll in addition to the vote or votes to which he may be entitled as a member.

54. The Company shall voting facility through electronic means to its Shareholders in terms of the Act and rules made thereunder and other applicable laws.

A member may exercise his vote at a meeting by electronic means in accordance with Section 108 of the Act and shall vote only once.

55. (a) In the case of joint holders, the vote of the senior who tenders a vote, whether in person or by proxy, shall be accepted to the exclusion of the votes of the other joint holders.

(b) For this purpose, seniority shall be determined by the order in which the names stand in the register of members.

56. A member of unsound mind, or in respect of whom an order has been made by any court having jurisdiction in lunacy, may vote, whether on a show of hands or on a poll, by his committee or other legal guardian, and any such committee or guardian may, on a poll, vote by proxy.

57. Any business other than that upon which a poll has been demanded may be proceeded with, pending the taking of the poll.

58. No member shall be entitled to vote at any general meeting unless all calls or other sums presently payable by him in respect of shares in the Company have been paid.

59. (a) No objection shall be raised to the qualification of any voter except at the meeting or adjourned meeting at which the vote objected to is given or tendered, and every vote not disallowed at such meeting shall be valid for all purposes.

(b) Any such objection made in due time shall be referred to the Chairperson of the meeting, whose decision shall be final and conclusive.

60. The Chairman of any meeting shall be the sole judge of the validity of every vote tendered at such meeting. The chairman present at the taking of a poll shall be the sole judge of the validity of every vote tendered at such poll.

***Proxy***

61. The instrument appointing the Proxy and the power of attorney or other authority, if any, under which it is signed or a notarially certified copy of that power of attorney or other authority shall be deposited at the registered office of the Company, not later than 48 hours before the time fixed for holding the meeting or adjourned meeting at which the person named in the instrument proposes to vote. A person shall not act as a Proxy for more than 50 members and holding in aggregate not more than ten percent of the total voting share capital of the Company. However, a single person may act as a Proxy for a member holding more than ten percent of the total voting share capital of the Company provided that such person shall not act as a Proxy for any other person.

Proxy or Proxies so appointed need not be a member or members, as the case may be, of the Company.

62. An instrument appointing a proxy shall be in the form as prescribed in the rules made under Section 105.

63. A vote given in accordance with the terms of an instrument of proxy shall be valid, notwithstanding the previous death or insanity of the principal or the revocation of the proxy or of the authority under which the proxy was executed, or the transfer of the shares in respect of which the proxy is given:

Provided that no intimation in writing of such death, insanity, revocation or transfer shall have been received by the Company at its office before the commencement of the meeting or adjourned meeting at which the proxy is used.

Provided nevertheless that the Chairman shall be entitled to require such evidence as he may in his discretion think fit of the due execution of an instrument of Proxy and that the same has not been revoked.

*Restriction on voting:*

No Member shall be entitled to exercise any voting rights either personally or by Proxy at any meeting of the Company in respect of any Shares registered in his name on which any calls or other sums

presently payable by him have not been paid or in regard to which the Company has, exercised, any right of lien but the Board may by a resolution waive the operation of this Article.

***Questions at general meeting how decided***

64. (a) At any general meeting a resolution put to vote of the meeting shall, unless a poll is demanded or the voting is carried out electronically, be decided on a show of hands. Before or on the declaration of the result of the voting on any resolution by show of hands, a poll may be ordered to be taken by the Chairman of the meeting either of his own motion or shall be ordered to be taken by him on a demand made by the members present in person or by proxy, where allowed, and having not less than one-tenth of the total voting power or holding shares on which an aggregate sum of not less than Rs.5,00,000/- or such higher amount as may be prescribed has been paid-up, and unless poll is so demanded, a declaration by the Chairman that a passing of resolution or otherwise by show of hands under subsection (1) of Section 107 and an entry to that effect in the Minute Book of the Company shall be conclusive evidence of the fact of passing of such resolution or otherwise.

(b) If a poll is demanded as aforesaid, the same shall subject to anything stated in these Articles be taken at such time, (not later than forty-eight hours from the time when the demand was made), and place within the City, Town or Village in which the Office of the Company is situate and either by a show of hands or by ballot or by postal ballot, as the Chairman shall direct and either at once or after an interval or adjournment, or otherwise and the result of the poll shall be deemed to be the decision of the meeting at which the poll was demanded. Any business other than that upon which a poll has been demanded may be proceeded with, pending the taking of the poll. The demand for a poll may be withdrawn at any time by the Person or Persons who made the demand.

(c) Where a poll is to be taken, the Chairman of the meeting shall appoint such number of scrutineers, as he deems necessary, to scrutinize the votes given on the poll and to report thereon to him in the manner as may be prescribed. One of the scrutineers so appointed shall always be a Shareholder, (not being an officer or employee of the Company), present at the meeting provided such a Shareholder is available and willing to be appointed. The Chairman shall have power at any time before the result of the poll is declared, to remove a scrutineer from office and fill vacancies in the office of scrutineer arising from such removal or from any other cause.

(d) Any poll duly demanded on the election of a Chairman of a meeting or any question of adjournment, shall be taken at the meeting forthwith. A poll demanded on any other question shall be taken at such time not later than 48 hours from the time of demand, as the Chairman of the meeting directs.

(e) The demand for a poll except on the question of the election of the Chairman and of an adjournment shall not prevent the continuance of a meeting for the transaction of any business other than the question on which the poll has been demanded.

(f) No report of the proceedings of any General Meeting of the Company shall be circulated or advertised at the expense of the Company unless it includes the matters required by these Articles or Section 118 of the Act to be contained in the Minutes of the proceedings of such meeting.

***Records and Registers***

65. (a) The Company shall keep and maintain all statutory registers at its Registered Office or at such places as approved by the board.

The records and registers allowed for inspection as per the provisions of the Act (Sections 85, 88, 94, 119, 120, 170, 171, 186, 187 and 189 of the Act) shall—

(i) be kept at the registered office of the Company; and

(ii) be open to inspection by any Member without charge, during 10.00 a.m. to 1.00 p.m. on all working days other than Saturdays and Sundays.

(iii) Such member ***only*** shall be entitled to be furnished, within the time prescribed by the Act, after he has made a request in writing in that behalf to the Company and on payment of Rs. 10/- per page or such other fees as may be fixed by the Board, with a copy of the records, provided that a Member who has made a request for provision of a soft copy of the records, shall be entitled to be furnished with the same free of cost.

(iv) Notwithstanding anything contained above, any member shall be entitled to be furnished within the time prescribed by the Act, after he has made a request in writing in that behalf to the Company for furnishing the records relating to the period immediately preceding financial year but not more than 8 preceding financial years, on payment of the following fees:

- For annual reports - Rs. 100/- per copy.
- Any other records which are allowed for inspection and taking extract - Rs. 10/- per page.

(b) Copies of the Memorandum and Articles of Association of the Company and other documents referred to in Section 17 of the Act, shall be sent by the Company to every member at his request within seven days of the request on payment of the sum of Rs. 100/- per copy.

(c) Registers / records of the Company may be maintained in the formats prescribed under the Act and rules made thereunder in electronic form in such manner as the Board of directors of the company may think fit.

***Board of Directors***

66. (a) The minimum number of directors shall not be less than 3 (three) or such number of directors as may be prescribed by the Act / other laws, from time to time and shall not be more than 15 (fifteen).

Provided that, if the number of directors exceeds 15 or such other limit prescribed under the Act and the Rules, prior permission of the members in accordance with the provisions of the Act.

(b) The Board shall have the power to determine the directors, whose period of office is or is not liable to retire by
rotation.

A director retiring by rotation shall be eligible for re-election. At every Annual General Meeting of the Company, one third of such of the directors for the time being as are liable to retire by rotation or if their number is not three or a multiple of three, the number nearest to one-third shall retire from office of director.

An Independent Director appointed under Section 149 of the Act, 2013 shall not be subject to retirement by rotation
under this Article.

67. (a) **Additional Director**

The Board shall have power at any time, and from time to time, to appoint an individual as an Additional Director, provided the number of the directors and Additional Directors together shall not at any time exceed the maximum strength fixed for the Board by these Articles and in accordance with the Act.

The Additional Director(s), shall hold office only up to the date of the next Annual General Meeting of the Company but shall be eligible for appointment by the Company as a director at that meeting, subject to the provisions of the Act.

(b) **Alternate Directors**

The Board may, subject to the provisions of the Act, appoint a person (not being a person holding any alternate directorship for any other director in the Company), to act as an Alternate Director for a director (hereinafter in this Article called the "original director") during his absence for a period of not less than three months from India.

(c) **Appointment in Casual Vacancy**

If the office of any director appointed by the Company in General Meeting is vacated before his term of office expires in the normal course, the resulting casual vacancy may be filled by the Board, subject to the provisions of the Act.

Any person so appointed shall hold office only upto the date upto which the director in whose place he is appointed would have held office, if it had not been vacated by him.

(d) **Nominee Director**

Board may appoint any individual as a director nominated by any institution in pursuance of the provisions of any law for the time in being force or of any agreement or by the Central Government or State Government by virtue of its shareholding in Government Company.

Such Nominee Director(s) shall not be liable to retirement by rotation and shall hold office only so long as the conditions specified in the agreement remain in force.

Nominee Director(s) shall be entitled to the same rights and privileges and be subject to the same obligation as any other director of the Company.

**Other provisions relating to appointment of Nominee Director:**

(i) Notwithstanding anything to the contrary contained in the Articles so long as any moneys remain owing by the Company to any financial institutions as defined under the Act (hereinafter in this Article referred to as "the FI" ) out of any loans/debentures assistance granted by them to the company or so long as the FI holds or continues to hold debentures/shares in the Company as a result of underwriting or by direct subscription or private placement or so long as any liability of the Company arising out of any guarantee furnished by the FI on behalf of the Company remains outstanding, the FI shall have a right to appoint from time to time, any person(s) as a Director or Directors, whole-time or non-whole-time (which Director or Directors, is/are hereinafter referred to as "Nominee Director/s") on the Board of the Company and to remove from such office any person or persons so appointed and to appoint any person or persons in his or their place/s.

(ii) The Board shall have no power to remove from office the Nominee Director/s. At the option of the FI such Nominee Director/s shall not be required to hold any share qualifications in the Company. Also at the option of the FI such Nominee Director/s shall not be liable to retirement by rotation of Directors. Subject as aforesaid, the Nominee Director/s shall be entitled to the same rights and privileges and be subject to the same obligations as any other Director of the Company.

(iii) The Nominee Director/s so appointed shall hold the office only so long as any moneys remain owing by the company to the FI or so long as the FI holds or continues to hold debentures/shares in the company as a result of underwriting or by direct subscription or private placement or the liability of the Company arising out of the guarantee is outstanding and the Nominee Director/s so appointed in exercise of the said power shall ipso facto vacate such office immediately the moneys owing by the company to the FI are paid off or on the FI ceasing to hold debentures/shares in the company or on the satisfaction of the liability of the company arising out of the guarantee furnished by the FI.

(iv) The Nominee Director/s appointed under this Article shall be entitled to receive all notices of and attend all General meetings, Board Meetings and Meetings of the Committees of

which the Nominee Director/s is/are member/s as also the minutes of such meetings. The FI shall also be entitled to receive all such notices and minutes.

(v) The company shall pay to the Nominee Director/s sitting fees, and expenses to which the other Directors of the Company are entitled, but if any other fees, commission, monies or remuneration in any form is payable to the directors of the company, the fees, commission, monies and remuneration in relation to such Nominee Director/s shall accrue to the FI and the same shall accordingly be paid by the Company directly to the FI. Any expenses that may be incurred by the FI on such Nominee Director/s in connection with their appointment or Directorship shall also be paid or reimbursed by the Company to the FI or, as the case may be, to such Nominee Director/s.

(vi) Provided that if any such Nominee Director/s is/are an Officer/s of the FI, the sitting fees, in relation to such Nominee Director/s shall also accrue to the FI and the same shall accordingly be paid by the Company directly to the FI.

(vii) Provided also that in the event of the Nominee Director/s being appointed as Whole time Director/s such Nominee Director/s shall exercise such powers and duties as may be approved by the FI and have such rights as are usually exercised or available to a Whole time Director in the management of the affairs of the Company. Such Whole time Director/s, shall be entitled to receive such remuneration, fees, commission, and monies as may be approved by the FI.

(e) **Debenture Director**

Any trust deed for securing debentures may, if so arranged, provide for the appointment, from time to time, by the trustees thereof or by the holders of debentures, of some person or persons to be Director(s) of the Company and may empower such trustees or holders of debentures, from time to time, to remove and re-appoint any Director(s) so appointed.

The Debenture Director shall not be liable to retire by rotation.

The trust deed may contain such ancillary provisions as may be arranged between the Company and the trustees and all such provisions shall have effect not withstanding any of the other provisions herein contained. But he shall be counted in determining the number of retiring directors.

(f) **Independent Director**

The Company shall have such number of Independent Directors on the Board, as may be required in terms of the provisions of Section 149 of the Act and the Companies (Appointment and Qualification of Directors) Rules, 2014 or any other Law, as may be applicable. Further, the appointment of such Independent Directors shall be in terms of the aforesaid provisions of Law and subject to the requirements prescribed under SEBI Listing Regulations.

(g) **Small Shareholders' Director**

(i) The Company may have, the director(s) elected by the small shareholders in such manner and on such terms and conditions as may be provided under the Act, the Rules and other applicable laws.

(ii) In the event of Company having Independent Directors in compliant with the Act or other laws, the board *suo moto* designate one of the Independent Director as Small Shareholders' Director and such director comply with the provisions and rules made thereunder.

(iii) The appointment of Small Shareholders' Director is only at the discretion of the board.

68. (a) The remuneration of the directors shall, in so far as it consists of a monthly / quarterly payment, be deemed to accrue from day-to-day.

(b) In addition to the remuneration payable to them in pursuance of the Act, the directors may be paid all travelling, hotel and other expenses properly incurred by them—

(i) in attending and returning from meetings of the Board of Directors or any committee thereof or general meetings of the Company; or

(ii) execution of duties in connection with the business of the Company or any task on behalf of the Company.

(c) The Directors who are neither Managing Director nor Whole-Time Director may be paid a remuneration exclusive of any fees and reimbursement of expenses payable to them for attending meetings etc. as may be permitted under the act, and decided by the Board.

(d) All other remuneration, if any, payable by the Company to each Director, whether in respect of his services as a Managing Director or a Director in the whole or part time employment of the Company or otherwise shall be determined in accordance with of the Act.

(e) If any Director, being willing, called upon to perform extra services or to make any special exertions for any of the purposes of the Company or as a Members of a Committee of the Board then, subject to Section 197 of the Act, the Board may remunerate the Directors so doing either by a fixed sum or by a percentage of profits or otherwise and such remuneration may be either in addition to or in substitution for any other remuneration to which he may be entitled.

***Powers of the Board***

69. Subject to the applicable provisions of the Act, these Articles and other applicable provisions of Law:

(1) General Powers:

The business of the Company shall be managed by the Board which shall at all times act for and on behalf of the Company. The Board shall exercise all powers, other than those, which may be exercised only by the Company in general meeting, to carry on the business of the Company.

(2) General Authority:

Wherever in the Act it has been provided that the Company shall have any right privilege or authority or that the Company could carry out any transaction only if the Company is so authorised by its Articles, then and in that case this regulation hereby authorises and empowers the Company to have such right, privilege or authority and to carry out such transactions as have been permitted by the Act without there being any specific regulation in that behalf herein provided.

(3) Power to delegate:

The Board may delegate all or any of its powers to any persons so appointed any of the powers, authorities and discretions for the time being vested in the Board, other than those specifically prohibited by the Act, and any such appointment or delegation may be made on such terms, and subject to such conditions as the Board may think fit, and the Board may at any time remove any persons so appointed and may annul any such delegation.

70. The Company may exercise the powers conferred on it by Section 88 with regard to the keeping of a foreign register and the Board may (subject to the provisions of that Section) make and vary such regulations as it may think fit respecting the keeping of any such register.

71. The Board may pay all expenses incurred in setting up and registering the Company.

72. All cheques, promissory notes, drafts, *hundis*, bills of exchange and other negotiable instruments, and all receipts for monies paid to the Company, shall be signed, drawn, accepted, endorsed, or otherwise executed, as the case may be, by such person and in such manner as the Board shall from time to time by resolution determine.

73. Every director present at any meeting of the Board or of a committee thereof shall sign his name in a book to be kept for that purpose.

***Deposits***

74. Subject to the provisions of Sections 179 and 180 of the Act, the Board may, from time to time, at its discretion by a resolution passed at a meeting of the Board accept deposits from members either in advance of calls or otherwise and generally raise or borrow or secure the payment of any sum or sums of money for the purposes of the Company.

***Power to issue debentures***

75. Subject to the provisions of sections 71 of the Act, any kind of debentures or other securities whether secured or unsecured may be issued at a discount, premium or otherwise and may be issued on condition that they may be convertible into shares of any denomination, and with any privileges and conditions as to redemption, surrender, drawings, allotment of shares, appointment of Directors and otherwise with the consent of the Company in General meeting accorded by a Special Resolution and any further variation thereof.

***Proceedings of the Board***

76. (a) The Board of Directors may meet for the conduct of business, adjourn and otherwise regulate its meetings, as it thinks fit.

(b) Subject to the provisions of the Act, directors may participate through Electronic Mode in a Meeting, as permitted by law;

(c) Subject to the provisions contained in the Act, notice for a meeting of the directors be issued under the instructions of the Chairman or in his absence other executive directors of the Company, by the Company Secretary / any other officer of the Company.

(d) If a meeting of the Board could not be held for want of a quorum, then the meeting shall automatically stand adjourned to such other date and time (if any) as may be fixed by the Chairman not being later than thirty days from the date originally fixed for the meeting.

77. (a) Save as otherwise expressly provided in the Act, questions arising at any meeting of the Board shall be decided by a majority of votes.

(b) In case of an equality of votes, the Chairperson of the Board, if any, shall have a second or casting vote.

78. The continuing directors may act notwithstanding any vacancy in the Board; but, if and so long as their number is reduced below the quorum fixed by the Act for a meeting of the Board, the continuing directors or director may act for the purpose of increasing the number of directors to that fixed for the quorum, or of summoning a general meeting of the Company, but for no other purpose.

79. (a) The Board may elect a Chairperson of its meetings and determine the period for which he is to hold office.

(b) If no such Chairperson is elected, or if at any meeting the Chairperson is not present within fifteen minutes after the time appointed for holding the meeting, the directors present may choose one of their number to be Chairperson of the meeting.

80. (a) The meetings of the board / committee may be convened and conducted in a secured way through digital applications.

(b) All the documents relating to the meeting including:

(i) Notice of the board / committee meetings

(ii) Any notification relating to change in meeting schedules

(iii) Agenda for the meetings along with enclosures

(iv) Presentation on / by :

- Performance,
- external agencies,
- Corporate Law Updates
- Directors

(v) Draft minutes for approval of directors

(vi) Signed minutes of board / committee meetings

(vii) Circular resolution if any for approval of directors, with assent or dissent option

would be made available through digital application.

**81. Chairman Emeritus/ Mentor**

(a) The Board shall have power to appoint suitable persons who have made or are likely to render significant or distinguished services to the Company or to the industry to which the Company's business relates or in the public field, or in recognition of their status in the community as the Chairman Emeritus of the Company, to guide the Board.

(b) The Chairman Emeritus shall hold office until such time as shall be decided by the Board.

(c) The Chairman Emeritus shall be entitled to receive notice of and to attend Board / Committee Meetings of the Company but shall not be entitled to vote thereat and shall not be deemed to be a party to any decision of the Board or Committee thereof.

(d) The Chairman Emeritus shall not be deemed to be a director for any purposes of the Act or any other statute or rules made there under or these Articles including for the purpose of determining the maximum number of Directors which the Company can appoint.

(e) The Board may decide to make any payment in any manner for any services rendered by the Chairman Emeritus to the Company.

(f) If at any time the Chairman Emeritus is appointed as a Director of the Company and he may retain the title of Chairman Emeritus.

82. (a) The board of directors shall have the power to appoint the same individual to hold and occupy both the positions of chairman and managing director or chief executive officer (CEO) or such equivalent managerial position thereof, in the Company.

(b) The Board may, subject to the provisions of the Act, delegate any of its powers to committees consisting of such member or members of its body as it thinks fit.

(c) Any committee so formed shall, in the exercise of the powers so delegated, conform to any regulations that may be imposed on it by the Board.

83. (a) A committee may elect a Chairperson of its meetings.

(b) If no such Chairperson is elected, or if at any meeting the Chairperson is not present within fifteen minutes after the time appointed for holding the meeting, the members present may choose one of their members to be Chairperson of the meeting.

84. (a) A committee may meet and adjourn as it thinks fit.

(b) Questions arising at any meeting of a committee shall be determined by a majority of votes of the members present, and in case of an equality of votes, the Chairperson shall have a second or casting vote.

85. All acts done in any meeting of the Board or of a committee thereof or by any person acting as a director, shall, notwithstanding that it may be afterwards discovered that there was some defect in the appointment of any one or more of such directors or of any person acting as aforesaid, or that they or any of them were disqualified, be as valid as if every such director or such person had been duly appointed and was qualified to be a director.

86. Save as otherwise expressly provided in the Act, a **resolution in writing,** signed by majority of the members of the Board or of a committee thereof, for the time being entitled to receive notice of a meeting of the Board or committee, shall be valid and effective as if it had been passed at a meeting of the Board or committee, duly convened and held.

***Chief Executive Officer, Manager, Company Secretary or Chief Financial Officer***

87. Subject to the provisions of the Act -

(a) A chief executive officer, manager, Company secretary or chief financial officer may be appointed by the Board for such term, at such remuneration and upon such conditions as it may thinks fit; and any chief executive officer, manager, Company secretary or chief financial officer so appointed may be removed by means of a resolution of the Board;

(b) A director may be appointed as chief executive officer, manager, Company secretary or chief financial officer.

(c) The board may appoint a whole time key managerial personnel, holding necessary qualifications, to hold more than one position in the company at the same time.

88. A provision of the Act or these regulations requiring or authorising a thing to be done by or to a director and chief executive officer, manager, Company secretary or chief financial officer shall not be satisfied by its being done by or to the same person acting both as director and as, or in place of, chief executive officer, manager, Company secretary or chief financial officer.

***Managing or Whole – Time Director(s) or Manager***

89. (a) Subject to the provisions of the Act, the Board may from time to time appoint one or more of their directors as to be Managing Director or Managing Directors (in which expression shall include Joint or Deputy Managing Director) or Whole-time Director(s) or Manager of the Company, from time to time remove or dismiss him or them from office and appoint another or others in his or their place or places.

(b) The re-appointment of Managing Director or whole time director or any other executive director consequent to determination of their office by retirement by rotation shall not affect their current tenure of appointment and will not be treated as break in their respective office.

(c) Subject to the provisions of the Act and of these Articles, the remuneration of the Managing Director or Whole-time Director or any other executive director or manager shall from time to time be fixed by the Board, by way of fixed monthly or any other periodicity payment decided by the board or by participation in such profits or any other mode not expressly prohibited by the Act.

(d) Subject to the provisions of the Act, the Directors, may from time to time entrust and confer upon a Managing Director, whole time director(s), executive director(s) or managers for the time being such of the powers exercisable upon such terms and conditions and with such restrictions as they may think fit either collaterally with or to the exclusion of and in substitution for all or any of their own powers and from time to time revoke, withdraw, alter or vary ail or any of such powers

***The seal***

90. (a) The Board shall provide for the safe custody of the seal.

(b) The seal of the Company shall not be affixed to any instrument except by the authority of a resolution of the Board or of a committee of the Board authorised by it in that behalf, and except in the presence of a director and of the secretary or such other person as the Board may appoint for the purpose; and they shall sign every instrument to which the seal of the Company is so affixed in their presence.

***Dividends and Reserve***

91. The Company in general meeting may declare dividends, but no dividend shall exceed the amount recommended by the Board.

92. Subject to the provisions of Section 123, the Board may from time to time pay to the members such interim dividends.

93. (a) The Board may, from time to time, before recommending any dividend, set aside out of the profits of the Company such sums as it thinks fit as a reserve or reserves , at their discretion.

(b) The Board may also carry forward any profits which it may consider necessary not to divide, without setting them aside as a reserve.

94. (a) Subject to the rights of persons, if any, entitled to shares with special rights as to dividends, all dividends shall be declared and paid according to the amounts paid or credited as paid on the shares in respect whereof the dividend is paid, but if and so long as nothing is paid upon any of the shares in the Company, dividends may be declared and paid according to the amounts of the shares.

(b) No amount paid or credited as paid on a share in advance of calls shall be treated for the purposes of this regulation as paid on the share.

(c) All dividends shall be apportioned and paid proportionately to the amounts paid or credited as paid on the shares during any portion or portions of the period in respect of which the dividend is paid; but if any share is issued on terms providing that it shall rank for dividend as from a particular date such share shall rank for dividend accordingly.

(d) Subject to the provisions of the Act, the board may retain the dividends payable upon shares in respect of which any person is under Article 29 entitled to become a member or which any person under that Article is entitled to transfer, until such person shall become a member, in respect of such shares or shall duly transfer the same.

(e) A transfer of shares shall not cause the right to any dividend declared thereon before the registration of the transfer.

95. The Board may deduct from any dividend payable to any member all sums of money, if any, presently payable by him to the Company on account of calls in relation to the shares or otherwise.

96. Any dividend, interest or other monies payable in cash in respect of shares may be paid by any banking channels or cheque or warrant sent through the permissible mode of despatch to the registered address of the holder or, in the case of joint holders, to the registered address of that one of the joint holders who is first named on the register of members, or to such person and to such address as the holder or joint holders may in writing direct and every such cheque or warrant shall be made payable to the order of the person to whom it is sent.

97. Any one of two or more joint holders of a share may give effective receipts for any dividends, bonuses or other monies payable in respect of such share.

98. Notice of any dividend that may have been declared shall be given to the persons entitled to share therein in the manner mentioned in the Act.

99. No dividend shall bear interest against the Company.

***Accounts***

100. (a) The Board shall from time to time determine whether and to what extent and at what times and places and under what conditions or regulations, the accounts and books of the Company, or any of them, shall be open to the inspection of members not being directors.

(b) No member (not being a director) shall have any right of inspecting any account or book or document of the Company except as conferred by law or authorised by the Board or by the Company.

(c) Notwithstanding anything contained in the provisions of Section 128 of the Act, on requisition by a director for inspection of books of accounts of any subsidiary company shall be done only by a person authorised in this behalf with an unanimous consent of the directors present at the meeting.

***Service of documents***

101. (a) Save as otherwise provided, service of documents will be made in compliance with the provisions of the Act.

(b) Where a member desires to receive documents through a particular mode, other than Registered Post / Speed Post / Courier with or without acknowledgement due/ e-mail / through electronic mode or such other modes as may be decided by the Board or Committee thereof, a prior intimation to be given to the Company 14 days prior to the concerned meeting / event. The Company shall specify a sum sufficient to defray the expenses of doing so and such sum to be paid upfront before effecting such mode of service, without seeking further approval from the members in a general meeting.

(c) For continued service of documents through a particular mode, the member is required to renew the option every year.

(d) A document or notice advertised in a newspaper circulating in the neighborhood of the office shall be deemed to be duly served or sent on the day on which the advertisement appears on or to every member who has no registered address in India and has not supplied to the company an address within India for the serving of documents on or the sending of notices to him.

***Winding up***

102. Subject to the provisions of Chapter XX of the Act and rules made thereunder—

(a) If the Company shall be wound up, the liquidator may, with the sanction of a special resolution of the Company and any other sanction required by the Act, divide amongst the members, in specie or kind, the whole or any part of the assets of the Company, whether they shall consist of property of the same kind or not.

(b) For the purpose aforesaid, the liquidator may set such value as he deems fair upon any property to be divided as aforesaid and may determine how such division shall be carried out as between the members or different classes of members.

(c) The liquidator may, with the like sanction, vest the whole or any part of such assets in trustees upon such trusts for the benefit of the contributories if he considers necessary, but so that no member shall be compelled to accept any shares or other securities whereon there is any liability.

***Indemnity***

103. Every officer and statutory / cost / secretarial auditor of the Company shall be indemnified out of the

assets of the Company against any liability incurred by him in defending any proceedings, whether civil or criminal, in which judgment is given in his favour or in which he is acquitted or in which relief is granted to him by the court or the Tribunal.

The Company may take and maintain any insurance as the board may think fit on behalf of the aforesaid persons for indemnifying against any liability for their acts in relation to the Company for which they may be liable.

***Secrecy Clause***

104. (a) Every officer and auditors, Servant, Agent, Accountant or other person employed or engaged in the business of the Company, shall, if so required by the Directors, before entering upon his duties, sign a declaration pledging himself to observe strict secrecy respecting all transactions and affairs of the Company with the customs and the state of the accounts with individuals and in matters relating thereto, and shall by such declaration pledge himself not to reveal any of the matters which may come to his knowledge in the discharge of his duties except when required so to do by the Directors or by law or by the person to whom such matters relate and except so far as may be necessary in order to comply with any of the provisions in these presents contained.

(b) No member shall be entitled to visit any works of the Company without the permission of the Directors or to require discovery of or any information respecting any details of the Company's trading, or any matter which is or may be in the nature of a trade secret, mystery of trade, secret process or any other matter which may relate to the conduct of the business of the Company and which in the opinion of the Directors, it would be inexpedient in the interest of the Company to disclose.

***General Powers***

105. Where any provisions of the said Act, provides that the board shall do such deeds and acts to carry out a particular transaction, only if it is so authorised in its Articles, in respect of all such acts, deeds, things, rights, privileges and authority, this Article hereby authorizes the Company to carry out the same, without the need for any specific or explicit Article in that behalf.

| Serial No | Names, Addresses, Description and Occupations of subscribers | Names, Addresses, Description and Occupations of witness |
|---|---|---|

| | | |
|---|---|---|
| 1 | Sd/-<br>H LAKSHMANAN<br>S/o Late Sri S Harihara Iyer<br>Company Executive<br>1-B, Monna Apartments<br>4, Bhaskarapuram,<br>Madras 600 004 | |
| 2 | Sd/-<br>R SUBRAMANIAN<br>S/o late Sri G Rama Subbu<br>Company Executive<br>Flat 12, "River View" Apartment<br>Srinagar Colony<br>Saidapet<br>Madras 600 015 | Sd/-<br><br>R MADHAVAN<br>S/o Sri K Rajagopalan<br>Company Executive<br>29, Thiagaraja Gramani Street<br>Thyagaraya Nagar<br>Madras 600 017 |
| 3 | Sd/-<br>V N VENKATANATHAN<br>S/o Dr V N Seshadri Acharya<br>Company Executive<br>25, Nachiappan Street<br>Mahalingapuram<br>Madras 600 034 | |

Dated at Madras this 28th day of May 1992.

## SECTION IX - MATERIAL CONTRACTS AND DOCUMENTS FOR INSPECTION

The following contracts which are or may be deemed material have been entered or are to be entered into by our Company. These contracts and also the documents for inspection referred to hereunder, may be inspected on working days at the Registered Office of our Company situated at "Chaitanya", No.12, Khader Nawaz Khan Road, Nungambakkam, Chennai, Tamil Nadu 600006 from 10.00 a.m. to 02.00 p.m. on working days from the date of the Information Memorandum.

**MATERIAL CONTRACTS**

1. Tripartite Agreement dated April 30, 2021 among our Company, the Registrar and CDSL.
2. Tripartite Agreement dated May 06, 2021 among our Company, the Registrar and NSDL.
3. Listing Agreement dated August 26, 2025 between our Company and BSE.
4. Listing Agreement dated August 26, 2025 between our Company and NSE.
5. Registrar Agreement dated August 20, 2025 executed between our Company and the Registrar to the Issue.
6. Escrow Agreement dated September 1, 2025 between our Company and Beacon Trusteeship Limited.

**MATERIAL DOCUMENTS**

1. Certificate of Incorporation of our Company.
2. Memorandum and Articles of Association of our Company, as amended to date.
3. Copy of the Fairness Opinion provided by M/s. PL Capital Markets Private Limited dated March 20, 2024
4. Auditor Certificate dated March 20, 2024 submitted to Stock Exchanges.
5. Report dated March 20, 2024 from the Committee of Independent Directors recommending the draft Scheme.
6. Valuation report dated March 20, 2024 of the underlying NCRPS issued by M/s. Bansi S. Mehta Valuers LLP, Registered Valuer.
7. Copy of the resolution passed by the Board of directors dated March 20, 2024 approving the scheme.
8. Scheme of Arrangement among TVS Motor Company Limited and their respective Shareholders.
9. Letter under Regulation 37 of SEBI LODR Regulations issued by BSE vide DCS/AMAL/TL/R59A/3390/2024-25 dated November 7, 2024 and NSE vide NSE/LIST/41126 dated November 7, 2024.
10. Copy of the resolution dated April 12, 2025 passed by the equity shareholders for approving the Scheme of Arrangement.
11. Copy of the resolution dated April 12, 2025 passed by the unsecured creditors for approving the Scheme of Arrangement.
12. Order dated July 31, 2025 of the National Company Law Tribunal, Chennai sanctioning the Scheme of Arrangement under Section 230 to 232 of the Companies Act, 2013 and other applicable provisions of the Act.
13. Copy of the circular resolution passed by the Board of directors dated August 12, 2025, inter-alia taking on record the Scheme and fixing the record date.

14. Copy of the circular resolution passed by the scheme implementation committee dated September 1, 2025, on allotment of NCRPS.

15. Rating Letter dated September 5, 2025 read with revalidation letter dated January 23, 2026 by CARE Ratings Limited assigning a rating of "A1+" for the Issue with rating rationale.

16. Annual Reports of our Company for the financial years ended March 31, 2025, 2024 and 2023.

17. NSE vide their letter no. NSE/LIST/50825 dated November 21, 2025, and BSE vide their letter no. DCS/AMAL/BW/IP/3919/2025-26 dated November 20, 2025, respectively.

18. SEBI Relaxation letter no. HO/49/12/16(4)2026-CFD-RAC-DCR1 dated February 09, 2026 granting relaxation for listing from the applicability of Rule 19(2)(b) of the Securities Contract (Regulation) Rules, 1957.

## DECLARATION

We, the Directors of the Company, hereby certify and declare that:

a. all applicable legal requirements in connection with the Issue and our Company, including relevant provisions of the Companies Act, 2013, as amended, and the rules prescribed thereunder, to the extent applicable as on this date, the Securities Contracts (Regulation) Act, 1956, as amended, the Securities and Exchange Board of India Act, 1992, as amended, and rules, regulations, guidelines and circulars issued by the Government of India, the rules, regulations, guidelines and circulars issued by the Reserve Bank of India, and the rules, regulations, guidelines and circulars issued by Securities and Exchange Board of India including, the Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021, as amended, the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, to the extent applicable, as the case may be, have been complied with;
b. no statement made in this Information Memorandum is contrary to the relevant provisions of any rules, regulations, guidelines and circulars as applicable to this Information Memorandum.
c. compliance with the Companies Act, 2013 and the rules does not imply that payment of dividend, is guaranteed by the Central Government;
d. all the disclosures and statements in this Information Memorandum and in the attachments thereto are true, accurate, correct and complete and do not omit disclosure of any material fact which may make the statements made therein, in light of circumstances under which they were made, false or misleading;
e. this Information Memorandum does not contain any misstatements; and
f. no information material to the subject matter of this form has been suppressed or concealed and whatever is stated in this Information Memorandum is as per the records maintained by the Company.
g. nothing in this Information Memorandum is contrary to the provisions of Companies Act, the Securities Contracts (Regulation) Act, 1956 (42 of 1956), and the SEBI, 1992 (15 of 1992) and the rules and regulations made thereunder;
h. the clause on "General Risks" has been suitably incorporated in prescribed format in this Information Memorandum; and
i. The contents of the document have been perused by the Board of Directors, and the final and ultimate responsibility of the contents mentioned herein shall also lie with the Board of Directors.

We, K Gopala Desikan, Chief Financial Officer, Mr K S Srinivasan, Company Secretary and Compliance Officer are authorised by the Board of Directors of the Company vide resolution dated 12th August 2025 to sign this Information Memorandum and declare that all the requirements of Companies Act and the rules made thereunder in respect of this subject matter of the Information Memorandum and matters incidental thereto have been complied with. Whatever is stated in this Information Memorandum and in the attachments thereto is true, correct and complete and no information material to the subject matter of the Information Memorandum has been suppressed or concealed and is as per the original records maintained by the promoter subscribing to the Memorandum and Articles. It is further declared and verified that all the required attachments have been completely, correctly and legibly attached to this Information Memorandum.

**For TVS Motor Company Limited**

Signed By:

Name: K Gopala Desikan
Designation: Chief Financial Officer
Date: February 13, 2026
Place: Chennai

Signed By:

Name: K S Srinivasan
Designation: Company Secretary and Compliance Officer
Date: February 13, 2026
Place: Chennai

## ANNEXURE I – CREDIT RATING LETTER AND RATIONALE

*[Attached separately in appendix below]*

**No. CARE/HO/RL/2025-26/2660**

**Shri K Desikan**
**Group CFO**
**TVS Motor Company Limited**
P.B.No.4, Harita,TWO WHEELER PLANT,KRISHNAGIR
Hosur
Chennai
Tamil Nadu 635109

September 05, 2025

**Confidential**

Dear Sir,

**Credit Rating for Proposed Non-convertible Redeemable Preference Shares (NCRPS)**

Please refer to your request for rating of proposed NCRPS issue etc. aggregating Rs. 1,900.35 crore of your company.

2. The following rating(s) has been assigned by our Rating Committee:

| Instrument | Amount (₹ crore) | Rating[1] | Rating Action |
|---|---|---|---|
| **Short Term Short Term Instruments** | **1,900.35** | **CARE A1+** | **Assigned** |

3. Please arrange to get the rating revalidated in case the proposed NCRPS issue is not made within **two months** from the date of our initial communication of rating to you i.e. by October 27, 2025 .

4. In case there is any change in the size or terms of the proposed issue, please get the rating revalidated.

5. Please inform us the below-mentioned details of issue immediately, but not later than 7 days from the date of placing the instrument:

| Instrument type | ISIN | Issue Size (Rs cr.) | Coupon Rate | Coupon Payment Dates | Terms of Redemption | Redemption date | Name and contact details of Trustee/IPA | Details of top 10 investors |
|---|---|---|---|---|---|---|---|---|
| | | | | | | | | |

[1]Complete definitions of the ratings assigned are available at www.careratings.com and in other CARE Ratings Ltd.'s publications.

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6. The rating report for the rating will be communicated to you separately. A write-up (press release) on the above rating is proposed to be issued to the press by the end of the day, a draft of which is enclosed for your perusal as **Annexure**. We request you to peruse the annexed document and offer your comments if any. We are doing this as a matter of courtesy to our clients and with a view to ensure that no factual inaccuracies have inadvertently crept in. Kindly revert as early as possible. In any case, if we do not hear from you by September 05, 2025, we will proceed on the basis that you have no any comments to offer.

7. CARE Ratings Ltd. reserves the right to undertake a surveillance/review of the rating from time to time, based on circumstances warranting such review, subject to at least one such review/surveillance every year.

8. CARE Ratings Ltd. reserves the right to revise/reaffirm/withdraw the rating assigned as a result of periodic review/surveillance, based on any event or information which in the opinion of CARE Ratings Ltd. warrants such an action. In the event of failure on the part of the entity to furnish such information, material or clarifications as may be required by CARE Ratings Ltd. so as to enable it to carry out continuous monitoring of the rating of the debt instruments, CARE Ratings Ltd. shall carry out the review on the basis of best available information throughout the life time of such instruments. In such cases the credit rating symbol shall be accompanied by "ISSUER NOT COOPERATING". CARE Ratings Ltd. shall also be entitled to publicize/disseminate all the afore-mentioned rating actions in any manner considered appropriate by it, without reference to you.

9. Our ratings do not factor in any rating related trigger clauses as per the terms of the facility/instrument, which may involve acceleration of payments in case of rating downgrades. However, if any such clauses are introduced and if triggered, the ratings may see volatility and sharp downgrades.

10. Users of this rating may kindly refer our website www.careratings.com for latest update on the outstanding rating.

11. CARE Ratings Ltd. ratings are **not** recommendations to buy, sell, or hold any securities.

If you need any clarification, you are welcome to approach us in this regard. We are indeed, grateful to you for entrusting this assignment to CARE Ratings Ltd.

Thanking you,

Yours faithfully,

**Nihar Shah**
Lead Analyst
nihar.shah@careedge.in

**Arti Roy**
Associate Director
arti.roy@careedge.in

Encl.: As above

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**No. CARE/HO/RL/2025-26/4519**

**Shri K Desikan**
**Group CFO**
**TVS Motor Company Limited**
P.B.No.4, Harita,TWO WHEELER PLANT,KRISHNAGIR
Hosur
Chennai
Tamil Nadu 635109

January 23, 2026

**Confidential**

Dear Sir,

**Credit Rating for proposed Non-Convertible Redeemable Preference Shares (NCRPS)**

Please refer to our letter no. CARE/HO/RL/2025-26/2660 dated September 05, 2025, and your request for revalidation of the rating assigned to the proposed NCRPS issue of your company, aggregating Rs.1,900.35 crore.

2. The following rating(s) have been reviewed:

| Instrument | Amount (₹ crore) | Rating[1] | Rating Action |
|---|---|---|---|
| **Short Term Short Term Instruments** | **1,900.35** | **CARE A1+** | **Reaffirmed** |

3. Please arrange to get the rating revalidated in case the issue is not made within **two months** from the date of this letter.

4. Please inform us the below-mentioned details of issue immediately, but not later than 7 days from the date of placing the instrument:

| Instrument type | ISIN | Issue Size (Rs cr.) | Coupon Rate | Coupon Payment Dates | Terms of Redemption | Redemption date | Name and contact details of Trustee/IPA | Details of top 10 investors |
|---|---|---|---|---|---|---|---|---|
| | | | | | | | | |

5. CARE Ratings Ltd. reserves the right to undertake a surveillance/review of the rating from time to time, based on circumstances warranting such review, subject to at least one such review/surveillance every year.

[1]Complete definitions of the ratings assigned are available at www.careratings.com and in other CARE Ratings Ltd.'s publications.

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6. CARE Ratings Ltd. reserves the right to revise/reaffirm/withdraw the rating assigned as a result of periodic review/surveillance, based on any event or information which in the opinion of CARE Ratings Ltd. warrants such an action. In the event of failure on the part of the entity to furnish such information, material or clarifications as may be required by CARE Ratings Ltd. so as to enable it to carry out continuous monitoring of the rating of the debt instruments, CARE Ratings Ltd. shall carry out the review on the basis of best available information throughout the life time of such instruments. In such cases the credit rating symbol shall be accompanied by "ISSUER NOT COOPERATING". CARE Ratings Ltd. shall also be entitled to publicize/disseminate all the afore-mentioned rating actions in any manner considered appropriate by it, without reference to you.

7. Our ratings do not factor in any rating related trigger clauses as per the terms of the facility/instrument, which may involve acceleration of payments in case of rating downgrades. However, if any such clauses are introduced and if triggered, the ratings may see volatility and sharp downgrades.

8. Users of this rating may kindly refer our website www.careratings.com for latest update on the outstanding rating.

9. CARE Ratings Ltd. ratings are **not** recommendations to buy, sell, or hold any securities.

If you need any clarification, you are welcome to approach us in this regard.

Thanking you,

Yours faithfully,

**Madhusudhan Giri Goswami**
Assistant Director
madhusudhan.g@careedge.in

**Arti Roy**
Associate Director
arti.roy@careedge.in

Encl.: As above

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# TVS Motor Company Limited

September 05, 2025

| Facilities/Instruments | Amount (₹ crore) | Rating[1] | Rating Action |
|---|---|---|---|
| Long-term bank facilities | 2,500.00 | CARE AA+; Stable | Reaffirmed |
| Long-term / Short-term bank facilities | 550.00 | CARE AA+; Stable / CARE A1+ | Reaffirmed |
| Short-term bank facilities | 608.00 | CARE A1+ | Reaffirmed |
| Non-convertible debentures | 300.00 | CARE AA+; Stable | Reaffirmed |
| Non-convertible debentures | 25.00 | CARE AA+; Stable | Reaffirmed |
| Commercial paper | 500.00 | CARE A1+ | Reaffirmed |
| Non-convertible redeemable preference shares | 1,900.35 | CARE A1+ | Assigned |

Details of instruments/facilities in Annexure-1.

## Rationale and key rating drivers

Ratings assigned to bank facilities and instruments of TVS Motor Company Limited (TVSM) continue to reflect strong business risk profile marked by its established position in the two-wheeler segment with improving market share year-over-year (y-o-y) in internal combustion engine (ICE) and electric vehicle (EV), while maintaining its strong position in the three-wheeler segment and diversified geographic profile. Ratings also factor the robust financial risk profile supported by strong debt coverage metrics and liquidity profile. TVS' overall market share in two-wheeler segment has improved to 19.4% in FY25 (PY: 18.9%), while for EV alone it improved to 20.7% in FY25 (PY: 19.3%), whereas for three-wheelers despite moderation, market share remained healthy at 12.8% in FY25 (PY: 14.7%). Its market share, further improved to 21.2% for two-wheelers and 17.2% for three-wheelers in Q1FY26.

However, rating strengths continue to be constrained by its exposure to commodity price risk, currency risk, highly competitive and volatile industry scenario, and significant exposure to its subsidiaries, a few of which are loss-making. The company has invested ₹4,386 crore for four years ended FY25 in companies through its investment arm, TVS Motor (Singapore) Private Limited. Overall investment in equity instruments stood at ~93% (PY: ~89%) of TVSM's standalone net worth as on March 31, 2025. CARE Ratings Limited (CareEdge Ratings) will continue to monitor substantial incremental investments impacting its adjusted leverage. Planned issue of Non-convertible redeemable preference shares (NCRPS) of ₹1900 crore for a tenor of one year to the existing equity shareholders of TVSM is expected to result in delay in deleveraging and limited build-up of liquidity in the near-term for its automobile business.

## Rating sensitivities: Factors likely to lead to rating actions

**Positive factors**

- Substantially improving profit margins on a sustained basis, supported by a substantial increase in market share on a sustained basis.
- Automobile business being net debt free status on a sustained basis

**Negative factors**

- Debt-funded capex/acquisition leading to deteriorating adjusted net debt (excluding TVS Credit debt)/ PBILDT to above 1.5x on a sustained basis.
- Significantly declining market share and operating profitability on a sustained basis.

## Analytical approach:

CareEdge Ratings has considered TVSM's consolidated financials, excluding the non-banking financial company (NBFC) subsidiary – TVS Credit Services Limited (TVS Credit), and its three subsidiaries: TVS Housing Finance Private Limited, Harita Two-Wheeler

[1]Complete definition of ratings assigned are available at www.careratings.com and other CARE Ratings Limited's publications.

Mall Private Limited, and Harita ARC Private Limited. However, the analysis considers ongoing and future funding support likely to be extended by TVSM to TVS Credit. Subsidiaries consolidated are listed under **Annexure-6**.

**Outlook:** Stable

Stable outlook reflects the company's ability to maintain and improve its market position and stable demand scenario shall enable it to sustain its healthy business profile in the medium term.

## Detailed description of key rating drivers:

### Key strengths

**Established presence in the two-wheeler industry with presence across product segments**

Over the years, TVSM has established itself as one of the leading players in the two-wheeler industry and is the only company to have presence in three categories including motorcycles, scooters, and mopeds, catering domestic and international markets. TVSM is also the only company to have a presence in moped segment for the domestic market. TVSM manufactures a wide range of two-wheelers and three-wheelers from its facilities at Hosur, Tamil Nadu; Mysuru, Karnataka; and Nalagarh, Himachal Pradesh. In FY25, TVSM recorded higher volume growth of 10.1% and 21.5% for motorcycle and scooters, while the industry grew by 8.7% and 16.9%, respectively. Despite the industry witnessing a decline of 1.81% in motorcycles and 0.80% in scooters, TVSM recorded robust growth of 20.68% and 19.21% in these segments in Q1FY26. This consistent outperformance in FY25 and Q1FY26 can be attributed to TVSM's strong presence and new product launches, positioning it as the fourth and second-largest player in the motorcycle and scooter segments, respectively.

**Improving market share and penetration of EV**

TVSM has been heavily investing in research and development, focusing on technology and product innovation. Since launching its first electric scooter, TVS iQube, in January 2020, TVSM has expanded its presence across India. The company is now the second-largest player in high-speed electric two-wheeler segment, with its market share rising to 21% in FY25 from 4% in FY22. Notably, for four months ended July 2025, TVSM has led the segment, becoming the top player in high-speed electric two-wheelers. In FY24, TVSM launched the TVS X, an electric two-wheeler, and plans to expand its portfolio with new variants and innovative features. TVSM aims to launch its premium electric vehicles (EV) and internal combustion engine (ICE) range in France and Italy, followed by other selected EU markets. Models including Jupiter 125, NTORQ, iQube S, TVS X, Ronin 250, Apache RR 310, and Apache RTR 310 will be available in Europe. TVSM has introduced electric BMW CE 02, codeveloped in collaboration with BMW, targeting global markets in the electric two-wheeler segment. EVs contributed 17.31% of TVSM's total scooter volumes in FY25, up from 14.10% in FY24. TVSM launched its first electric three-wheeler, TVS King EV Max, with active plans to expand into electric cargo three-wheelers. With the launch of its electric three-wheeler, TVSM's market share in the three-wheeler segment is expected to gradually increase, driven by the growing adoption and penetration of electric three-wheelers in the market.

**Geographically diversified revenue stream**

TVSM's top export destinations include countries, such as Guinea, Nigeria, Congo, Colombia, Brazil and Mexico among others, where it provides a varied product portfolio consisting of motorcycles, scooters, mopeds, and three-wheelers. CareEdge Ratings notes that exports accounted for ~25% of TVSM's total revenue in FY25 (PY: ~24%). Exports grew by ~15% in FY25 (PY: ~3%) and is expected to further increase going ahead. With continuous brand building and positioning of product categories with the local demand, TVSM has been able to expand its presence beyond south and currently has a significant presence in all regions, in terms of its sales. The efforts taken over the years to improve its pan-India dealer network resulted in TVSM having a pan-India presence across categories, with scope for improvement in the west and north regions.

**Sustained improvement in operating performance, expected to continue**

TVSM's automobile business grew by 13.4% and 19.5% y-o-y in FY25 and Q1FY26 due to improvement in volumes and better realisations. Driven by premiumisation of product mix, and sustained cost reduction initiatives, its operating profit margins for automobile business marginally improved from 9.63% in FY24 to 10.20% in FY25 and remained healthy at 10.21% in Q1FY26, while improving its market share to 13.8% (PY: 13.7%) in the motorcycle segment and 25.6% (PY: 24.7%) in the scooter segment in FY25, which further improved to 16.0% and 27.6% respectively in Q1FY26.

**Comfortable financial risk profile despite likely to moderate upon issuance of NCRPS**

Overall gearing of automobile business on a net basis, as on March 31, 2025, remained comfortable at 0.81x (PY: 0.87x) considering accretion of profits to reserves in FY25. Debt coverage indicators also improved considering improvement in operating performance of automobile business due to improved volumes, improved realisations, favourable operating leverage, improved product mix toward premium products and easing input prices. As on March 31, 2025, its net automobile debt to profit before

interest, lease rentals, depreciation and taxation (PBILDT) improved to 0.88x from 0.93x as on March 31, 2024, considering higher operating profitability in FY25. However, with the issuance of ₹1,900 crore of NCRPS in FY26, the capital structure and debt coverage metrics are expected to moderate in FY26. These metrics are expected to improve again from FY27, supported by expected sustained healthy cash accruals and the scheduled repayment of NCRPS with capex requirements primarily expected to be met through internal accruals and available liquidity.

**Liquidity**: Strong

TVSM's automobile business has strong liquidity, with cash and liquid investments of ₹805 crore as on March 31, 2025, and expected strong cash accruals of ~₹3,300 crore in FY26. On a standalone basis, TVSM had unutilised fund-based working capital limits of ~₹1,400 crore as on June 30, 2025.

## Key weaknesses

**Decline in three-wheeler sales considering political and economic uncertainties in key export markets**

TVSM reported three-wheeler sales of 1.35 lakh units in FY25, recording a degrowth of 7.9% y-o-y, while the three-wheeler industry, which reported a volume growth of 5.4% in the same period leading to a drop in TVSM's market share to 12.8% (PY: 14.7%). However, in Q1FY26, while the industry grew by 10.4%, TVSM's volumes increased by 45.9% increasing its market share to 17.2%. TVSM mainly exports its three-wheelers, thus having a lesser presence in the domestic market. Major export markets include Guinea, Nigeria, Congo, Colombia, Brazil, Mexico, Tanzania, and Indonesia, among others.

**Significant investments in overseas subsidiaries witnessed, further increased in FY25; however, majority exposure is in TVS Motor (Singapore) and TVS Credit, NBFC arm which are strategic**

As on March 31, 2025, TVSM's overall investment in its subsidiaries and associates stood at ₹8,795 crore (PY: ₹6,573 crore). Overall investment stood at ~89% of TVSM's standalone net worth as on March 31, 2025 (PY: ~85%). Large part of the investments in its subsidiaries and associates are towards TVS Motor (Singapore), an overseas investment holding company, and TVS Credit, an NBFC arm with assets under management (AUM) of ₹26,647 crore as on March 31, 2025 (PY: ₹25,900 crore). TVSM will be required to invest capital in TVS Motor (Singapore) due to loss funding and capex requirements in its overseas subsidiaries. In FY25, the company invested ₹2,128 crore in its subsidiaries and associates, including ₹1,618 crore in TVS Motor (Singapore) and ₹283 crore in TVS Credit. In Q1FY26, TVSM made investments of ₹478 crore in its subsidiaries. Higher-than-envisaged investments in its subsidiaries and associates will be a key rating monitorable.

**Exposure to commodity inflation**

Key raw materials required for two-wheeler original equipment manufacturers (OEMs) are steel, iron, and aluminium, among others. Prices of metals (especially steel) and rubber have elevated since H2FY21. Accordingly, most OEMs have increased their prices to mitigate the impact of higher input costs in the last three years. However, passing on the increase in prices entirely to the end consumer is challenging, especially in the areas where there is intense competition. Thus, margins of OEMs are subject to variations in the prices of raw materials. Prices started to cool off from April 2022. However, they are still higher than pre-COVID-19 levels.

**Industry prone to macro-economic factors, rural incomes, and competition**

Two-wheeler business is prone to macro-economic factors, inherent cyclicality, levels of rural income, and competition, and hence, displays significant variation in revenues over economic cycles. Two-wheelers industry is likely to see a healthy volume growth in FY26, as personal mobility demand grows. However, CareEdge Ratings notes, since the segment is highly price-sensitive, change in the prices of two-wheelers or an increase in the cost of petrol may have a bearing on sales volumes.

## Environment, social, and governance (ESG) risks

**Environmental:**

- The company's policy and actions are principally aimed to reduce CO2 emission intensity through active development of EVs with focus for increasing the share of business, development of alternate fuel compatible vehicles, reduction of weight of the products (Material conservation) and improving fuel efficiency of the products. In FY25, TVSM has reduced its carbon emissions by 13.6%.
- TVSM is firmly committed to achieving Net Zero emissions as a key pillar of its long-term sustainability strategy. Aligned with the commitment to limit global warming to 1.5°C above pre-industrial levels and guided by the ISO IWA 42:2022 Net Zero Guidelines, the Company has developed a scientific decarbonisation roadmap that reflects international best practices.
- The company continued its efforts to reduce the usage of hazardous chemicals in its products. Under Extended Producer Responsibility (EPR), in FY25, 1,155 metric tons of single-use plastic waste was collected, meeting the target set by the Plastic Waste Management Rules, 2016.

- 42% of land across TVSM's three Indian sites are covered by human grown forests, fostering a thriving ecosystem that supports over 900 species of flora and fauna.
- Hazardous waste generated in the factory through paint sludge, chemical sludge generated from wastewater treatment plant, waste containing traces of oil are being co-processed in cement industry for over 15 years.
- The company has tied with battery recyclers for environmentally friendly disposal of end-of-life batteries.
- The company has a policy that addresses combating "Climate Change" by improving energy efficiency and use of renewable energy. Considering Nationally Determined Contributions (NDC)-2, the company covers most electricity consumption with renewable energy sources, achieving 95.3% (PY: 93.2%) in FY25.
- The company has achieved 40-50% reduction in usage of raw water through the deployment of advanced water technologies in FY25.
- The company aims to make all its operations Zero Waste to Landfill (ZWL) and has taken significant steps towards this goal. In FY25, three manufacturing facilities in India were certified as Zero Waste to Landfill by the Confederation of Indian Industry.

**Social:**
The company's CSR activities are directed towards empowering women, promotion of education, including special education and employment, enhancing vocation skills, eradicating poverty, promoting preventive healthcare and sanitation, and making available safe drinking water, ensuring environment sustainability, ecological balance, animal welfare, agroforestry, conservation of natural resources and maintain quality of soil, air and water.

**Governance:**
The company has been practicing the principles of good corporate governance over the years and lays strong emphasis on transparency, accountability, and integrity. In its board, over 50% comprises independent directors (four of seven directors) and including one-woman director.

## Applicable criteria

Consolidation
Definition of Default
Liquidity Analysis of Non-financial sector entities
Rating Outlook and Rating Watch
Manufacturing Companies
Financial Ratios – Non financial Sector
Short Term Instruments

## About the company and industry

### Industry classification

| Macroeconomic indicator | Sector | Industry | Basic industry |
|---|---|---|---|
| Consumer discretionary | Automobile and auto components | Automobiles | 2/3 wheelers |

TVSM is among the largest two-wheeler manufacturers in India. It currently manufactures a wide range of two-wheelers and three-wheelers at its manufacturing facilities at Hosur, Tamil Nadu; Mysuru, Karnataka; and Nalagarh, Himachal Pradesh, with a total installed manufacturing capacity of 61.82 lakh two-wheelers and 2.49 lakh three-wheelers per annum as on March 31, 2025. The company also set up a wholly owned subsidiary in Indonesia in 2007, PT TVS Motor Company Indonesia (PT TVS), for manufacturing motorcycles. In 2020, the company acquired 100% stake in The Norton Motorcycle Company Limited, UK which manufactures premium and super-premium motorcycles. TVSM has a presence in all three categories of the two-wheeler industry, including scooters, motorcycles, and mopeds. It is the only player in moped segment.

| Brief Financials (₹ crore) Automobile business* | FY24 | FY25 | Q1FY26 |
|---|---|---|---|
| Total operating income | 33,138 | 37,578 | 10,513 |
| PBILDT | 3,190 | 3,833 | 1,073 |

| Brief Financials (₹ crore) Automobile business* | FY24 | FY25 | Q1FY26 |
|---|---|---|---|
| PAT | 1,206 | 1,612 | 462 |
| Overall gearing (times) | 1.07 | 1.00 | NA |
| Interest coverage (times) | 12.09 | 16.67 | 16.34 |

*TVSM (Consolidated) minus TVS Credit (Consolidated);
NA: Not Available; Note: these are latest available financial results

| Brief Standalone Financials (₹ crore) | FY24 (A) | FY25 (A) | Q1FY26 (UA) |
|---|---|---|---|
| Total operating income | 31,539 | 35,763 | 10,081 |
| PBILDT | 3,277 | 3,966 | 1,263 |
| PAT | 2,083 | 2,711 | 779 |
| Overall gearing (times) | 0.29 | 0.24 | NA |
| Interest coverage (times) | 18.04 | 28.60 | 31.34 |

A: Audited UA: Unaudited NA: Not available; Note: these are latest available financial results

**Status of non-cooperation with previous CRA:** Not applicable

**Any other information:** Not applicable

**Rating history for last three years:** Annexure-2

**Detailed explanation of covenants of rated instrument / facility:** Annexure-3

**Complexity level of instruments rated**: Annexure-4

**Lender details**: Annexure-5

## Annexure-1: Details of instruments/facilities

| Name of the Instrument | ISIN | Date of Issuance (DD-MM-YYYY) | Coupon Rate (%) | Maturity Date (DD-MM-YYYY) | Size of the Issue (₹ crore) | Rating Assigned and Rating Outlook |
|---|---|---|---|---|---|---|
| Commercial Paper-Commercial Paper (Standalone) | Proposed | | | 7-364 days | 500.00 | CARE A1+ |
| Debentures-Non-convertible debentures | Proposed | | | | 25.00 | CARE AA+; Stable |
| Debentures-Non-convertible debentures | INE494B08036 | 14-03-2023 | Repo rate + 140 bps | 13-03-2026 | 125.00 | CARE AA+; Stable |
| Debentures-Non-convertible debentures | Proposed | | | | 175.00 | CARE AA+; Stable |
| Fund-based - LT-Term Loan | - | - | - | 31-03-2030 | 2500.00 | CARE AA+; Stable |
| Fund-based - LT/ ST-Packing Credit in Foreign Currency | - | - | - | - | 550.00 | CARE AA+; Stable / CARE A1+ |

| Name of the Instrument | ISIN | Date of Issuance (DD-MM-YYYY) | Coupon Rate (%) | Maturity Date (DD-MM-YYYY) | Size of the Issue (₹ crore) | Rating Assigned and Rating Outlook |
|---|---|---|---|---|---|---|
| Non-fund-based - ST-BG/LC | - | - | - | - | 450.00 | CARE A1+ |
| Non-fund-based-Short Term | - | - | - | - | 158.00 | CARE A1+ |
| Preference shares - Non-convertible redeemable preference shares | Proposed | | | | 1,900.35 | CARE A1+ |

**Annexure-2: Rating history for last three years**

| Sr. No. | Name of the Instrument/Bank Facilities | Current Ratings | | | Rating History | | | |
|---|---|---|---|---|---|---|---|---|
| | | Type | Amount Outstanding (₹ crore) | Rating | Date(s) and Rating(s) assigned in 2025-2026 | Date(s) and Rating(s) assigned in 2024-2025 | Date(s) and Rating(s) assigned in 2023-2024 | Date(s) and Rating(s) assigned in 2022-2023 |
| 1 | Fund-based - LT-Term Loan | LT | 2500.00 | CARE AA+; Stable | 1)CARE AA+; Stable (23-Jun-25) | 1)CARE AA+; Stable (27-Sep-24) | 1)CARE AA+; Stable (28-Sep-23) | 1)CARE AA+; Stable (29-Sep-22) |
| 2 | Fund-based - LT/ ST-Cash Credit | LT/ST | - | - | - | 1)Withdrawn (27-Sep-24) | 1)CARE AA+; Stable / CARE A1+ (28-Sep-23) | 1)CARE AA+; Stable / CARE A1+ (29-Sep-22) |
| 3 | Non-fund-based - ST-BG/LC | ST | 450.00 | CARE A1+ | 1)CARE A1+ (23-Jun-25) | 1)CARE A1+ (27-Sep-24) | 1)CARE A1+ (28-Sep-23) | 1)CARE A1+ (29-Sep-22) |
| 4 | Non-fund-based-Short Term | ST | 158.00 | CARE A1+ | 1)CARE A1+ (23-Jun-25) | 1)CARE A1+ (27-Sep-24) | 1)CARE A1+ (28-Sep-23) | 1)CARE A1+ (29-Sep-22) |
| 5 | Commercial Paper-Commercial Paper (Standalone) | ST | 500.00 | CARE A1+ | 1)CARE A1+ (23-Jun-25) | 1)CARE A1+ (27-Sep-24) | 1)CARE A1+ (28-Sep-23) | 1)CARE A1+ (29-Sep-22) |
| 6 | Debentures-Non-convertible Debentures | LT | - | - | - | - | 1)Withdrawn (28-Sep-23) | 1)CARE AA+; Stable (29-Sep-22) |
| 7 | Fund-based - LT/ ST-Packing Credit in Foreign Currency | LT/ST | 550.00 | CARE AA+; Stable / CARE A1+ | 1)CARE AA+; Stable / CARE A1+ (23-Jun-25) | 1)CARE AA+; Stable / CARE A1+ (27-Sep-24) | 1)CARE AA+; Stable / CARE A1+ (28-Sep-23) | 1)CARE AA+; Stable / CARE A1+ (29-Sep-22) |

| Sr. No. | Name of the Instrument/Bank Facilities | Current Ratings | | | Rating History | | | |
|---|---|---|---|---|---|---|---|---|
| | | Type | Amount Outstanding (₹ crore) | Rating | Date(s) and Rating(s) assigned in 2025-2026 | Date(s) and Rating(s) assigned in 2024-2025 | Date(s) and Rating(s) assigned in 2023-2024 | Date(s) and Rating(s) assigned in 2022-2023 |
| 8 | Debentures-Non-convertible Debentures | LT | 300.00 | CARE AA+; Stable | 1)CARE AA+; Stable (23-Jun-25) | 1)CARE AA+; Stable (27-Sep-24) | 1)CARE AA+; Stable (28-Sep-23) | 1)CARE AA+; Stable (02-Mar-23) |
| 9 | Debentures-Non-convertible Debentures | LT | 25.00 | CARE AA+; Stable | 1)CARE AA+; Stable (23-Jun-25) | - | - | - |
| 10 | Preference shares - Non-convertible redeemable preference shares | ST | 1,900.35 | CARE A1+ | | | | |

LT: Long term; ST: Short term; LT/ST: Long term/Short term

**Annexure-3: Detailed explanation of covenants of rated instruments/facilities:** Not applicable

**Annexure-4: Complexity level of instruments rated**

| Sr. No. | Name of the Instrument | Complexity Level |
|---|---|---|
| 1 | Commercial Paper-Commercial Paper (Standalone) | Simple |
| 2 | Debentures-Non Convertible Debentures | Simple |
| 3 | Fund-based - LT-Term Loan | Simple |
| 4 | Fund-based - LT/ ST-Packing Credit in Foreign Currency | Simple |
| 5 | Non-fund-based - ST-BG/LC | Simple |
| 6 | Non-fund-based-Short Term | Simple |
| 7 | Preference shares - Non-convertible redeemable preference shares | Simple |

**Annexure-5: Lender details**

| To view lender-wise details of bank facilities please click here |
|---|

**Annexure-6: List of entities consolidated**

| Sr. No. | Name of the entity | Extent of consolidation | Rationale for consolidation |
|---|---|---|---|
| 1 | Sundaram Auto Components Limited, Chennai | Full | Subsidiary |
| 2 | TVS Motor Company (Europe) B.V. Amsterdam | Full | Subsidiary |
| 3 | PT. TVS Motor Company Indonesia, Jakarta | Full | Subsidiary |
| 4 | TVS Motor (Singapore) Pte. Limited, Singapore | Full | Subsidiary |
| 5 | TVS Motor Services Limited, Chennai | Full | Subsidiary |
| 6 | The Norton Motorcycle Co. Limited, London | Full | Subsidiary |
| 7 | TVS Digital Pte Limited, Singapore | Full | Subsidiary |
| 8 | EGO Movement Stuttgart, GmbH | Full | Subsidiary |
| 9 | TVS Electric Mobility Ltd, Chennai | Full | Subsidiary |
| 10 | TVS Ebike Company AG, Switzerland | Full | Subsidiary |
| 11 | Colag E-Mobility GmbH, Germany, Nuremberg | Full | Subsidiary |
| 12 | EBCO Limited, UK | Full | Subsidiary |
| 13 | Celerity Motor GmbH, Germany | Full | Subsidiary |
| 14 | DriveX Mobility Private Limited, Coimbatore | Full | Subsidiary |
| 15 | TVS Motor Company DMCC, Dubai | Full | Subsidiary |
| 16 | Swiss E-mobility Group (österreich) Gmbh, Austria | Full | Subsidiary |
| 17 | Ultraviolette Automotive Private Limited, Bengaluru | Moderate | Associate |
| 18 | Predictronics Corp, USA | Moderate | Associate |
| 19 | Altizon Inc, USA | Moderate | Associate |
| 20 | Kilwatt GmbH, Germany | Moderate | Associate |

**Note on complexity levels of rated instruments:** CareEdge Ratings has classified instruments rated by it based on complexity. Investors/market intermediaries/regulators or others are welcome to write to care@careedge.in for clarifications.

**Contact us**

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## ANNEXURE II- DAY COUNT CONVENTION

**ILLUSTRATION FOR GUIDANCE IN RESPECT OF THE DAY COUNT CONVENTION DEPICTING COMPUTATION OF DAYS REGARDING REDEMPTION**

| **Name of the issuer** | **TVS Motor Company Limited** |
|---|---|
| Face Value per NCRPS (in ₹) | 10 |
| Issue Price per NCRPS (in ₹) | Bonus Issue |
| Day and Date of Allotment (tentative) | September 1, 2025 |
| Date of redemption | September 1, 2026 |
| Tenure and Dividend Rate | 12 months from the Date of Allotment i.e., September 1, 2025; 6 % p.a. |
| Frequency of the dividend payment | At the discretion of the Board of Directors |
| Day Count Convention | Actual/ Actual |

Eligible Shareholders should note that the below examples are solely for illustrative purposes:

| **Cash Flows** | **Due Date** | **Date of Redemption** | **No. of days** | **Amount (in ₹ each NCRPS)** |
|---|---|---|---|---|
| Date of allotment | September 1, 2025 | | 365 | 10 |
| Redemption Value | September 1, 2026 | September 1, 2026 | | 10 |

**Notes**:

1. The payment of dividend shall be in accordance with the provisions of the Companies Act, 2013 and rules made thereunder, as and when declared by the Board, at its discretion.

2. Date of Allotment is 1st September 2025.

3. The Redemption Amount shall be paid at the Redemption Date.

## ANNEXURE III- FINANCIAL INFORMATION

*[Attached separately in appendix below]*

**SUNDARAM & SRINIVASAN**
CHARTERED ACCOUNTANTS
Offices: Chennai - Mumbai - Bangalore - Madurai

23, C.P. Ramaswamy Road
Alwarpet, Chennai – 600 018
Telephone 2498 8762
2498 8463
4210 6952
E-Mail: sundaramandsrinivasan1948@gmail.com
Website: www.sundaramandsrinivasan.com

**Independent Auditor's Review Report on the Quarterly and Year to Date Unaudited Standalone Financial Results of the Company Pursuant to the Regulation 33 and 52 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended**

Review Report to
The Board of Directors
TVS Motor Company Limited

1. We have reviewed the accompanying statement of Unaudited Standalone Financial Results of TVS Motor Company Limited (the "Company") for the quarter ended December 31,2025 and year to date from April 01, 2025 to December 31, 2025 (the "Statement") attached herewith, being submitted by the Company pursuant to the requirements of Regulation 33 and 52 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended (the "Listing Regulations").

2. The Company's Management is responsible for the preparation of the Statement in accordance with the recognition and measurement principles laid down in Indian Accounting Standard 34, (Ind AS 34) "Interim Financial Reporting" prescribed under Section 133 of the Companies Act, 2013 as amended, read with relevant rules issued thereunder and other accounting principles generally accepted in India and in compliance with Regulation 33 and 52 of the Listing Regulations. The Statement has been approved by the Company's Board of Directors. Our responsibility is to express a conclusion on the Statement based on our review.

3. We conducted our review of the Statement in accordance with the Standard on Review Engagements (SRE) 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the Institute of Chartered Accountants of India. This standard requires that we plan and perform the review to obtain moderate assurance as to whether the Statement is free of material misstatement. A review of interim financial information consists of matters and inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Standards on Auditing and consequently does not enable us to obtain

assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

4. Based on our review conducted as above , nothing has come to our attention that causes us to believe that the accompanying Statement, prepared in accordance with the recognition and measurement principles laid down in the aforesaid Indian Accounting Standards ('Ind AS') specified under Section 133 of the Companies Act, 2013 as amended, read with relevant rules issued thereunder and other accounting principles generally accepted in India, has not disclosed the information required to be disclosed in terms of the Listing Regulations, including the manner in which it is to be disclosed, or that it contains any material misstatement.

For Sundaram & Srinivasan
Chartered Accountants
FRN: 004207S





S.Usha
Partner
Membership Number: 211785
UDIN: 26211785MHIXDX1905

Date: 28th January 2026
Place: Chennai

**TVS MOTOR COMPANY LIMITED**

**Regd office: "Chaitanya", No. 12, Khader Nawaz Khan Road, Nungambakkam, Chennai 600 006**
**Website:www.tvsmotor.com Telephone No. (044) 28332115 Email:contactus@tvsmotor.com**
**CIN:L35921TN1992PLC022845**

**STATEMENT OF STANDALONE UNAUDITED FINANCIAL RESULTS FOR THE QUARTER AND NINE MONTHS ENDED 31ST DECEMBER 2025**

**(Rs. in Crores)**

| S. No | Particulars | Quarter ended | | | Nine months ended | | Year ended |
|---|---|---|---|---|---|---|---|
| | | 31.12.2025 | 30.09.2025 | 31.12.2024 | 31.12.2025 | 31.12.2024 | 31.03.2025 |
| | | Unaudited | | | | | Audited |
| 1 | **Sales in Numbers** | **15,44,454** | **15,06,950** | **12,11,952** | **43,28,396** | **35,27,350** | **47,43,636** |
| 2 | Revenue from Operations | 12,476.26 | 11,905.43 | 9,097.05 | 34,462.69 | 26,700.88 | 36,251.32 |
| 3 | Other income | (28.01) | (21.33) | (22.69) | (15.05) | 43.51 | 58.01 |
| | **Total Income** | **12,448.25** | **11,884.10** | **9,074.36** | **34,447.64** | **26,744.39** | **36,309.33** |
| 4 | **Expenses** | | | | | | |
| | a) Cost of materials consumed | 8,291.15 | 8,626.66 | 6,343.04 | 23,860.52 | 18,751.36 | 25,542.35 |
| | b) Purchase of stock-in-trade | 113.10 | 120.74 | 110.71 | 352.81 | 308.60 | 406.73 |
| | c) Changes in inventories of finished goods, work-in-process and stock-in-trade | 478.51 | (287.01) | 57.46 | 305.26 | 33.45 | (188.43) |
| | d) Employee benefits expense | 618.93 | 604.69 | 498.81 | 1,804.38 | 1,474.32 | 1,970.26 |
| | e) Finance cost | 57.91 | 46.57 | 33.75 | 144.78 | 102.88 | 138.66 |
| | f) Depreciation and amortisation expense | 233.52 | 214.42 | 188.33 | 651.88 | 545.23 | 744.60 |
| | g) Other expenses | 1,340.48 | 1,331.73 | 1,005.58 | 3,733.99 | 3,011.74 | 4,066.37 |
| | **Total Expenses** | **11,133.60** | **10,657.80** | **8,237.68** | **30,853.62** | **24,227.58** | **32,680.54** |
| 5 | **Profit / (Loss) before Exceptional items (2+3-4)** | **1,314.65** | **1,226.30** | **836.68** | **3,594.02** | **2,516.81** | **3,628.79** |
| 6 | Exceptional Items - (Gain) / Loss | 41.37 | - | - | 41.37 | - | - |
| 7 | **Profit / (Loss) before tax (5-6)** | **1,273.28** | **1,226.30** | **836.68** | **3,552.65** | **2,516.81** | **3,628.79** |
| 8 | Tax expense / (Credit) | | | | | | |
| | a) Current tax | 318.92 | 307.03 | 194.46 | 886.03 | 632.47 | 867.67 |
| | b) Deferred tax | 13.99 | 13.18 | 23.74 | 41.57 | 25.92 | 50.58 |
| | Total tax expense / (Credit) | 332.91 | 320.21 | 218.20 | 927.60 | 658.39 | 918.25 |
| 9 | **Profit / (Loss) after tax for the period (7-8)** | **940.37** | **906.09** | **618.48** | **2,625.05** | **1,858.42** | **2,710.54** |
| 10 | Other Comprehensive Income /(Loss) (net of tax) | | | | | | |
| | a) Items that will not be reclassified to profit or loss | 151.79 | 13.24 | 3.76 | 138.86 | (7.81) | 24.96 |
| | b) Items that will be reclassified to profit or loss | 7.02 | (4.80) | (2.50) | (1.84) | (0.01) | 7.66 |
| | Total Other Comprehensive Income / (Loss) (net of tax) | 158.81 | 8.44 | 1.26 | 137.02 | (7.82) | 32.62 |
| 11 | **Total Comprehensive Income / (Loss) for the period (9+10)** | **1,099.18** | **914.53** | **619.74** | **2,762.07** | **1,850.60** | **2,743.16** |
| 12 | Paid up equity share capital (Face value of Re.1/- each) | 47.51 | 47.51 | 47.51 | 47.51 | 47.51 | 47.51 |
| 13 | Reserve excluding Revaluation Reserves | | | | | | 9,889.14 |
| 14 | **Earnings Per Share (Face value of Re. 1/- each) (not annualised)** | | | | | | |
| | (i) Basic (in Rs.) | 19.79 | 19.07 | 13.02 | 55.25 | 39.12 | 57.05 |
| | (ii) Diluted (in Rs.) | 19.79 | 19.07 | 13.02 | 55.25 | 39.12 | 57.05 |

**Notes:**

1 During the quarter, the Company has recognised a fair valuation gain of Rs 162.04 Crores on its investment held in Roppen Transportation Services Private Limited ("Rapido") under Other Comprehensive income. Other income includes Rs.32.05 Crores being loss on fair valuation of an investment held by the Company.

2 During the quarter, the Company has made Rs.911.60 Crores of investments in its subsidiaries.

3 The Environment Protection (End-of-Life Vehicles) Rules, 2025 ("ELV Rules") notified effective 01st April 2025, impose Extended Producer Responsibility (EPR) on vehicle manufacturers for scrapping old vehicles. The pricing mechanism for EPR certificates is yet to be notified and thus the cost of meeting the obligations under EPR cannot be reliably estimated as at 31st December 2025.

4 The New Labour Codes became effective 21st November 2025, resulting in a past period employee benefit liability of Rs. 41.37 Crores and has been reported as Exceptional Items. The Government is in the process of notifying related rules to the New Labour Codes and impact, if any, will be evaluated and accounted for in accordance with applicable accounting standards in the period in which they are notified.

5 The above financial results were reviewed and recommended by the Audit Committee and approved by the Board of Directors at their respective meetings held on 28th January 2026. The results have been subjected to limited review by Statutory Auditors of the Company.

6 Figures for the previous periods have been regrouped, wherever necessary, to conform to the current period's classification.

TVS MOTOR COMPANY LIMITED

**For TVS Motor Company Limited**

**Sudarshan Venu**
**Chairman**

**Place: Singapore**
**Date : 28-01-2026**

SUNDARAM & SRINIVASAN CHARTERED ACCOUNTANTS FRN : 004207S

**TVS Motor Company Limited**
**Regd office: "Chaitanya", No. 12, Khader Nawaz Khan Road, Nungambakkam, Chennai 600 006**
**Website:www.tvsmotor.com Telephone No. (044) 28332115 Email:contactus@tvsmotor.com**
**CIN:L35921TN1992PLC022845**

**Additional disclosures as per Regulations 52(4) of SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015**

**1. Pursuant to Non-Convertible Debentures (NCD) of TVS MOTOR COMPANY LIMITED being listed, below are the details on a Standalone basis as per Listing Regulations:**

| Particulars | Quarter ended | | | Nine months ended | | Year ended |
|---|---|---|---|---|---|---|
| | Unaudited | | | | | Audited |
| | 31.12.2025 | 30.09.2025 | 31.12.2024 | 31.12.2025 | 31.12.2024 | 31.03.2025 |
| **Net Debt to Equity (Times) (Debt includes NCRPS)** [ (Total borrowings - Cash and Cash equivalents) / Equity ] | 0.28 | 0.25 | 0.12 | 0.28 | 0.12 | 0.15 |
| **Debt service coverage ratio (Times)** [ Earnings before Interest, Tax and Exceptional Items / (Interest Expense + Principal repayments of long term loan made during the period excluding prepayment) ] | 5.24 | 5.86 | 5.49 | 5.29 | 5.67 | 5.36 |
| **Interest service coverage ratio (Times)** [ Earnings before Interest, Tax and Exceptional Items / Interest Expense ] | 26.79 | 32.01 | 30.43 | 29.94 | 28.46 | 30.65 |
| **Outstanding Non Convertible Redeemable Preference Shares (NCRPS) - Rs. In Crores (1,90,03,48,456 NCRPS of Rs. 10/- each)** | 1900.40 | 1,900.40 | - | 1900.40 | - | - |
| **Capital Redemption Reserve** | NOT APPLICABLE | | | | | |
| **Debenture Redemption Reserve** | NOT APPLICABLE | | | | | |
| **Net Worth - Rs. In Crores** Networth as per Section 2(57) of the Companies Act, 2013. | 10,684.04 | 9,733.30 | 9,576.12 | 10,684.04 | 9,576.12 | 9,966.18 |
| **Net profit after tax - Rs. In Crores** | 940.37 | 906.09 | 618.48 | 2,625.05 | 1,858.42 | 2,710.54 |
| **Earnings per share - Rs. Per share (Basic & Diluted - Not annualised)** | 19.79 | 19.07 | 13.02 | 55.25 | 39.12 | 57.05 |
| **Current ratio (Times)** [Current Assets / Current Liabilities ] | 0.51 | 0.54 | 0.60 | 0.51 | 0.60 | 0.60 |
| **Long term debt to working capital (Times)** [Non Current borrowing including current maturity /(Current Asset - Current Liabilities excluding current maturity of Long term borrowing)] | - | - | - | - | - | - |
| **Bad debts to Accounts receivable ratio (Times)** [ Bad debts written off / Accounts Receivables ] | - | - | - | - | - | - |
| **Current liability ratio (Times)** [Current Liability / Total Liability] | 0.90 | 0.89 | 0.87 | 0.90 | 0.87 | 0.84 |
| **Total debts to Total assets ratio (Times)** [ (Non current borrowing including current maturity + Current borrowing) / Total Assets ] | 0.13 | 0.14 | 0.07 | 0.13 | 0.07 | 0.09 |
| **Debtors Turnover (Times)** [ Annualised Turnover / Average Debtors ] | 27.33 | 29.17 | 24.70 | 27.33 | 24.70 | 28.08 |
| **Inventory Turnover (Times)** [ Annualised Cost of goods sold / Average Inventory ] | 20.90 | 17.45 | 17.48 | 20.90 | 17.48 | 16.64 |
| **Operating Margin (%)** [Operating EBITDA / Turnover] | 13.1 | 12.7 | 11.9 | 12.8 | 11.7 | 12.3 |
| **Net Profit Margin in %** [Net profit after tax / Turnover] | 7.5 | 7.6 | 6.8 | 7.6 | 7.0 | 7.5 |

**2. Pursuant to Commercial papers of TVS MOTOR COMPANY LIMITED being listed, below are the details on a standalone basis as per Listing Regulations:**

| | |
|---|---|
| **i. Credit rating issued by CARE for Commercial paper (CP) / NCRPS** | **A1+** |
| **ii. Previous due dates for payment of interest / principal of CP repayment** | **NOT APPLICABLE** |
| **iii. Details of Commercial Papers issued during the quarter** | **NOT APPLICABLE** |
| **iv. Next due date for payment of interest / principal of Commercial Paper repayment** | **NOT APPLICABLE** |

**3. The Company has maintained asset cover sufficient to discharge the principal amount at all times for the non-convertible debt securities issued.**

Note: Figures for the previous periods have been regrouped, wherever necessary, to conform to the current period's classification.

**Place: Singapore**
**Date : 28-01-2026**

TVS MOTOR COMPANY LIMITED

SUNDARAM & SRINIVASAN CHARTERED ACCOUNTANTS

**For TVS Motor Company Limited**

**Sudarshan Venu**
**Chairman**

**SUNDARAM & SRINIVASAN**
CHARTERED ACCOUNTANTS
Offices: Chennai - Mumbai - Bangalore - Madurai

23, C.P. Ramaswamy Road
Alwarpet, Chennai – 600 018
Telephone 2498 8762
2498 8463
4210 6952
E-Mail: sundaramandsrinivasan1948@gmail.com
Website: www.sundaramandsrinivasan.com

**Independent Auditor's Review Report on the Quarterly and Year-to-date Unaudited Consolidated Financial Results of the Company Pursuant to the Regulation 33 and 52 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended**

Review Report to
The Board of Directors
TVS Motor Company Limited

1. We have reviewed the accompanying Statement of unaudited Consolidated Financial Results of TVS Motor Company Limited (the "Holding Company") and its subsidiaries (the Holding Company and its subsidiaries together referred to as "the Group"), and its associate for the quarter and nine months ended December 31, 2025 (the "Statement") attached herewith, being submitted by the Holding Company pursuant to the requirements of Regulation 33 and 52 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended (the "Listing Regulations").

2. The Holding Company's Management is responsible for the preparation of the Statement in accordance with the recognition and measurement principles laid down in Indian Accounting Standard 34, (Ind AS 34) "Interim Financial Reporting" prescribed under Section 133 of the Companies Act, 2013 as amended, read with relevant rules issued thereunder and other accounting principles generally accepted in India and in compliance with Regulation 33 and 52 of the Listing Regulations. The Statement has been approved by the Holding Company's Board of Directors. Our responsibility is to express a conclusion on the Statement based on our review.

3. We conducted our review of the Statement in accordance with the Standard on Review Engagements (SRE) 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity", issued by the Institute of Chartered Accountants of India. A review of interim financial information consists of making inquiries, primarily of parent's persons responsible for financial and accounting matters and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

We have also performed procedures in accordance with the circular issued by the SEBI under Regulation 33 (8) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, to the extent applicable

4. Based on our review conducted and procedures performed as stated in paragraph 3 above and based on the consideration of the review reports of other auditors referred to in paragraph 6 and 7 below, nothing has come to our attention that causes us to believe that the accompanying Statement, prepared in accordance with the recognition and measurement principles laid down in the aforesaid Indian Accounting Standard and other accounting principles generally accepted in India, has not disclosed the information required to be disclosed in terms of Regulation 33 and 52 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, including the manner in which it is to be disclosed, or that it contains any material misstatement.

5. The Statement includes the results of the following entities:

**List of Subsidiaries of TVS Motor Company Limited**
Sundaram Auto Components Limited, Chennai
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 (with effect from 27-06-2024)
DriveX Mobility Private Limited, Coimbatore (subsidiary with effect from 23-12-2024)
TVS Digital Limited, Chennai (Ceased to be subsidiary from 16-09-2024)

**Subsidiaries of TVS Credit Services Limited**
Harita ARC Private Limited, Chennai
Harita Two-Wheeler Mall Private Limited, Chennai
TVS Housing Finance Private Limited, Chennai

**Subsidiaries of TVS Motor (Singapore) Pte. Limited.**
The Norton Motorcycle Co. Ltd.
TVS Digital Pte Ltd, Singapore

The GO Corporation, Zurich ("Go AG") (Merged with TVS EBike Company AG w.e.f 30th June 2025)
TVS EBike Company AG (Formerly Known as Swiss E-Mobility Group (Holding) AG)
TVS Ebike Company Limited, UK (Formerly Known as EBCO Limited, UK)
TVS Motor GmbH, Germany (Formerly Known as Celerity Motor GmbH)
Engines Engineering S.P.A (w.e.f 03rd October 2025)

**Subsidiary company of TVS EBike Company AG (Formerly known as Swiss E-Mobility Group (Holding) AG, Switzerland)**
Swiss E-Mobility Group (Schweiz) AG Switzerland, Zurich and Alexand'Ro Edouard'O Passion Velo Sari, Switzerland (Merged with TVS EBike Company AG w.e.f 30th June 2025)
TVS EBike Company GmbH, Germany (Formerly known as Colag E-Mobility GmBH)
Swiss E-mobility group (osterreich) Gmbh, Austria
EGO Movement Stuttgart GmbH, Germany

**Subsidiary Company of The Norton Motorcycles Co. Ltd.**
Norton Motorcycle Private Limited, India
Norton USA LLC, USA (Subsidiary with effect from 6th November 2025)

**Associates of TVS Motor Company Limited**
Ultraviolette Automotive Private Limited
DriveX Mobility Private Limited, Coimbatore (ceased to be an associate with effect from 23-12-2024)
Indian Foundation for Quality Management, Bengaluru (ceased to be an associate with effect from 11-03-2025)

**Associates of TVS Motor (Singapore) Pte. Ltd.**
Killwatt GmbH,
ION Mobility Pte Limited (ceased to be an associate with effect from 31-03-2025)

**Associates of TVS Digital Pte. Ltd.**
Predictronics Corp.
Tag box Pte Ltd, Singapore (ceased to be associate from 27-06-2024)
Altizon Inc.
Scienaptic Systems Inc., USA (ceased to be associate from 27-12-2024)

6. We did not review the interim financial information of 5 subsidiaries included in the consolidated unaudited financial results, whose interim financial information reflect total revenues of Rs. 1,870.44 Crores and Rs 5,352.80 Crores for the quarter and nine months ended 31st December 2025 respectively, total profit after tax of Rs. 270.23 Crores and Rs. 650.64 Crores and total comprehensive income of Rs. 271.32 Crores and Rs. 646.18 Crores, for the quarter and nine months ended 31st December 2025. These financial information have been reviewed by other auditor's whose report has been furnished to us by the Management and our conclusion on the Statement, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries, is based solely on the report of the other auditors and the procedures performed by us as stated in paragraph 3 above.

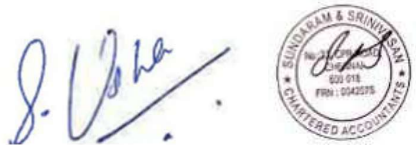
7. The consolidated unaudited financial results include the interim financial information of 18 subsidiaries which have not been reviewed by their auditors and are based solely on management certified accounts, whose financial information reflect total revenue of Rs. 669.66 Crores and Rs. 2,032.58 Crores for the quarter and nine months ended 31st December 2025 respectively, total net loss after tax of Rs. 304.92 Crores and Rs. 849.47 Crores and total comprehensive loss of Rs. 253.89 Crores and Rs. 674.65 Crores for the quarter and nine months ended 31st December 2025 respectively, as considered in the consolidated unaudited interim financial results. The consolidated unaudited interim financial results also include the Group's share of net loss after tax of Rs. 2.81 Crores and Rs. 25.99 Crores and total comprehensive loss of Rs. 2.81 Crores and Rs. 25.91 Crores for the quarter and nine months ended 31st December 2025 respectively, as considered in the consolidated unaudited interim financial results, in respect of 4 associates based on their interim financial information which have not been reviewed by their auditors and are based solely on management certified accounts. The financial information of subsidiaries and associates located outside India have been prepared in accordance with accounting principles generally accepted in their respective countries. The Holding Company's Management has converted these financial information from accounting principles generally accepted in their respective countries, to Indian Accounting Standards (Ind AS) prescribed under Section 133 of the Companies Act, 2013 and other accounting principles generally

accepted in India. We have reviewed these conversion adjustments made by the Parent Company's Management.

Our conclusion, in so far as it relates to such subsidiaries and associates located outside India, is based on the aforesaid conversion adjustments prepared by the Parent Company's Management and reviewed by us, and our conclusion is based solely on the management certified accounts furnished to us by the Management.

Our conclusion on the Statement is not modified in respect of the above matter.

For Sundaram & Srinivasan
Chartered Accountants
FRN: 004207S



S.Usha
Partner
Membership Number: 211785
UDIN: 26211785YGEXNH6577

Date: 28th January 2026
Place: Chennai

## TVS MOTOR COMPANY LIMITED

Regd office: "Chaitanya", No. 12, Khader Nawaz Khan Road, Nungambakkam, Chennai 600 006
Website:www.tvsmotor.com Telephone No. (044) 28332115 Email:contactus@tvsmotor.com
CIN:L35921TN1992PLC022845

### STATEMENT OF CONSOLIDATED UNAUDITED FINANCIAL RESULTS FOR THE QUARTER AND NINE MONTHS ENDED 31ST DECEMBER 2025

(Rs. in Crores)

| S. No | Particulars | Quarter ended | | | Nine months ended | | Year ended |
|---|---|---|---|---|---|---|---|
| | | 31.12.2025 | 30.09.2025 | 31.12.2024 | 31.12.2025 | 31.12.2024 | 31.03.2025 |
| | | Unaudited | | | | | Audited |
| 1 | **Income** | | | | | | |
| | Revenue from Operations | 14,755.52 | 14,051.22 | 11,034.88 | 41,016.79 | 32,546.54 | 44,089.01 |
| | Other income | (10.30) | (14.00) | 65.11 | 15.36 | 138.19 | 69.56 |
| | **Total Income** | **14,745.22** | **14,037.22** | **11,099.99** | **41,032.15** | **32,684.73** | **44,158.57** |
| 2 | **Expenses** | | | | | | |
| | a) Cost of materials consumed | 8,403.73 | 8,705.78 | 6,419.80 | 24,171.79 | 19,034.97 | 25,968.44 |
| | b) Purchase of stock-in-trade | 258.09 | 226.69 | 117.82 | 809.58 | 490.90 | 834.62 |
| | c) Changes in inventories of finished goods, work-in-process and stock-in-trade | 469.67 | (205.79) | 139.13 | 372.96 | 225.71 | (79.22) |
| | d) Employee benefits expense | 1,102.86 | 1,085.20 | 886.95 | 3,240.52 | 2,722.78 | 3,580.88 |
| | e) Finance cost | 561.05 | 552.39 | 536.09 | 1,664.00 | 1,542.46 | 2,093.25 |
| | f) Depreciation and amortisation expense | 322.85 | 320.42 | 258.43 | 958.10 | 753.75 | 1,045.56 |
| | g) Other expenses | 2,250.95 | 2,116.98 | 1,817.01 | 6,215.52 | 5,343.63 | 7,135.57 |
| | **Total Expenses** | **13,369.20** | **12,801.67** | **10,175.23** | **37,432.47** | **30,114.20** | **40,579.10** |
| 3 | **Profit / (Loss) before Share of Profit /(Loss) of Associates and Exceptional items (1-2)** | **1,376.02** | **1,235.55** | **924.76** | **3,599.68** | **2,570.53** | **3,579.47** |
| 4 | Share of profit/(loss) of Associates | (2.81) | (12.26) | (21.20) | (25.99) | (58.06) | (74.12) |
| 5 | **Profit / (Loss) before Exceptional items (3+4)** | **1,373.21** | **1,223.29** | **903.56** | **3,573.69** | **2,512.47** | **3,505.35** |
| 6 | Exceptional Items - (Gain) / Loss | 50.08 | - | - | 50.08 | - | - |
| 7 | **Profit / (Loss) before tax from continuing operations (5-6)** | **1,323.13** | **1,223.29** | **903.56** | **3,523.61** | **2,512.47** | **3,505.35** |
| 8 | **Tax expense / (Credit)** | | | | | | |
| | a) Current tax | 439.14 | 395.09 | 263.21 | 1,167.38 | 872.08 | 1,190.17 |
| | b) Deferred tax | (7.27) | (4.56) | 35.50 | (10.65) | (22.81) | (34.72) |
| | **Total tax expense / (Credit)** | 431.87 | 390.53 | 298.71 | 1,156.73 | 849.27 | 1,155.45 |
| 9 | **Profit / (Loss) after tax from continuing operations (7-8)** | **891.26** | **832.76** | **604.85** | **2,366.88** | **1,663.20** | **2,349.90** |
| 10 | **Profit / (Loss) before tax from discontinued operations** | - | - | **2.36** | - | **19.50** | **22.49** |
| 11 | Tax expenses / (Credit) of discontinued operations | | | | | | |
| | a) Current tax | - | - | (1.24) | - | 2.46 | 2.63 |
| | b) Deferred tax | - | - | (0.90) | - | (2.06) | (10.05) |
| | Total tax expense / (Credit) from discontinued operations | - | - | (2.14) | - | 0.40 | (7.42) |
| 12 | **Profit / (Loss) after tax from discontinued operations (10+11)** | - | - | **4.50** | - | **19.10** | **29.91** |
| 13 | **Profit / (Loss) for the period (9+12)** | **891.26** | **832.76** | **609.35** | **2,366.88** | **1,682.30** | **2,379.81** |
| 14 | Other Comprehensive Income / (Loss), net of tax | | | | | | |
| | a) Items that will not be reclassified to profit or loss | 153.48 | 9.66 | 2.17 | 134.98 | (14.76) | 17.14 |
| | b) Items that will be reclassified to profit or loss | 57.39 | 69.02 | (38.50) | 172.48 | 26.48 | 30.08 |
| | **Total Other Comprehensive Income / (Loss), net of tax** | 210.87 | 78.68 | (36.33) | 307.46 | 11.72 | 47.22 |
| 15 | **Total Comprehensive Income / (Loss) for the period (13+14)** | **1,102.13** | **911.44** | **573.02** | **2,674.34** | **1,694.02** | **2,427.03** |
| 16 | **Net Profit / (Loss) attributable to** | | | | | | |
| | **a) Owners of the Company** | **841.29** | **795.48** | **566.03** | **2,246.81** | **1,587.40** | **2,235.56** |
| | b) Non controlling interest | 49.97 | 37.28 | 43.32 | 120.07 | 94.90 | 144.25 |
| 17 | **Other Comprehensive income / (Loss) attributable to** | | | | | | |
| | **a) Owners of the Company** | **210.66** | **78.87** | **(37.39)** | **308.30** | **13.36** | **50.07** |
| | b) Non controlling interest | 0.21 | (0.19) | 1.06 | (0.84) | (1.64) | (2.85) |
| 18 | **Total Comprehensive income / (Loss) attributable to** | | | | | | |
| | **a) Owners of the Company** | **1,051.95** | **874.35** | **528.64** | **2,555.11** | **1,600.76** | **2,285.63** |
| | b) Non controlling interest | 50.18 | 37.09 | 44.38 | 119.23 | 93.26 | 141.40 |
| 19 | Paid up equity share capital (Face value of Re.1/- each) | 47.51 | 47.51 | 47.51 | 47.51 | 47.51 | 47.51 |
| 20 | Reserve excluding Revaluation Reserves | | | | | | 8,455.87 |
| 21 | **Earnings Per Share (Face value of Re. 1/- each) (not annualised)** | | | | | | |
| | **From continuing operations** | | | | | | |
| | Basic (in Rs.) & Diluted (in Rs.) | 17.71 | 16.74 | 11.82 | 47.29 | 33.01 | 46.42 |
| | **From discontinued operations** | | | | | | |
| | Basic (in Rs.) & Diluted (in Rs.) | - | - | 0.09 | - | 0.40 | 0.63 |
| | **From continuing and discontinued operations** | | | | | | |
| | Basic (in Rs.) & Diluted (in Rs.) | 17.71 | 16.74 | 11.91 | 47.29 | 33.41 | 47.05 |

**Notes:**

1 During the quarter, the Company has recognised a fair valuation gain of Rs 162.04 Crores on its investment held in Roppen Transportation Services Private Limited ("Rapido") under Other Comprehensive income. Other income includes Rs.32.05 Crores being loss on fair valuation of an investment held by the Group.

2 The New Labour Codes became effective 21st November 2025, resulting in a past period employee benefit liability of Rs. 50.08 Crores and has been reported as Exceptional Items. The Government is in the process of notifying related rules to the New Labour Codes and impact, if any, will be evaluated and accounted for in accordance with applicable accounting standards in the period in which they are notified.

3 The above financial results were reviewed and recommended by the Audit Committee and approved by the Board of Directors at their respective meetings held on 28th January 2026. The results have been subjected to limited review by Statutory Auditors of the Company.

4 Figures for the previous periods have been regrouped, wherever necessary, to conform to the current period's classification.

5 The above consolidated financial results comprise the results of TVS Motor Company Limited, its Subsidiary & Associate companies.

TVS MOTOR COMPANY LIMITED

SUNDARAM & SRINIVASAN CHARTERED ACCOUNTANTS

**For TVS Motor Company Limited**

**Sudarshan Venu**
**Chairman**

**Place: Singapore**
**Date : 28-01-2026**

**TVS Motor Company Limited**
**Regd office: "Chaitanya", No. 12, Khader Nawaz Khan Road, Nungambakkam, Chennai 600 006**
**Website:www.tvsmotor.com Telephone No. (044) 28332115 Email:contactus@tvsmotor.com**
**CIN:L35921TN1992PLC022845**

**CONSOLIDATED SEGMENT INFORMATION FOR THE QUARTER AND NINE MONTHS ENDED 31ST DECEMBER 2025**

**(Rs. in Crores)**

| S. No. | Particulars | Quarter Ended /As at | | | Nine Months ended / As at | | Year ended / As at |
|---|---|---|---|---|---|---|---|
| | | 31.12.2025 | 30.09.2025 | 31.12.2024 | 31.12.2025 | 31.12.2024 | 31.03.2025 |
| | | Unaudited | | | | | Audited |
| 1 | **Segment Revenue and Other income** | | | | | | |
| | a) Automotive Vehicles & Parts | 12,879.78 | 12,255.91 | 9,379.00 | 35,689.49 | 27,713.81 | 37,521.53 |
| | b) Financial services | 1,872.09 | 1,786.08 | 1,720.99 | 5,354.62 | 4,972.83 | 6,639.50 |
| | TOTAL | 14,751.87 | 14,041.99 | 11,099.99 | 41,044.11 | 32,686.64 | 44,161.03 |
| | Less: Inter-Segment Adjustment | 6.65 | 4.77 | - | 11.96 | 1.91 | 2.46 |
| | **Revenue and Other income** | **14,745.22** | **14,037.22** | **11,099.99** | **41,032.15** | **32,684.73** | **44,158.57** |
| 2 | **Segment Results** | | | | | | |
| | **Profit / (Loss) before Exceptional items, tax and interest from continuing operations** | | | | | | |
| | a) Automotive Vehicles & Parts | 1,068.09 | 1,028.80 | 654.10 | 2,908.41 | 1,997.64 | 2,769.39 |
| | b) Financial services | 379.84 | 277.62 | 328.66 | 899.73 | 736.25 | 1,040.01 |
| | TOTAL | 1,447.93 | 1,306.42 | 982.76 | 3,808.14 | 2,733.89 | 3,809.40 |
| | Less: i) Finance cost | 71.91 | 70.87 | 58.00 | 208.46 | 163.36 | 229.93 |
| | ii) Exceptional items | 50.08 | - | - | 50.08 | - | - |
| | iii) Other unallocable expenditure net of unallocable income | - | - | - | - | - | - |
| | Share of profit/(loss) of Associates | (2.81) | (12.26) | (21.20) | (25.99) | (58.06) | (74.12) |
| | **Profit / (Loss) before tax from continuing operations** | **1,323.13** | **1,223.29** | **903.56** | **3,523.61** | **2,512.47** | **3,505.35** |
| | Profit / (Loss) before tax from discontinued operations | - | - | 2.36 | - | 19.50 | 22.49 |
| 3 | **Segment Assets** | | | | | | |
| | a) Automotive Vehicles & Parts | 18,871.68 | 18,753.04 | 15,040.14 | 18,871.68 | 15,040.14 | 16,495.46 |
| | B) Financial services | 34,449.72 | 33,173.76 | 31,590.15 | 34,449.72 | 31,590.15 | 31,441.45 |
| | **Segment Assets** | **53,321.40** | **51,926.80** | **46,630.29** | **53,321.40** | **46,630.29** | **47,936.91** |
| 4 | **Segment Liabilities** | | | | | | |
| | a) Automotive Vehicles & Parts | 14,791.04 | 15,329.76 | 10,965.51 | 14,791.04 | 10,965.51 | 12,362.01 |
| | B) Financial services | 28,270.70 | 27,469.42 | 26,496.11 | 28,270.70 | 26,496.11 | 26,132.63 |
| | **Segment Liabilities** | **43,061.74** | **42,799.18** | **37,461.62** | **43,061.74** | **37,461.62** | **38,494.64** |

**Notes:**

1 On a standalone basis, the Company operates in (a) Automotive Undertaking – comprising Automotive Vehicles, Parts and related Investments and (b) Financial Undertaking – comprising Financial Services and related Investments. On a consolidated basis, pursuant to the discontinued operation of the Automative Component business, the Company reports its operations under the two verticals in the above segment reporting. Results relating to discontinued operations are shown separately in the P&L.

2 Figures for the previous periods have been regrouped, wherever necessary, to conform to the current period's classification.

**For TVS Motor Company Limited**

**Sudarshan Venu**
**Chairman**

**Place: Singapore**
**Date : 28-01-2026**

**TVS Motor Company Limited**
**Regd office: "Chaitanya", No. 12, Khader Nawaz Khan Road, Nungambakkam, Chennai 600 006**
**Website:www.tvsmotor.com Telephone No. (044) 28332115 Email:contactus@tvsmotor.com**
**CIN:L35921TN1992PLC022845**

**Additional disclosures as per Regulations 52(4) of SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015**

**1. Pursuant to Non-Convertible Debentures (NCD) of TVS MOTOR COMPANY LIMITED being listed, below are the details on a Consolidated basis as per Listing Regulations:**

| Particulars | Quarter ended | | | Nine months ended | | Year ended |
|---|---|---|---|---|---|---|
| | Unaudited | | | | | Audited |
| | 31.12.2025 | 30.09.2025 | 31.12.2024 | 31.12.2025 | 31.12.2024 | 31.03.2025 |
| **Net Debt to Equity (Times) (Debt includes NCRPS)** [ (Total borrowings - Cash and Cash equivalents) / Equity ] | 2.99 | 3.18 | 2.82 | 2.99 | 2.82 | 2.76 |
| **Debt service coverage ratio (Times) (Excluding NBFC Subsidiary)** [ Earnings before Interest, Tax and Exceptional Items / (Interest Expense + Principal repayments of long term loan made during the period excluding prepayment) ] | 3.61 | 3.91 | 3.22 | 3.63 | 3.65 | 2.92 |
| **Interest service coverage ratio (Times) (Excluding NBFC Subsidiary)** [ Earnings before Interest, Tax and Exceptional Items / Interest Expense ] | 16.93 | 19.21 | 12.88 | 17.76 | 13.52 | 14.57 |
| **Outstanding Non Convertible Redeemable Preference Shares (NCRPS) - Rs. In Crores (1,90,03,48,456 NCRPS of Rs. 10/- each)** | 1900.40 | 1900.40 | - | 1900.40 | - | - |
| **Capital Redemption Reserve** | NOT APPLICABLE | | | | | |
| **Debenture Redemption Reserve** | NOT APPLICABLE | | | | | |
| **Net Worth - Rs. In Crores** Networth as per Section 2(57) of the Companies Act, 2013. | 8,783.71 | 7,952.49 | 8,299.15 | 8,783.71 | 8,299.15 | 8,481.39 |
| **Net profit after tax - Rs. In Crores** | 891.26 | 832.76 | 609.35 | 2,366.88 | 1,682.30 | 2,379.81 |
| **Earnings per share - Rs. Per share (Basic & Diluted - Not annualised)** | 17.71 | 16.74 | 11.91 | 47.29 | 33.41 | 47.05 |
| **Current ratio (Times)** [Current Assets / Current Liabilities ] | 1.02 | 1.08 | 1.03 | 1.02 | 1.03 | 1.12 |
| **Long term debt to working capital (Times)** [Non Current borrowing including current maturity /(Current Asset - Current Liabilities excluding current maturity of Long term borrowing)] | 2.16 | 2.08 | 1.99 | 2.16 | 1.99 | 1.81 |
| **Bad debts to Accounts receivable ratio (Times)** [ Bad debts written off / Accounts Receivables ] | - | - | - | - | - | - |
| **Current liability ratio (Times)** (Current Liability / Total Liability) | 0.66 | 0.62 | 0.66 | 0.66 | 0.66 | 0.60 |
| **Total debts to Total assets ratio (Times)** [ (Non current borrowing including current maturity + Current borrowing) / Total Assets ] | 0.58 | 0.59 | 0.59 | 0.58 | 0.59 | 0.58 |
| **Debtors Turnover (Times)** [ Annualised Turnover / Average Debtors ] | 26.24 | 26.98 | 22.39 | 26.24 | 22.39 | 24.80 |
| **Inventory Turnover (Times)** [ Annualised Cost of goods sold / Average Inventory ] | 14.74 | 13.08 | 11.87 | 14.74 | 11.87 | 11.46 |
| **Operating Margin (%)** [Operating EBITDA / Turnover] | 12.1 | 11.7 | 10.7 | 11.6 | 10.3 | 10.8 |
| **Net Profit Margin (%)** [Net profit after tax / Turnover] | 6.0 | 5.9 | 5.5 | 5.8 | 5.1 | 5.4 |

Note: Figures for the previous periods have been regrouped, wherever necessary, to conform to the current period's classification.

SUNDARAM & SRINIVASAN CHARTERED ACCOUNTANTS FRN : 004207S

TVS MOTOR COMPANY LIMITED

**For TVS Motor Company Limited**

**Sudarshan Venu**
**Chairman**

**Place: Singapore**
**Date : 28-01-2026**

TVS Motor Company Limited
Regd office: "Chaitanya", No. 12, Khader Nawaz Khan Road, Nungambakkam, Chennai 600 006
Website:www.tvsmotor.com Telephone No. (044) 28332115 Email:contactus@tvsmotor.com
CIN:L35921TN1992PLC022845

**Annexure 1 : Security Cover Certificate As Per Regulation 54(3) of the Securities and Exchange Board Of India ( Listing Obligations and Disclosure Requirements) Regulation,2015 as on December 31,2025** (Rs. In crores)

| Column A | Column B | Column C | Column D | Column E | Column F | Column G | Column H | Column I | Column J | Column K | Column L | Column M | Column N | Column O |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | Exclusive Charge | Exclusive Charge | Pari- Passu Charge | Pari- Passu Charge | Pari- Passu Charge | Assets not offered as Security | Elimination (amount in negative ) | (Total C to H) | Related to only those items covered by this certificate | | | | |
| Particulars | Description of asset for which this certificate relate | Debt for which this certificate being issued | Other Secured Debt | Debt for which this certificate being issued | Assets shared by pari passu debt holder (includes debt for which this certificate is issued & other debt with pari-passu charge) | Other assets on which there is pari-Passu charge (excluding items covered in column F) | | Debt amount considered more than once (due to exclusive plus pari passu charge) | | Market Value for Assets charged on Exclusive basis | Carrying /book value for exclusive charge assets where market value is not ascertainable or applicable (For Eg. Bank Balance, DSRA market value is not applicable) | Market value for pari passu charge assets | Carrying value/book value for pari passu charge assets where market value is not ascertainable or applicable | Total Value(=K+L+ M+ N) |
| | | Book Value | Book Value | Yes/No | Book Value | Book Value | | | | | | Relating to Column F | | |
| **ASSETS** | | | | | | | | | | | | | | |
| Property,Plant and Equipment | | NIL | | | | | | | | | | | | |
| Capital Work-in- Progress | | | | | | | | | | | | | | |
| Right of Use Assets | | | | | | | | | | | | | | |
| Goodwill | | | | | | | | | | | | | | |
| Intangible Assets | | | | | | | | | | | | | | |
| Intangible Assets under Development | | | | | | | | | | | | | | |
| Investments | | | | | | | | | | | | | | |
| Loans | | | | | | | | | | | | | | |
| Inventories | | | | | | | | | | | | | | |
| Trade Receivables | | | | | | | | | | | | | | |
| Cash and Cash Equivalents | | | | | | | | | | | | | | |
| Bank Balances other than Cash and Cash Equivalents | | | | | | | | | | | | | | |
| Others | | | | | | | | | | | | | | |
| **Total** | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| **LIABILITIES** | | | | | | | | | | | | | | |
| Debt securities to which this certificate pertains | | NIL | | | | | | | | | | | | - |
| Other debt sharing pari-passu charge with above debt | | | | | | | | | | | | | | - |
| Other Debt ( ECB+Sec) | | | | | | | | | | | | | | - |
| Subordinated debt | | | | | | | | | | | | | | - |
| Borrowings | | | | | | | | | | | | | | - |
| Bank (TL) | | | | | | | | | | | | | | - |
| Debt Securities ( PDI) | | | | | | | | | | | | | | - |
| Others ( CP) | | | | | | | | | | | | | | - |
| Trade payables | | | | | | | | | | | | | | - |
| Lease Liabilities | | | | | | | | | | | | | | - |
| Provisions ( Incl NPA) | | | | | | | | | | | | | | - |
| Others -Liabillities | | | | | | | | | | | | | | - |
| **Total** | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| **Cover on Book Value** | | - | | | | | - | | | | | | | |
| **Cover on Market Valueix** | | | | | | | | | | | | | | |
| | | **Exclusive Security Cover Ratio** | | | **Pari-Passu Security Cover Ratio** | | | | | | | | | |

**Place: Singapore**
**Date : 28-01-2026**

SUNDARAM & SRINIVASAN CHARTERED ACCOUNTANTS 600 016 FRN : 004207S

TVS MOTOR COMPANY LIMITED

**For TVS Motor Company Limited**

**Sudarshan Venu**
**Chairman**

TVS MOTOR COMPANY

TVS Motor Company Limited, Registered Office : "Chaitanya" No.12, Khader Nawaz Khan Road, Chennai - 600006, Tamilnadu, India. Telephone : +91-44-28332115 Fax : +91-44-28332113

**A. Statement of utilization of issue proceeds:**

| Name of the Issuer | ISIN | Mode of Fund Raising (Public issues/ Private placement) | Type of instrument | Date of raising funds | Amount Raised (Rs in Cr) | Funds utilized (Rs in Cr) | Any deviation (Yes/ No) | If 8 is Yes, then specify the purpose of for which the funds were utilized | Remarks, if any |
|---|---|---|---|---|---|---|---|---|---|
| 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 | 10 |
| TVS Motor Company Limited | Not Applicable | | | | | | | | |

**B. Statement on deviation / variation in utilisation of funds raised:**

| Particulars | Remarks |
|---|---|
| Name of listed entity | TVS Motor Company Limited |
| Mode of fund raising | Not Applicable |
| Date of raising funds | |
| Amount raised | |
| Report filed for quarter ended | 31st December 2025 |
| Monitoring Agency | Not Applicable |
| Monitoring Agency Name, if applicable | |
| Is there a deviation/ variation in use of funds raised? | |
| If yes, whether the same is pursuant to change in terms of a contract or objects, which was approved by the shareholders | |
| If Yes, Date of shareholder Approval | |
| Explanation for the deviation/ variation | |
| Comments of the audit committee after review | |
| Comments of the auditors, if any | |

Objects for which funds have been raised and where there has been a deviation, in the following table:

| Original object | Modified object, if any | Original allocation | Modified allocation, if any | Funds utilised | Amount of deviation/ variation for the quarter according to applicable object (in Rs. crore and in %) | Remarks, if any |
|---|---|---|---|---|---|---|
| Not Applicable | | | | | | |

Deviation or variation could mean:

a. Deviation in the objects or purposes for which the funds have been raised or
b. Deviation in the amount of funds actually utilized as against what was originally disclosed or
c. Change in terms of a contract referred to in the fund raising document i.e. prospectus, letter of offer, etc.

**Name of the signatory: K S Srinivasan**
**Designation: Company Secretary**
**Date: 28th January 2026**

TVS MOTOR COMPANY LIMITED

# Independent Auditors' Report

for the year ended 31st March 2025

**To the members of TVS Motor Company Limited**

## Report on the Audit of the Standalone Financial Statements

### Opinion

We have audited the Standalone financial statements of TVS Motor Company 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 Standalone financial statements, including a summary of 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 ("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 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 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 on the standalone financial statements.

### Key Audit Matters

Key audit matters are those matters that, in our professional judgment, 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:

### Key Audit Matter Principal Audit Procedures

| Key Audit matter | Principal Audit Procedure |
|---|---|
| **1. Government Grants**<br>Government has announced various Grants to manufacturers of automobiles. The company in turn is availing the said grants on fulfilling the conditions attached to that.<br>The recognition of Government grants is considered to be key audit matter because of significance of amount of grants and management judgements involved in fulfilling the conditions to receive the grant.<br>The management periodically reviews, during the year, compliance of relevant conditions attached to each grant whether there is a reasonable assurance that the grants will be received, in order to determine the timing and amounts of grants to be recognized in the financial statements. | Determined the appropriateness of the accounting policy for government grants as per the relevant accounting standard;<br>Examined the Company's key internal financial controls over recognition of government grants with regard to its design and implementation. Tested the operating effectiveness of such controls for the transactions selected.<br>Verified documents, on sample basis, submitted to the various government authorities relating to the grants received and receivable and checked the compliance of conditions attached to the respective grants.<br>Considered the basis of management's judgement towards fulfilment of conditions attached to the grants and evaluated the reasonable assurance that grants will be received.<br>Reviewed the appropriateness of the disclosures made in accordance with the relevant accounting standards. |
| **2. Investments**<br>The Company has significant investments in its subsidiaries and associates.<br>Management reviews regularly whether there are any indicators of impairment of the investments by reference to the requirements under Ind AS 36 "Impairment of Assets".<br>For investments where impairment indicators exist, significant judgments are required to determine the key assumptions used in the valuation model and methodology, such as revenue growth, discount rates, etc.<br>Considering, the impairment assessment which involves significant assumptions and judgement of the management and the same has been considered as key audit matter. | Obtained and read the valuation report used by the management for determining the fair value ('recoverable amount') of its material investments.<br>Considered the independence, competence and objectivity of the management specialist involved in determination of valuation.<br>Tested the fair value of the investment as mentioned in the valuation report to the carrying value in books.<br>Made inquiries with management to understand key drivers of the cash flow forecasts, discount rates, etc.<br>Assessed the disclosures made in the financial statements regarding such investments to comply with the requirements of Standards. |
| **3. Intangible assets under development**<br>The Company has various internally generated intangible projects under development. Initial recognition of the development expenditure under these projects is based on assessing each project in relation to specific recognition criteria that needs to be met for capitalisation. In addition, the management also assess indication of impairment of the carrying value of assets which requires management judgment and assumptions as affected by future market or economic developments.<br>Due to the materiality of the assets under development recognised and the level of management judgement involved, initial recognition and measurement of internally generated intangible assets under development has been considered as a key audit matter. | Our audit procedures included but were not limited to the following:<br>Assessed whether the Company's Internally generated intangible assets- research and development expenditure accounting policy is in compliance with Ind AS 38 “Intangible Assets”.<br>We assessed the design, implementation and operating effectiveness over management process of identifying and capitalising the development expenditure in accordance with the accounting principles of capitalisation of expenditure on internally generated intangible assets as per Ind AS 38 such as technical feasibility of the project, intention and ability to complete the intangible asset, ability to use or sell the asset, generation of future economic benefits and the ability to measure costs reliably.<br>We performed test of details of development expenditure capitalised by reviewing the key assumptions including the authorisation of the stage of the project in the development phase, the accuracy of costs included and assessing the useful economic life attributed to the asset. In addition, we considered whether any indicators of impairment were present by understanding the business rationale for projects. |
| **4. Evaluation of Uncertain Direct tax and Indirect Tax positions:**<br>The Company has material uncertain tax positions, including matters under dispute relating Excise, Customs Duty, Goods and Service Tax (Indirect Taxes) and Income Tax (Direct Tax).<br>These matters involve significant judgment to determine the possible outcome of these disputes | We obtained details of demands relating to Direct Tax and indirect tax, as on 31st March 2025.<br>We considered legal precedence and other rulings, obtained external opinions and discussed with company's internal legal team in evaluating management's position on these uncertain tax positions.<br>We satisfied ourselves that it is not probable that an outflow of economic benefits will be required and disclosed such obligation as a contingent liability |

### 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 the Annual Report (Financial Highlights, Board’s Report, Management Discussion and Analysis, Report on Corporate Governance and Business Responsibility & Sustainability Report) but does not include the standalone financial statements and our auditors’ report thereon. The Annual Report is expected to be made available to us after the date of this Auditors’ Report.

Our opinion on the standalone financial statements does not cover the other information identified above 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.

When we read the Annual Report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance and take appropriate action as applicable under the relevant laws and regulations.

### Responsibilities of Management and Those Charged with Governance for the Standalone 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 Standalone 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 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 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, 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 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 judgement 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 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 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 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 auditors' 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 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.

   c. The Standalone Balance Sheet, the Standalone Statement of Profit and Loss (including Other Comprehensive Income), the Standalone Statement of Changes in Equity and the Standalone Statement of Cash Flows dealt with by this Report are in agreement with the books of accounts.;

   d. In our opinion, the aforesaid Standalone financial statements comply with the 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 over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".

   g. The remuneration paid by the Company to its Directors is in accordance with the provisions of Section 197 of the Act and the same is not in excess of the limit laid down under 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 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 the impact of pending litigations on its financial position in its standalone financial statements - Refer Note No. 40 (a) to the standalone financial statements.

      ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses - refer Note 30 (D) to the Standalone financial statements.

      iii. There has been no delay in transferring amounts, required to be transferred to the Investor Education and Protection Fund by the Company.

      iv. a. 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 42 A (xii), 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. 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 42 A (xiii)), 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 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 (a) and (b) above, contain any material misstatement.

      v. The dividends declared and paid by the Company during the year are in accordance with section 123 of the Companies Act 2013.

      vi. Based on our examination, which included test checks, the Company has used accounting software for maintaining its books of account for the financial year ended March 31, 2025 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 the audit trail feature being tampered with.

      In our opinion, the Company has preserved the audit trail as per the statutory requirements for record retention as specified under the proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014.

For **Sundaram and Srinivasan**
Chartered Accountants
Firm Registration No. 004207S

**S. USHA**
Partner
Place: Chennai
Membership No.: 211785
Date: 28th April 2025
UDIN: 25211785BMIWEF9338

# Annexure A

to Independent Auditors' Report - 31st March 2025

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 Motor Company Limited on the Standalone Financial Statements for the year ended 31 March 2025, we report that:

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 3 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.

e. According to the information and explanations 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 Benami Transactions (Prohibition) Act, 1988 and rules made thereunder.

ii. a. As informed to us, 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. The discrepancies arising out of such physical verification did not exceed 10% or more in aggregate for each class of inventory and they have been properly dealt with in the books of accounts.

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 ₹ five crores in aggregate from banks during the year on the basis of security of current assets of the Company.

The quarterly returns and statements 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 explanations given to us and the records of the Company examined by us, during the year, the Company has made investments in Companies incorporated in India and Outside India and Limited Liability Partnership incorporated outside India and has not made investments in firms, Limited Liability Partnerships incorporated in India or any other parties. The Company has not provided any guarantee or security or granted advances in the nature of loans, secured or unsecured, to companies, firms, limited liability partnerships or any other parties during the year.

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.

c. The company has not provided loans, advances in the nature of loans, and security to Companies, Firms, Limited Liability Partnerships or any other parties. Therefore, the requirement to report under clauses (iii) (d) to (f) of para 3 of the Order are not applicable to the Company.

iv. In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of sections 185 and 186 of the Act, in respect of Investments made and Guarantee provided.

v. According to the information and explanations 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 Act and the rules made thereunder, to the extent applicable. Therefore, the clause (v) of para 3 of the order is not applicable to the Company.

vi. According to the information and explanations given to us, the Central Government has prescribed the maintenance of cost records under Section 148(1) of the Act in respect of products manufactured by the Company.

We have broadly reviewed the books of accounts maintained by the Company pursuant to the rules made by the Central Government for the maintenance of cost records u/s 148 (1) of the Act and are of the opinion that, prima facie, the prescribed accounts and records have been made and maintained. However, we have not made detailed examination of the records with a view to determine whether they are accurate or complete.

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, duty of excise and Cess and other material statutory dues as applicable to the Company with the appropriate authorities.

b. According to the information and explanations given to us and the records of the Company examined by us, details of disputed taxes not deposited are as follows:

Rupees in crores

| Name of the Statute / (Nature of dues) | Period of dues | Amount in ₹ | Forum where dispute is pending |
|---|---|---|---|
| Central Excise Act, 1944 (Cenvat / Excise Duty) | 2013-14 to 2015-16 | 3.88 | Central Excise and Service Tax Appellate Tribunal, Bangalore |
| Central Excise Act, 1944 (Cenvat / Excise Duty) | 1999-00 to 2004-05 and 2015-16 | 19.39 | Pending before Origininal assessing Authority for Giving effect order to Appellate order of CESTAT, Chennai |
| Finance Act, 1994 (Service Tax) | 2002-2014 | 0.91 | Central Excise and Service Tax Appellate Tribunal, Chennai / Bangalore |
| Goods and Service Tax Act | 2017-18 to 2020-21 | 17.51 | Commissioner (Appeals) - GST - Andhra Pradesh, Telangana, Rajasthan, Madhya pradesh, Delhi, Chattisgarh, Bihar, West Bengal, Karnataka, Uttar Pradesh, Assam and Maharashtra |
| Goods and Service Tax Act | 2020-21 | 4.45 | Writ before High Court of Madras |
| Income Tax | AY 2016-17 | 3.58 | Commissioner of Income Tax (Appeals) |
| Income Tax | AY 2017-18 | 2.54 | Deputy Commissioner of Income Tax |
| Income Tax | AY 2018-19 | 6.70 | Deputy Commissioner of Income Tax |

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.

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,

a. the Company has not defaulted in repayment of loans or other borrowings or in the payment of interest thereon to any lender.

b. the Company is not declared wilful defaulter by any bank or financial institution or any Lender.

c. the term loans were applied for the purpose for which the loans were obtained.

d. the Company has not utilized funds raised on short-term basis for long-term purposes.

e. the Company has not taken funds from any entities and persons on account of or to meet the obligations of its subsidiaries or associates.

f. the Company has not raised loans during the year on the pledge of securities held in its subsidiaries or associate companies.

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 by way of initial public offer or further public offer (including debt instruments) during the year.

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 or fully or partially or optionally convertible debentures during the year.

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 Standalone 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 fraud by the Company or no material fraud 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.

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 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 Standalone financial statements as required by the applicable accounting standards.

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 the directors during the year 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,

a. 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.

b. The Company has not conducted any Non-Banking Financial or Housing Finance activities, accordingly, reporting under clause 3(xvi)(b) of the order is not applicable

c. 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 (xvi)(c) of the Order is not applicable to the Company.

d. The Group does not have more than one Core Investment Company, as defined under Core Investment Companies (Reserve Bank) Directions 2016.

xvii. According to the information and explanations given to us and on an overall examination of the standalone financial statements of the Company, the Company has not incurred cash losses in the current year and in the immediately preceding financial year.

xviii. There has been no resignation of the statutory auditors during the year.

xix According to the information and explanations given to us and on the basis of the financial ratios disclosed in note no. 32 to the Standalone financial statements, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the Standalone 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. 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 proviso to sub section 5 of Section 135 of the Act.

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 Companies Act.

For **Sundaram & Srinivasan**
Chartered Accountants
Firm Registration Number: 004207S

**S. USHA**
Partner
Place: Chennai
Membership No.: 211785
Date: 28th April 2025
UDIN: 25211785BMIWEF9338

# Annexure - B

to the Independent Auditors' Report - 31st March 2025

[Referred to in paragraph 2(f) of our "Report on Other legal and Regulatory Requirements" section of our report of even date]

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

1. We have audited the internal financial controls over financial reporting of TVS Motor Company Limited ("the Company") as of March 31, 2025 in conjunction with our audit of the Ind AS Standalone financial statements of the Company for the year ended on that date.

## Management's Responsibility for Internal Financial Controls

2. The Company's management 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 (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.

## Auditors' Responsibility

3. Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting 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, 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 over financial reporting 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 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 judgment, including the assessment of the risks of material misstatement of the Standalone 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 system over financial reporting.

## Meaning of Internal Financial Controls over Financial Reporting

6. 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 Standalone 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 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 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 Standalone financial statements.

## Inherent Limitations of Internal Financial Controls over Financial Reporting

7. 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

8. In our opinion, the Company has, in all material respects, an adequate internal financial Control system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 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 Control over Financial Reporting issued by the Institute of Chartered Accountants of India.

For **Sundaram & Srinivasan**
Chartered Accountants
Firm Registration Number: 004207S

**S. USHA**
Partner
Place: Chennai
Membership No.: 211785
Date: 28th April 2025
UDIN: 25211785BMIWEF9338

# Balance Sheet

as at 31st March 2025

Rupees in crores

| | Notes | As at 31-03-2025 | As at 31-03-2024 |
|---|---|---|---|
| **ASSETS** | | | |
| **Non-current assets** | | | |
| Property, plant and equipment | 2 | 3,880.22 | 3,442.18 |
| Capital work-in-progress | 2 | 642.04 | 329.73 |
| Other intangible assets | 2 | 466.14 | 329.67 |
| Intangible assets under development | 2 | 596.78 | 600.41 |
| Financial assets | | | |
| i. Investments | 3 | 9,038.23 | 6,828.07 |
| ii. Other financial assets | 4 | 28.00 | 152.69 |
| Non-Current tax assets (Net) | | - | 22.34 |
| Other non-current assets | 5 | 229.61 | 139.33 |
| | | **14,881.02** | **11,844.42** |
| **Current assets** | | | |
| Inventories | 6 | 1,725.76 | 1,370.80 |
| Financial assets | | | |
| i. Investments | 3 | 233.19 | 163.19 |
| ii. Trade receivables | 7 | 1,280.06 | 1,302.14 |
| iii. Cash and cash equivalents | 8 | 293.56 | 485.83 |
| iv. Bank balances other than (iii) above | 9 | 264.77 | 45.13 |
| v. Other financial assets | 10 | 97.55 | 77.25 |
| Other current assets | 11 | 1,186.98 | 773.48 |
| | | **5,081.87** | **4,217.82** |
| **Total assets** | | **19,962.89** | **16,062.24** |
| **EQUITY AND LIABILITIES** | | | |
| **Equity** | | | |
| Equity share capital | 12 | 47.51 | 47.51 |
| Other equity | 13 | 9,889.14 | 7,683.53 |
| | | **9,936.65** | **7,731.04** |
| **Liabilities** | | | |
| **Non-current liabilities** | | | |
| Financial liabilities | | | |
| i. Borrowings | 14 | 834.51 | 986.91 |
| ii. Lease liabilities | | 192.63 | 313.07 |
| Provisions | 15 | 255.94 | 205.87 |
| Deferred tax liabilities (Net) | 16 | 265.92 | 187.05 |
| Other Non current liabilities | | 28.00 | 31.50 |
| | | **1,577.00** | **1,724.40** |
| **Current liabilities** | | | |
| **Financial liabilities** | | | |
| i. Borrowings | 17 | 900.43 | 526.53 |
| ii. Lease liabilities | | 108.39 | 137.11 |
| iii. Trade payables | 18 | | |
| a. Total outstanding dues of micro and small enterprises | | 37.21 | 34.80 |
| b. Total outstanding dues of other than (iii) (a) above | | 6,116.45 | 5,077.37 |
| iv. Other financial liabilities | 19 | 310.92 | 126.95 |
| Other current liabilities | 20 | 754.31 | 526.63 |
| Provisions | 15 | 184.13 | 143.60 |
| Current Tax Liabilities (net) | | 37.40 | 33.81 |
| | | **8,449.24** | **6,606.80** |
| **Total liabilities** | | **10,026.24** | **8,331.20** |
| **Total equity and liabilities** | | **19,962.89** | **16,062.24** |
| Material accounting policies | 1 | | |

See the accompanying notes to the financial statements

**PROF SIR RALF DIETER SPETH**
Chairman
DIN: 03318908

**SUDARSHAN VENU**
Managing Director
DIN: 03601690

**K N RADHAKRISHNAN**
Director & Chief Executive Officer
DIN: 02599393

As per our report annexed
For **Sundaram & Srinivasan**
Chartered Accountants
Firm Regn. No.004207S

Place : Chennai
Date : 28th April 2025

**K GOPALA DESIKAN**
Chief Financial Officer

**K S SRINIVASAN**
Company Secretary

**S USHA**
Partner
Membership No. : 211785

# Statement of Profit and Loss

for the year ended 31st March 2025

Rupees in crores

| | | Notes | Year Ended 31-03-2025 | Year Ended 31-03-2024 |
|---|---|---|---|---|
| I | Revenue from operations | 21 | 36,251.32 | 31,776.37 |
| II | Other income | 22 | 58.01 | 148.53 |
| **III** | **Total income (I + II)** | | **36,309.33** | **31,924.90** |
| IV | Expenses : | | | |
| | Cost of materials consumed | 23 | 25,542.35 | 23,244.16 |
| | Purchase of stock-in-trade | 23 | 406.73 | 389.37 |
| | Changes in inventories of finished goods, stock-in-trade and work-in-progress | 23 | (188.43) | (204.56) |
| | Employee benefits expense | 24 | 1,970.26 | 1,595.87 |
| | Finance costs | 25 | 138.66 | 181.63 |
| | Depreciation and amortisation expense | 26 | 744.60 | 700.35 |
| | Other expenses | 27 | 4,066.37 | 3,237.42 |
| | **Total expenses** | | **32,680.54** | **29,144.24** |
| **V** | **Profit before exceptional items and tax (III - IV)** | | **3,628.79** | **2,780.66** |
| VI | Exceptional items | | - | - |
| **VII** | **Profit before tax (V + VI)** | | **3,628.79** | **2,780.66** |
| VIII | Tax expense / (credit) | 28 | | |
| | i. Current tax | | 867.67 | 702.08 |
| | ii. Deferred tax | | 50.58 | (4.42) |
| | **Total Tax expense (i+ii)** | | **918.25** | **697.66** |
| **IX** | **Profit for the year (VII - VIII)** | | **2,710.54** | **2,083.00** |
| X | Other comprehensive income | | | |
| | A. Items that will not be reclassified to profit or loss: | | | |
| | Remeasurements of post employment benefit obligations | | 6.39 | (20.48) |
| | Fair value changes of equity instruments | | 23.06 | 0.84 |
| | Income tax relating to these items | | (4.49) | 5.02 |
| | B. Items that will be reclassified to profit or loss: | | | |
| | Fair value changes on cash flow hedges | | 10.23 | (6.84) |
| | Income tax relating to these items | | (2.57) | 1.72 |
| | **Other comprehensive income for the year, net of tax** | | 32.62 | (19.74) |
| **XI** | **Total comprehensive income for the year (IX + X)** | | 2,743.16 | 2,063.26 |
| XII | Earnings per equity share (Face value of ₹ 1/- each) | | | |
| | Basic & Diluted earnings per share (in rupees) | 36 | 57.05 | 43.84 |
| | Material accounting policies | 1 | | |

See the accompanying notes to the financial statements

**PROF SIR RALF DIETER SPETH**
Chairman
DIN: 03318908

**SUDARSHAN VENU**
Managing Director
DIN: 03601690

**K N RADHAKRISHNAN**
Director & Chief Executive Officer
DIN: 02599393

As per our report annexed
For **Sundaram & Srinivasan**
Chartered Accountants
Firm Regn. No. 004207S

Place : Chennai
Date : 28th April 2025

**K GOPALA DESIKAN**
Chief Financial Officer

**K S SRINIVASAN**
Company Secretary

**S USHA**
Partner
Membership No.:211785

# Statement of Changes in Equity

## a Equity Share Capital

| | Rupees in crores |
|---|---|
| **As at 01-04-2023** | 47.51 |
| Changes in Equity Share capital due to prior period errors | - |
| Restated balance as at 01-04-2023 | 47.51 |
| Changes in equity share capital during the year | - |
| **As at 31-03-2024** | 47.51 |
| Changes in Equity Share capital due to prior period errors | - |
| Restated balance as at 01-04-2024 | 47.51 |
| Changes in equity share capital during the year | - |
| **As at 31-03-2025** | **47.51** |

## b Other Equity

Rupees in crores

| Particulars | Reserves & Surplus | | | Other Reserves | | | Total |
|---|---|---|---|---|---|---|---|
| | General reserve | Capital reserve | Retained earnings | Equity Instruments Fair Valued through Other Comprehensive Income (FVTOCI) | Hedging reserve | Treasury shares | |
| **Balance as at 01-04-2023** | **865.64** | **6.43** | **5,125.20** | **1.72** | **1.35** | **-** | **6,000.34** |
| Add : Profit for the year 2023-24 | - | - | 2,083.00 | - | - | - | 2,083.00 |
| Add : Other comprehensive income for the year 2023-24 (net of tax) | - | - | (15.33) | 0.71 | (5.12) | - | (19.74) |
| Less : Distribution to shareholders: | | | | | | | |
| 2023-24 Interim dividend | - | - | 380.07 | - | - | - | 380.07 |
| **Balance as at 31-03-2024** | **865.64** | **6.43** | **6,812.80** | **2.43** | **(3.77)** | **-** | **7,683.53** |
| Add : Profit for the year 2024-25 | - | - | 2,710.54 | - | - | - | 2,710.54 |
| Add : Other comprehensive income for the year 2024-25 (net of tax) | - | - | 4.78 | 20.18 | 7.66 | - | 32.62 |
| Less: Treasury shares held by ESOP Trust | - | - | - | - | - | 62.46 | 62.46 |
| Less : Distribution to shareholders: | | | | | | | |
| 2024-25 Interim dividend | - | - | 475.09 | - | - | - | 475.09 |
| **Balance as at 31-03-2025** | **865.64** | **6.43** | **9,053.03** | **22.61** | **3.89** | **(62.46)** | **9,889.14** |

### Nature and purpose of Other Reserves

1. General reserve is available for distribution to shareholders.
2. Capital reserve

| | | Rupees in crores |
|---|---|---|
| i. | On Shares forfeited (₹ 55,200/-) | - |
| ii. | On surplus arising out of amalgamation | 6.43 |
| | | **6.43** |

3. FVTOCI reserve

   The Company has elected to recognise changes in the fair value of certain investments in equity securities in other comprehensive income. These changes are accumulated within the FVTOCI reserve within equity.

4. Hedging Reserve - Refer Note No. 30 (D)

   It represents the effective portion of the fair value of forward/option contracts designated as cashflow hedge

5. Treasury Shares

   The Treasury shares of the Company are held by the TVSM Employees Stock Option Trust (ESOP Trust) under the TVS Motor Company Employee Stock Option Plan implemented to its eligible employees. The equity shares of the Company have been acquired and held by ESOP Trust, to be transferred to employees upon the exercise of their stock options.

See the accompanying notes to the financial statements

**PROF SIR RALF DIETER SPETH**
Chairman
DIN: 03318908

**SUDARSHAN VENU**
Managing Director
DIN: 03601690

**K N RADHAKRISHNAN**
Director & Chief Executive Officer
DIN: 02599393

As per our report annexed
For **Sundaram & Srinivasan**
Chartered Accountants
Firm Regn. No.004207S

Place : Chennai
Date : 28th April 2025

**K GOPALA DESIKAN**
Chief Financial Officer

**K S SRINIVASAN**
Company Secretary

**S USHA**
Partner
Membership No.:211785

# Cash Flow Statement

for the year ended 31st March 2025

Rupees in crores

| | | Year ended 31-03-2025 | | Year ended 31-03-2024 | |
|---|---|---|---|---|---|
| **A.** | **Cash flow from operating activities:** | | | | |
| | Profit before tax | | 3,628.79 | | 2,780.66 |
| | Add: | | | | |
| | Depreciation and amortisation for the year | 744.60 | | 700.35 | |
| | (Profit) / loss on sale of property, plant and equipment (Net) | (8.42) | | (2.63) | |
| | (Profit) on sale of investments (Net) | (1.15) | | (145.39) | |
| | Loss / (Gain) on valuation of investment (Net) | 78.27 | | 26.93 | |
| | (Gain) on lease preclosure (Net) | (0.07) | | (4.75) | |
| | Unrealised exchange loss / (Gain) (Net) | 9.95 | | 10.82 | |
| | Dividend income | (100.27) | | (2.61) | |
| | Interest income | (19.87) | | (18.88) | |
| | Finance cost | 138.66 | | 181.63 | |
| | Share based payment expense | 32.81 | | - | |
| | Provisions | 95.14 | | 52.98 | |
| | | | 969.65 | | 798.45 |
| | Operating profit before working capital changes | | **4,598.44** | | **3,579.11** |
| | Adjustments for: | | | | |
| | Trade receivables | 10.94 | | (329.85) | |
| | Inventories | (354.96) | | (134.44) | |
| | Other current assets | (413.50) | | 198.71 | |
| | Other financial assets | (231.76) | | (24.68) | |
| | Trade payables | 1,042.68 | | 977.79 | |
| | Other financial liabilities | 205.06 | | 5.14 | |
| | Other current liabilities | 229.81 | | 15.46 | |
| | Other non - current assets | 10.31 | | (53.76) | |
| | | | 498.58 | | 654.37 |
| | Cash generated from operations | | **5,097.02** | | **4,233.48** |
| | Direct taxes paid (Net of refunds) | | (831.35) | | (616.19) |
| | **Net cash from operating activities** | (A) | **4,265.67** | | **3,617.29** |
| **B.** | **Cash flow from investing activities:** | | | | |
| | Purchase of property, plant and equipment, intangible assets, including capital advances | (1,798.47) | | (1,088.81) | |
| | Proceeds from sale of property, plant and equipment | 18.76 | | 33.31 | |
| | Share application money paid | - | | (121.19) | |
| | Investments in subsidiaries/associates | (2,129.26) | | (1,338.15) | |
| | Purchase of Other investments | (134.52) | | (31.65) | |
| | Sale of Investments in subsidiaries/associates | 4.15 | | 576.82 | |
| | Sale / redemption of other investments | 49.51 | | 54.06 | |
| | Interest received | 18.74 | | 17.37 | |
| | Dividends received | 100.27 | | 1.98 | |
| | | | (3,870.82) | | (1,896.26) |
| | **Net cash used in investing activities** | (B) | **(3,870.82)** | | **(1,896.26)** |

Rupees in crores

| | | Year ended 31-03-2025 | | Year ended 31-03-2024 | |
|---|---|---|---|---|---|
| **C.** | **Cash flow from financing activities :** | | | | |
| | Borrowings: | | | | |
| | Non-current borrowings availed / (Repaid) | 219.99 | | (289.49) | |
| | Current borrowings availed / (Repaid) | - | | (440.00) | |
| | Other bank balances | - | | (39.47) | |
| | Finance cost | (138.42) | | (213.73) | |
| | Purchase of treasury shares by ESOP Trust | (95.27) | | - | |
| | Repayment of lease liabilities | (98.33) | | (106.79) | |
| | Dividend | (475.09) | | (380.07) | |
| | | | (587.12) | | (1,469.55) |
| | **Net cash from financing activities** | (C) | **(587.12)** | | **(1,469.55)** |
| | **Total (A+B+C)** | | **(192.27)** | | **251.48** |
| | Cash and cash equivalents at the beginning of the year | | 485.83 | | 234.35 |
| | Cash and cash equivalents at the end of the year (Refer Note No 8) | | 293.56 | | 485.83 |
| **D.** | **Net (decrease)/Increase in cash and cash equivalents** | | **(192.27)** | | **251.48** |

## Change in liability arising from financing activities:

| Particulars | As at 01-04-2024 | Cash flow | Foreign exchange movement | Amortisation | As at 31-03-2025 |
|---|---|---|---|---|---|
| Non-current borrowings | 1,513.44 | 219.99 | - | 1.51 | 1,734.94 |
| Current borrowings | - | - | - | - | - |

## Non-cash investing activities:

| Particulars | 2024-25 | 2023-24 |
|---|---|---|
| Acquisition of right-of-use assets | 144.91 | 160.55 |
| Acquisition of investment | - | - |

**PROF SIR RALF DIETER SPETH**
Chairman
DIN: 03318908

**SUDARSHAN VENU**
Managing Director
DIN: 03601690

**K N RADHAKRISHNAN**
Director & Chief Executive Officer
DIN: 02599393

As per our report annexed
For **Sundaram & Srinivasan**
Chartered Accountants
Firm Regn. No.004207S

Place : Chennai
Date : 28th April 2025

**K GOPALA DESIKAN**
Chief Financial Officer

**K S SRINIVASAN**
Company Secretary

**S USHA**
Partner
Membership No.:211785

# Notes to the Financial Statements

## 1. Material Accounting Policies

The accounting policies mentioned herein are relating to the standalone financial statements of the Company.

### a) Brief description of the Company

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

The Company manufactures two wheelers, three wheelers, parts and accessories thereof. The Company has manufacturing plants located at Hosur in Tamil Nadu, Mysuru in Karnataka and Nalagarh in Himachal Pradesh.

### b) Basis of preparation

The financial statements comply in all material aspects with Indian Accounting Standards (Ind AS) notified under Companies (Indian Accounting Standards) Rules, 2015 (as amended) read with Section 133 of the Companies Act, 2013 ("the Act"), 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 the board of directors at its meeting on 28th 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 are 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

The areas involving critical estimates or judgments are:

i) Estimation of fair value of unlisted securities - Refer Note 29

ii) Defined benefit obligation - Refer Note 33

iii) Estimation of useful life of Property, Plant and Equipment – Refer Note 1(f) and 1(g)

iv) Estimation and evaluation of provisions and contingencies relating to tax litigations – Refer Note 40(a).

### e) Revenue recognition

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

#### Sale of products

The Company earns revenue primarily from sale of automotive vehicles, parts and accessories.

Payment for the sale is made as per the credit terms in the agreements with the customers. The credit period is generally short term, thus there is no significant financing component.

The Company's contracts with customers do not provide for any right to returns, refunds or similar obligations. The Company's obligation to repair or replace faulty products under standard warranty terms is recognised as a provision. (Refer Note 37)

Revenue is recognised when the performance obligations are satisfied and the control of the goods is transferred, being when the goods are delivered as per the relevant terms of the contract at which point in time the Company has a right to payment for the goods, customer has possession and legal title to the goods, customer bears significant risk and rewards of ownership and the customer has accepted the goods or the Company has objective evidence that all criteria for acceptance have been satisfied.

#### Sale of services

The Company also earns revenue from providing Technical / IT services and Royalty on usage of Company's technical knowhow.

In respect of Technical / IT service, the revenue is recognised on a time proportion basis as the customer simultaneously receives and consumes the benefits as the obligations are performed. Payment for the services provided are received as per the credit terms agreed with the customers. The credit period is generally short term, and thus there is no significant financing component.



# Notes to the Financial Statements (Contd.)

In respect of Royalty, the performance obligation is, to provide the right-to-use the Company's technical knowhow by the customers, for which usage-based royalty is charged. Payment for the services provided is received as per the credit terms as agreed with the customers. The credit period is generally short term, and thus there is no significant financing component.

#### Warranty Obligations

The Company provides warranties for products sold as per terms of the contract with ultimate customers. These warranties are considered as assurance type warranties and are accounted for under Ind AS 37- Provisions, Contingent Liabilities and Contingent Assets.

#### 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

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. Freehold Land is carried at historical cost. All other items of Property, Plant and Equipment are stated at cost of acquisition or construction less accumulated depreciation /amortisation, and impairment if any. Cost includes purchase price, taxes and duties, labour cost and directly attributable overheads incurred up to the date the asset is ready for its intended use net of cost reimbursed if any. However, cost excludes Goods and Services Tax to the extent credit of the tax is availed of.

Such assets are classified to the appropriate categories of property, plant and equipment when completed and ready for its intended use. Property, plant and equipment not ready for the intended use, on the date of Balance sheet, are disclosed as "Capital work-in progress".

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 separate asset is derecognised when replaced. All other repairs and maintenance are charged to Profit and Loss during the reporting period in which they are incurred.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset.

Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised as profit or loss with in other income /expenses.

### g) Depreciation and amortisation

i) Depreciation on property, plant and equipment is charged over the estimated useful life of the asset or part of the asset (after considering the required number of shifts in use) 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.

ii) 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 | 5 to 61 |
| Plant and machinery | 5 to 29 |
| Electrical equipment | 15 |
| Furniture and fixtures | 10 |
| Computers and information systems | 3 to 4 |
| Material handling equipment | 5 |
| Mobile phone | 2 |
| Vehicles | 3 to 6 |

iii) Tools and dies are generally depreciated based on quantity of components manufactured, subject to a maximum of 5 years. Tools and dies used for low volume models are depreciated over a period of 9 years.

iv) Residual values and useful lives are reviewed, and adjusted, if appropriate, for each reporting period.

v) On property, plant and equipment added / disposed of during the year, depreciation is charged on pro-rata basis from the date of addition / till the date of disposal.

vi) Depreciation in respect of tangible assets costing less than ₹ 10,000/- is provided at 100%.

### h) Intangible assets

#### Intangible assets acquired separately

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.

# Notes to the Financial Statements (Contd.)

**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., 2-3 years in the case of software and 6 to 10 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) 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 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. 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. 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.

## j) Foreign currency translation

### (i) Functional and presentation currency

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 rupee (INR) and all values are rounded off to nearest crores except otherwise indicated.

### (ii) Transactions and balances

Transactions in foreign currencies are recorded at the exchange rates prevailing on the date of transaction.

a) Foreign currency monetary assets and liabilities such as cash, receivables, payables, etc., are translated at year end exchange rates.

b) Non-monetary items denominated in foreign currency such as investments, Property, Plant and Equipment, etc., are valued at the exchange rate prevailing on the date of transaction. Non-monetary investments measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined. The gain or loss arising on account of such translation is recognized in OCI or Profit and Loss in line with the designation of the respective item.

c) Exchange differences arising on settlement of transactions and translation of monetary items are recognised as income or expense in the year in which they arise.

## k) Hedge accounting

Derivatives are initially recognised at fair value on the date when a derivative contract is entered into and are subsequently remeasured 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 recognised assets or liabilities or a firm commitment (fair value hedges)
- hedges of a particular risk associated with the cash flows of recognised 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 29. Movements in the hedging reserve in shareholders' equity are shown in Note 30 (D). 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 and loss.

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 recognised in the cash flow hedging reserve within equity.

Amounts accumulated in equity are reclassified to profit and loss in the periods when the hedged item affects profit and 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 and loss.

## l) Inventories

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

i) Cost of raw materials, components, stores and spares are ascertained on a moving average basis.

ii) Cost of finished goods and work-in-progress comprise of direct materials, direct labour and an appropriate proportion of variable and fixed overhead, the latter being allocated on the basis of normal operating capacity. Costs are assigned to individual items of inventory on the basis of weighted average costs. Costs of purchased inventory includes cost of purchase and other cost incurred in bringing the inventories to the current location 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 and supplies held for use in production of inventories are not written down if the finished products in which they will be used are expected to be sold at or above cost.

iii) Provision for slow and Obsolete inventory:

The company has a policy for identifying slow/ nonmoving inventory. Based on the policy value inventory is provided for obsolescence based on ageing.

## m) 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 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 at 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. Remeasurements as a result of experience adjustments and changes in actuarial assumptions are charged to Profit and Loss account.

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.

# Notes to the Financial Statements (Contd.)

### 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 eligible senior managers; and

b) Defined contribution plans such as provident fund.

#### 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- at the end of each reporting period 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.

Remeasurement 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 (net-off deferred tax). 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 profit and loss as past service cost.

#### 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 an irrevocable trust set up by the Company. 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.

### iv) Bonus plans

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

## n) 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. 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 income tax is provided in full, using the balance sheet 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 and or loss. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantively 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 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.





# Notes to the Financial Statements (Contd.)

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 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 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 as deferred tax assets.

## o) 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 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.

In case of waiver of duty under EPCG license, such grant is considered as revenue grant and recognized in statement of profit and loss on positive evidence of completion of export obligation as approved by the Regulatory Authorities.

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.

## p) Dividends

Dividends are recognised in profit and 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.

## q) Provisions and contingent liabilities

### i) Provision

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. 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 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 recognised 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.

### iii) Warranty

Provision is made for estimated warranty claims in respect of vehicles sold which are still under warranty at the end of the reporting period. These claims are expected to be settled from the next financial year. Management estimates the provision based on historical warranty claim information; and any recent trends that may suggest future claims could differ from historic and the dues which are payable within 12 Months is classified as current and others are non-current.

## r) Segment reporting

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

# Notes to the Financial Statements (Contd.)

The Company's Chief Operating Decision Maker (CODM) examines Risks and Rewards of the entity's performance and allocates the resources aligning with the Company's strategy.

The Company identified operations from which significant risks and rewards are derived in two verticals viz (a) Automotive Vehicles & Parts and related investments and (b) Investment held in Financial services.

Profit /Loss of the Financial services vertical represents dividend, interest, profit / (Loss) on fair valuation / sale of investments.

The Investments of the Company in TVS Credit Services Limited and TVS Motor Services Limited and other non-strategic companies categorized as Financial services.

## s) 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 buildings, 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
- 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 company's incremental borrowing rate is used, being the rate that the Company 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 Company 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 and loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the lease liability for each period. The carrying amount of lease liability is reduced by net lease payments (i.e. lease payments net off finance cost).

Variable lease payments that depend on sales are recognised in profit and 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 and 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.





# Notes to the Financial Statements (Contd.)

## t) 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, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities in the balance sheet.

## u) Trade receivables

Trade receivables are measured at their transaction price on initial recognition, unless it contains a significant financing component or pricing adjustments embedded in the contract in which cases, it is recognised at fair value. Trade receivables are held with the objective of collecting the contractual cash flows and therefore are subsequently measured at amortised cost less allowance for expected credit loss.

## v) Contract liabilities

A contract liability is the obligation to transfer goods to a customer for which the Company has received consideration (or an amount of consideration is due) from the customer. If a customer pays consideration before the Company transfers goods or services to the customer, a contract liability is recognised when the consideration is received. Contract liabilities are recognised as revenue when the Company performs under the contract.

## w) 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 Fair Value Through Other Comprehensive Income (FVTOCI), or Fair Value Through Profit or Loss (FVTPL)), 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 transaction cost (in the case of a financial asset not at FVTPL) 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 and 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 three 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 instrument that is subsequently measured at amortised cost and is not part of a hedging relationship is recognised in profit and loss when the asset is de-recognised or impaired. Interest income from these financial assets is included in other income using the effective interest rate method.

#### Fair value through other comprehensive income (FVTOCI)

Assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at FVTOCI. Movements in the carrying amount are taken through OCI, except for the recognition of impairment gains or losses, interest income and foreign exchange gains and losses which are recognised in profit and loss.

#### Fair Value through profit or loss (FVTPL)

Assets that do not meet the criteria for amortised cost or FVTOCI are measured at FVTPL. A gain or loss on a debt investment that is subsequently measured at FVTPL and is not part of a hedging relationship is recognised in profit and loss and presented in the statement of profit and loss 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 / associates) 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 profit and loss.

Impairment losses (and reversal of impairment losses) on equity investments measured at FVTOCI are not reported separately.

# Notes to the Financial Statements (Contd.)

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

**Investment in subsidiaries / associates**

Investment in subsidiaries / associates 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 methodology 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) Derecognition of financial assets

A financial asset is derecognised only when:

a) the Company has transferred the rights to receive cash flows from the financial asset or

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

Where the entity has transferred a financial 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.

**Interest Income**

Interest income from debt instruments is recognised using the effective interest rate method. The effective interest rate is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the gross carrying value of a financial asset. 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.

## x) Financial Liabilities

Financial liabilities that are not held-for-trading and are not designated as at FVTPL are measured at amortised cost at the end of subsequent accounting periods. The carrying amounts of financial liabilities that are subsequently measured at amortised cost are determined based on the effective interest method. Interest expense that is not capitalised as part of costs of an asset is included under 'Finance costs'.

The effective interest method is a method of calculating the amortised 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.

All financial liabilities are subsequently measured at amortised cost using the effective interest method or at FVTPL.

The Company derecognizes financial liabilities when, and only when, the Company's obligations are discharged, cancelled or have expired.

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 and 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.

## y) Borrowing costs

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.

## z) 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 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 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.

## aa) Earnings Per Share (EPS)

Basic earnings per share is computed by dividing the 'profit attributable to ordinary equity shareholders' by the weighted average number of equity shares outstanding during the year. Diluted earnings per share is computed by dividing the profit after tax as adjusted for dividend, interest and other charges to expense or income relating to the dilutive potential equity shares, by the weighted average number of equity shares considered for deriving basic earnings per share and the weighted average number of equity shares which could have been issued on the conversion of all dilutive potential equity shares.

## ab) Treasury Shares

The Company has created an ESOP Trust (the 'Trust') for providing share-based payment to its employees. The Company uses the Trust as a vehicle for distributing shares to employees under the Employee Stock Option Scheme. The Trust purchases shares of the Company from the market for giving shares to employees. The Company treats Trust as its extension and shares held by the Trust are treated as treasury shares.

Own equity instruments that are re-acquired (treasury shares) are recognised at cost and deducted from other equity. As and when treasury shares are transferred to employees on exercise after satisfaction of the vesting conditions, the balance lying in "Treasury share reserve" is transferred to "Retained earnings".

## ac) 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.

# Notes to the Financial Statements (Contd.)

## 2 Property, Plant & Equipment and Other Intangible Assets as at 31-03-2025

Rupees in crores

| Description | Property, Plant & Equipment | | | | | | | | Other Intangible | | |
|---|---|---|---|---|---|---|---|---|---|---|---|
| | Land | Buildings | Plant & equipment | Furniture & fixtures | Vehicles | Office equipment | Right of Use Asset | Total | Software | Design Development | Total |
| Cost of assets | | | | | | | | | | | |
| Gross carrying value as at 01-04-2024 | 453.77 | 1,057.52 | 5,114.63 | 154.54 | 60.03 | 265.42 | 700.19 | 7,806.10 | 199.14 | 721.09 | 920.23 |
| Additions | 66.64 | 35.89 | 580.95 | 35.24 | 275.36 | 56.87 | 144.91 | 1,195.86 | 90.91 | 239.14 | 330.05 |
| **Sub-total** | **520.41** | **1,093.41** | **5,695.58** | **189.78** | **335.39** | **322.29** | **845.10** | **9,001.96** | **290.05** | **960.23** | **1,250.28** |
| Sales / deletion | - | 2.51 | 90.28 | 0.14 | 7.86 | 7.22 | 388.70 | 496.71 | - | - | - |
| **Total** | **520.41** | **1,090.90** | **5,605.30** | **189.64** | **327.53** | **315.07** | **456.40** | **8,505.25** | **290.05** | **960.23** | **1,250.28** |
| Depreciation / Amortisation | | | | | | | | | | | |
| Upto 31-03-2024 | - | 349.22 | 3,396.08 | 88.56 | 37.07 | 194.98 | 298.01 | 4,363.92 | 170.01 | 420.55 | 590.56 |
| For the year | - | 40.94 | 343.74 | 19.25 | 26.92 | 40.47 | 79.70 | 551.02 | 51.46 | 142.12 | 193.58 |
| **Sub-total** | **-** | **390.16** | **3,739.82** | **107.81** | **63.99** | **235.45** | **377.71** | **4,914.94** | **221.47** | **562.67** | **784.14** |
| Withdrawn on assets sold / deleted | - | 2.27 | 79.62 | 0.11 | 7.75 | 7.12 | 193.04 | 289.91 | - | - | - |
| **Total** | **-** | **387.89** | **3,660.20** | **107.70** | **56.24** | **228.33** | **184.67** | **4,625.03** | **221.47** | **562.67** | **784.14** |
| Net carrying value as at 31-03-2025 | 520.41 | 703.01 | 1,945.10 | 81.94 | 271.29 | 86.74 | 271.73 | 3,880.22 | 68.58 | 397.56 | 466.14 |

a) Cost of buildings includes ₹ 30.99 crores pertaining to buildings constructed on leasehold lands.

b) Land includes lease hold land of ₹ 0.51 crores, whose ownership is transferrable at the end of the lease term.

c) Borrowing cost capitalised during the year - Nil

### Capital work-in-progress (at cost) as at 31-03-2025

| | |
|---|---|
| (a) Building | 304.63 |
| (b) Plant & equipment | 337.41 |
| **Total** | **642.04** |

### Ageing of Capital work-in-progress as at 31-03-2025

| Particulars | Amount in Capital work-in-progress for a period of | | | | |
|---|---|---|---|---|---|
| | <1 Year | 1-2 years | 2-3 years | More than 3 years | Total |
| Projects in progress | 496.91 | 109.44 | 16.90 | 18.79 | 642.04 |

### Ageing of Intangible assets under development (at cost) as at 31-03-2025

| Particulars | Amount in Intangible assets under development for a period of | | | | |
|---|---|---|---|---|---|
| | <1 Year | 1-2 years | 2-3 years | More than 3 years | Total |
| Projects in progress | 308.31 | 224.43 | 27.51 | 36.53 | 596.78 |

### Capital work-in-progress and Intangible asset under development:

There is no Capital work in progress and Intangible asset under development whose completion is overdue or has exceeded its cost compared to its original plan.





# Notes to the Financial Statements (Contd.)

## 2 Property, Plant & Equipment and Other Intangible Assets as at 31-03-2024

Rupees in crores

| Description | Property, Plant & Equipment | | | | | | | | Other Intangible | | |
|---|---|---|---|---|---|---|---|---|---|---|---|
| | Land | Buildings | Plant & equipment | Furniture & fixtures | Vehicles | Office equipment | Right of Use Asset | Total | Software | Design Development | Total |
| Cost of assets | | | | | | | | | | | |
| Gross carrying value as at 01-04-2023 | 397.56 | 959.46 | 4,867.15 | 111.28 | 52.22 | 227.09 | 579.77 | 7,194.53 | 177.35 | 616.04 | 793.39 |
| Additions | 56.21 | 101.96 | 380.45 | 43.27 | 13.74 | 42.32 | 160.55 | 798.50 | 21.79 | 105.05 | 126.84 |
| **Sub-total** | **453.77** | **1,061.42** | **5,247.60** | **154.55** | **65.96** | **269.41** | **740.32** | **7,993.03** | **199.14** | **721.09** | **920.23** |
| Sales / deletion | - | 3.90 | 132.97 | 0.01 | 5.93 | 3.99 | 40.13 | 186.93 | - | - | - |
| **Total** | **453.77** | **1,057.52** | **5,114.63** | **154.54** | **60.03** | **265.42** | **700.19** | **7,806.10** | **199.14** | **721.09** | **920.23** |
| Depreciation / Amortisation | | | | | | | | | | | |
| Upto 31-03-2024 | - | 313.66 | 3,149.17 | 76.41 | 32.77 | 166.29 | 196.06 | 3,934.36 | 133.42 | 324.25 | 457.67 |
| For the year | - | 38.49 | 350.66 | 12.15 | 9.00 | 32.68 | 124.48 | 567.46 | 36.59 | 96.30 | 132.89 |
| **Sub-total** | **-** | **352.15** | **3,499.83** | **88.56** | **41.77** | **198.97** | **320.54** | **4,501.82** | **170.01** | **420.55** | **590.56** |
| Withdrawn on assets sold / deleted | - | 2.93 | 103.75 | - | 4.70 | 3.99 | 22.53 | 137.90 | - | - | - |
| **Total** | - | 349.22 | 3,396.08 | 88.56 | 37.07 | 194.98 | 298.01 | 4,363.92 | 170.01 | 420.55 | 590.56 |
| Net carrying value as at 31-03-2024 | 453.77 | 708.30 | 1,718.55 | 65.98 | 22.96 | 70.44 | 402.18 | 3,442.18 | 29.13 | 300.54 | 329.67 |

a) Cost of buildings includes ₹ 11.42 crores pertaining to buildings constructed on leasehold lands.

b) Land includes lease hold land of ₹ 0.51 crores, whose ownership is transferrable at the end of the lease term.

c) Borrowing cost capitalised during the year - ₹ 1.78 Crores

### Capital work-in-progress (at cost) as at 31-03-2024

| | |
|---|---|
| (a) Building | 58.44 |
| (b) Plant & equipment | 271.29 |
| **Total** | **329.73** |

### Ageing of Capital work-in-progress as at 31-03-2024

| Particulars | Amount in Capital work-in-progress for a period of | | | | |
|---|---|---|---|---|---|
| | <1 Year | 1-2 years | 2-3 years | More than 3 years | Total |
| Projects in progress | 219.43 | 33.17 | 61.97 | 15.16 | 329.73 |

### Ageing of Intangible assets under development (at cost) as at 31-03-2024

| Particulars | Amount in Intangible assets under development for a period of | | | | |
|---|---|---|---|---|---|
| | <1 Year | 1-2 years | 2-3 years | More than 3 years | Total |
| Projects in progress | 345.38 | 168.61 | 64.86 | 21.56 | 600.41 |

### Capital work-in-progress and Intangible asset under development:

There is no Capital work in progress and Intangible asset under development whose completion is overdue or has exceeded its cost compared to its original plan.

# Notes to the Financial Statements (Contd.)

## 3 Investments

### 3A Non Current Investments

| Sl. No. | Particulars | Subsidiary / Associate | No. of shares / units As at 31-03-2025 | No. of shares / units As at 31-03-2024 | Face Value | Currency | Rupees in crores As at 31-03-2025 | Rupees in crores As at 31-03-2024 |
|---|---|---|---|---|---|---|---|---|
| (1) | (2) | (3) | (4) | (5) | (6) | (7) | (8) | (9) |
| **(a)** | **Investment in Equity Instruments :** | | | | | | | |
| | **Fair valued through OCI:** | | | | | | | |
| | **Quoted :** | | | | | | | |
| | (i) Ucal Fuel Systems Limited, Chennai | | 91,760 | 91,760 | 10.00 | INR | 1.20 | 1.33 |
| | **Unquoted :** | | | | | | | |
| | (ii) Green Infra BTV Limited, New Delhi | | 32,50,000 | 32,50,000 | 10.00 | INR | 2.04 | 1.89 |
| | (iii) TVS Lanka (Private) Limited, Colombo | | 50,00,000 | 50,00,000 | 10.00 | LKR | 16.99 | 4.48 |
| | (iv) Green Infra Wind Power Projects Limited, New Delhi | | 1,11,600 | 1,11,600 | 10.00 | INR | 0.08 | 0.08 |
| | (v) Green Infra Wind Power Generation Limited, New Delhi | | 2,16,000 | 2,16,000 | 10.00 | INR | 0.19 | 0.18 |
| | (vi) Condivision Solutions Pvt. Limited, Bengaluru | | 6,760 | 6,760 | 10.00 | INR | - | - |
| | (vii) Mulanur Renewable Energy Pvt. Limited, Chennai | | 15,000 | 15,000 | 10.00 | INR | 0.02 | 0.02 |
| | (viii) Atria Wind Power Bijapur 1 Limited, Bengaluru | | 1,01,217 | 1,01,217 | 10.00 | INR | 2.00 | 2.00 |
| | (ix) Altizon Systems Private Limited, Pune | | 10 | 10 | 10.00 | INR | 0.01 | 0.01 |
| | (x) Roppen Transportation Services Private Limited, Hyderabad | | 10 | 10 | 1.00 | INR | 0.05 | 0.05 |
| | (xi) Roppen Transportation Services Private Limited, Hyderabad$ | | 23,985 | 23,985 | 10.00 | INR | 125.84 | 119.73 |
| | (xii) Green Infra Wind Energy Generation Limited, Gurugram | | 23,45,000 | 28,45,000 | 10.00 | INR | 2.35 | 2.85 |
| | (xiii) Atria Wind Power (Basavana Bagewadi), Bengaluru | | 47,000 | - | 100.00 | INR | 0.91 | - |
| | (xiv) Indian Foundation for Quality Management, Bengaluru | | 2,50,00,000 | - | 10.00 | INR | 25.00 | - |
| | **Valued at Cost (Unquoted):** | | | | | | | |
| | (i) Sundaram Auto Components Limited, Chennai | Subsidiary | 1,19,37,422 | 1,19,37,422 | 10.00 | INR | 108.46 | 108.46 |
| | (ii) TVS Motor Company (Europe) B.V., Amsterdam | Subsidiary | 2,25,301 | 2,25,301 | 100.00 | EUR | 1.80 | 1.80 |
| | (iii) TVS Motor (Singapore) Pte. Limited, Singapore | Subsidiary | 90,76,19,207 | 67,16,85,616 | 1.00 | SGD | 5,195.12 | 3,576.68 |
| | (iv) PT.TVS Motor Company Indonesia, Jakarta | Subsidiary | 85,97,000 | 85,97,000 | 97,400.00 | IDR | 389.06 | 389.06 |
| | (v) TVS Digital Limited, Chennai (Formerly known as TVS Housing Limited) | Subsidiary | - | 30,50,000 | 10.00 | INR | - | 3.05 |
| | (vi) TVS Motor Services Limited, Chennai | Subsidiary | 14,96,33,814 | 14,96,33,814 | 10.00 | INR | 148.68 | 148.68 |
| | (vii) TVS Credit Services Limited, Chennai | Subsidiary | 20,23,19,089 | 19,54,24,754 | 10.00 | INR | 2,243.65 | 1,960.99 |
| | (viii) TVS Credit Services Limited, Chennai$ | Subsidiary | 31,69,773 | 31,69,773 | 10.00 | INR | 100.00 | 100.00 |
| | (ix) TVS Electric Mobility Limited, Chennai | Subsidiary | 10,00,000 | 10,00,000 | 10.00 | INR | 1.00 | 1.00 |
| | (x) TVSM DMCC, Dubai | Subsidiary | 92,000 | - | 1,000.00 | AED | 210.78 | - |
| | (xi) DriveX Mobility Pvt Ltd, Coimbatore | Subsidiary | 20,981 | 9,766 | 10.00 | INR | 225.74 | 87.17 |
| | (xii) Ultraviolette Automotive Private Limited, Bengaluru | Associate | 14,850 | 14,850 | 10.00 | INR | 11.00 | 11.00 |
| | (xiii) Ultraviolette Automotive Private Limited, Bengaluru$ | Associate | 12,316 | 12,316 | * | INR | 110.00 | 110.00 |
| | (xiv) Indian Foundation for Quality Management, Bengaluru^ | Associate | - | 2,50,00,000 | 10.00 | INR | - | 25.00 |
| | **Total value of Equity Instruments (a)** | | | | | | **8,921.97** | **6,655.51** |
| **(b)** | **Investments in Preference Shares (Unquoted):** | | | | | | | |
| | **Fair valued through OCI :** | | | | | | | |
| | (i) Axiom Research Labs Private Limited, Delhi | | 82 | 82 | 10.00 | INR | - | - |
| | (ii) Pinnacle Engines Inc., USA (face value 0.01 cent) | | 24,09,638 | 24,09,638 | 0.0001 | USD | - | - |
| | **Fair valued through Profit and Loss :** | | | | | | | |
| | (iii) TVS Motor Services Limited, Chennai | Subsidiary | 5,00,00,000 | 5,00,00,000 | 10.00 | INR | 50.00 | 50.00 |
| | **Total value of Preference shares (b)** | | | | | | **50.00** | **50.00** |
| **(c)** | **Investment in Debt Instruments (unquoted):** | | | | | | | |
| | **Valued at Amortised Cost :** | | | | | | | |
| | (i) Fabric IOT Private Limited, Bengaluru | | | | | INR | - | 17.79 |
| | **Pension Funds / Government Securities** | | | | | | | |
| | (ii) ICICI Prudential Life Insurance Group Superannuation Fund, Mumbai | | | | | INR | 6.95 | 6.63 |
| | (iii) Life Insurance Corporation Pension Policy, Mumbai | | | | | INR | 21.88 | 20.35 |
| | **Fair valued through Profit and Loss :** | | | | | | | |
| | (iv) Fabric IOT Private Limited, Bengaluru | | | | | INR | - | 45.00 |
| | **Total value of Debt instruments (c)** | | | | | | **28.83** | **89.77** |
| **(d)** | **Other non-current Investments (Unquoted):** | | | | | | | |
| | Fair valued through OCI: | | | | | | | |
| | (i) Autotech Fund I, L.P., USA | | | | | USD | 37.43 | 32.79 |
| | **Total value of other non-current investments (d)** | | | | | | **37.43** | **32.79** |
| | **Total (a) + (b) + (c) + (d)** | | | | | | **9,038.23** | **6,828.07** |
| | Aggregate amount of quoted investments and market value thereof | | | | | | 1.20 | 1.33 |
| | Aggregate amount of unquoted investments | | | | | | 9,037.03 | 6,826.74 |
| | **Total** | | | | | | **9,038.23** | **6,828.07** |

All investments are fully paid up.

$ Preference shares in the nature of equity instruments

^ Moved from investment in Associates to Non current investments

| *Particulars of preference shares held in Ultraviolette Automotive Private Limited, Bengaluru | No. of shares / units As at 31-03-2025 | No. of shares / units As at 31-03-2024 | Face Value (in ₹) |
|---|---|---|---|
| Series A2 Preference Shares | 990 | 990 | 50,545 |
| Series B Preference Shares | 7,387 | 7,387 | 40,616 |
| Series C Preference Shares | 3,939 | 3,939 | 1,90,384 |
| **Total** | **12,316** | **12,316** | |

# Notes to the Financial Statements (Contd.)

## 3B Current Investments

| Sl. No. | Particulars | Subsidiary / Associate | No. of shares / units | | Face Value (in ₹) | Currency | Rupees in crores | |
|---|---|---|---|---|---|---|---|---|
| | | | As at 31-03-2025 | As at 31-03-2024 | | | As at 31-03-2025 | As at 31-03-2024 |
| (a) | **Investment in Equity Instruments Fair valued through Profit or** | | | | | | | |
| | **Loss :** | | | | | | | |
| | **Quoted :** | | | | | | | |
| (i) | TVS Supply Chain Solutions Limited, Chennai | | 1,92,72,200 | 1,05,62,200 | 1.00 | INR | 233.19 | 163.19 |
| | **Total (a)** | | | | | | **233.19** | **163.19** |
| | Aggregate amount of Quoted investments | | | | | | 233.19 | 163.19 |
| | **Total** | | | | | | **233.19** | **163.19** |

All investments are fully paid up.

## 4 Other Financial Assets - Non Current

Rupees in Crores

| | As at 31-03-2025 | As at 31-03-2024 |
|---|---|---|
| Claims receivable | 28.00 | 31.50 |
| Share application money paid (pending allotment) | - | 121.19 |
| | **28.00** | **152.69** |

## 5 Other Non-Current Assets

Rupees in Crores

| | As at 31-03-2025 | As at 31-03-2024 |
|---|---|---|
| Capital advances | 215.67 | 125.91 |
| Prepaid expense | 3.44 | - |
| Advances other than capital advances: | | |
| Deposits made | 10.50 | 13.42 |
| | **229.61** | **139.33** |

## 6 Inventories

Rupees in Crores

| | As at 31-03-2025 | As at 31-03-2024 |
|---|---|---|
| Raw materials and components | 728.97 | 650.11 |
| Goods-in-transit - Raw materials and components | 132.47 | 44.99 |
| Work-in-progress | 50.12 | 48.89 |
| Finished goods | 617.84 | 466.13 |
| Stock-in-trade | 140.19 | 104.70 |
| Stores and spares | 56.17 | 55.98 |
| | **1,725.76** | **1,370.80** |



Notes to the Financial Statements (Contd.)

## 7 Trade Receivables

Rupees in crores

| | As at 31-03-2025 | As at 31-03-2024 |
|---|---|---|
| Secured, considered good | 14.03 | 14.13 |
| Unsecured, considered good* | 1,266.03 | 1,288.01 |
| Receivables which have significant increase in credit risk | 29.60 | 28.13 |
| | **1,309.66** | **1,330.27** |
| Less: Loss allowance | 29.60 | 28.13 |
| | **1,280.06** | **1,302.14** |

* Includes balances with related parties [Refer Note 35 (c)(i)]

### (i) Ageing for trade receivable as on 31.03.2025

Rupees in crores

| Particulars | Outstanding for following periods from due date of payment | | | | | |
|---|---|---|---|---|---|---|
| | 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 | 1,060.26 | 168.55 | 40.84 | 4.38 | 6.03 | 1,280.06 |
| (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 | 1.09 | 0.21 | 2.70 | 1.66 | 23.94 | 29.60 |
| (vi) Disputed Trade Receivables - credit impaired | - | - | - | - | - | - |
| **Total** | **1,061.35** | **168.76** | **43.54** | **6.04** | **29.97** | **1,309.66** |

### (ii) Ageing for trade receivable as on 31.03.2024

Rupees in crores

| Particulars | Outstanding for following periods from due date of payment | | | | | |
|---|---|---|---|---|---|---|
| | 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 | 1,009.64 | 279.69 | 7.12 | 4.11 | 1.58 | 1,302.14 |
| (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 | - | - | 1.08 | 1.31 | 25.74 | 28.13 |
| (vi) Disputed Trade Receivables - credit impaired | - | - | - | - | - | - |
| **Total** | **1,009.64** | **279.69** | **8.20** | **5.42** | **27.32** | **1,330.27** |

## 8 Cash and Cash Equivalents

Rupees in crores

| Particulars | As at 31-03-2025 | As at 31-03-2024 |
|---|---|---|
| Balances with banks | 293.29 | 235.62 |
| Cash on hand | 0.27 | 0.21 |
| Cash equivalents: | | |
| Deposits with maturity of less than three month from the date of deposit | - | 250.00 |
| | 293.56 | 485.83 |
| Cash and cash equivalents for the purpose of cash flow statement | **293.56** | **485.83** |

# Notes to the Financial Statements (Contd.)

## 9 Other Bank Balances

Rupees in crores

| Particulars | As at 31-03-2025 | As at 31-03-2024 |
|---|---|---|
| Earmarked balances with banks^ | 264.66 | 45.02 |
| Deposits with maturity of more than three month and less than one year from the date of deposit | 0.11 | 0.11 |
| | **264.77** | **45.13** |

^ Includes balances towards unpaid dividend

## 10 Other Financial Assets - Current

Rupees in crores

| Particulars | As at 31-03-2025 | As at 31-03-2024 |
|---|---|---|
| Unsecured, considered good : | | |
| - Employee advances | 13.83 | 11.75 |
| - Other bank balances (Bank deposit) | 2.09 | 2.09 |
| - Security deposits | 43.45 | 37.72 |
| - Claims receivable | 22.45 | 25.69 |
| - Hedge asset - receivable | 15.73 | - |
| | **97.55** | 77.25 |

## 11 Other Current Assets

Rupees in crores

| Particulars | As at 31-03-2025 | As at 31-03-2024 |
|---|---|---|
| Balances with tax authorities | 515.01 | 424.99 |
| Prepaid expense | 103.50 | 71.44 |
| Vendor advance* | 125.71 | 109.94 |
| Trade deposits | 1.11 | 0.89 |
| Incentive receivable from government^ | 468.13 | 182.61 |
| Employee benefit assets (Refer Note 33) | 5.91 | 4.77 |
| | **1,219.37** | **794.64** |
| Less: Loss allowance | 32.39 | 21.16 |
| | **1,186.98** | **773.48** |

* Includes balances with related parties [Refer Note 35(c)(i)]

^ Includes EV subsidy receivable of ₹ 210.96 crores (Previous Year ₹148.62 crores)

^ Includes PLI receivable of ₹ 214.35 crores (Previous Year Nil)

## 12 Equity Share Capital

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

| Particulars | As at 31-03-2025 | | As at 31-03-2024 | |
|---|---|---|---|---|
| | Number | Rupees in crores | Number | Rupees in crores |
| **Authorised:** | | | | |
| Equity shares of ₹ 1/- each | 50,00,00,000 | 50.00 | 50,00,00,000 | 50.00 |
| Issued, subscribed and fully paid up: | | | | |
| Equity shares of ₹ 1/- each | 47,50,87,114 | 47.51 | 47,50,87,114 | 47.51 |
| | **47,50,87,114** | **47.51** | **47,50,87,114** | **47.51** |





# Notes to the Financial Statements (Contd.)

### (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 | Rupees in crores | Number | Rupees in crores |
| Shares outstanding at the beginning of the year | 47,50,87,114 | 47.51 | 47,50,87,114 | 47.51 |
| Shares issued during the year | - | - | - | - |
| Shares outstanding at the end of the year | **47,50,87,114** | **47.51** | **47,50,87,114** | **47.51** |

**(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 Holdings Limited, Chennai (Holding Company) | Equity | 23,87,82,786 | 50.26 | 23,87,82,786 | 50.26 |

### (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 | % of holding | No. of shares held | % of holding |
| ICICI Prudential Mutual Fund | Equity | 3,49,41,063 | 7.35 | 3,75,37,940 | 7.90 |

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

| Promoter name | 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 Holdings Limited, Chennai (Holding Company) | Equity | 23,87,82,786 | 50.26 | 23,87,82,786 | 50.26 | - |

### Shares held by Promoters at the end of the year 31-03-2024

| Promoter name | Class of share | As at 31-03-2024 | | As at 31-03-2023 | | % change during the year |
|---|---|---|---|---|---|---|
| | | No. of shares held | % of holding | No. of shares held | % of holding | |
| TVS Holdings Limited, Chennai (Holding Company) | Equity | 23,87,82,786 | 50.26 | 23,87,82,786 | 50.26 | - |

# Notes to the Financial Statements (Contd.)

## 13 Other Equity

Rupees in crores

| Particulars | As at 31-03-2025 | As at 31-03-2024 |
|---|---|---|
| General reserve | 865.64 | 865.64 |
| Capital reserve | 6.43 | 6.43 |
| Retained earnings | 9,053.03 | 6,812.80 |
| Other Reserves | (35.96) | (1.34) |
| | **9,889.14** | **7,683.53** |

## 14 Non-Current Liabilities - Financial Liabilities - Borrowings

Rupees in crores

| Description | Frequency | No. of instal-ments due | Maturity | As at 31-03-2025 | As at 31-03-2024 |
|---|---|---|---|---|---|
| **Secured:** | | | | | |
| State owned corporation | Specific Period | 2 | Apr 2030 | 10.11 | 9.68 |
| **Unsecured:** | | | | | |
| Non Convertible Debentures | End of Tenure | 1 | Mar 2026 | 124.93 | 124.87 |
| Term loan from Bank - I | Quarterly | 8 | Mar 2027 | 289.98 | 429.96 |
| Term loan from Bank - II | Quarterly | 4 | Mar 2026 | 46.46 | 199.56 |
| Term loan from Bank - III | Quarterly | 6 | July 2026 | 104.17 | 187.38 |
| Term loan from Bank - IV | Quarterly | 5 | May 2026 | 312.11 | 499.08 |
| Term loan from Bank - V | Quarterly | 12 | Mar 2028 | 300.00 | - |
| Term loan from Bank - VI | Quarterly | 12 | Mar 2028 | 150.00 | - |
| Term loan from Bank - VII | Quarterly | 20 | Mar 2030 | 150.00 | - |
| Term loan from Bank - VIII | Quarterly | 12 | Apr 2028 | 200.00 | - |
| Sales Tax Deferral | Yearly | 3 | Jun 2027 | 47.18 | 62.91 |
| **Total Long-term Borrowings:** | | | | 1,734.94 | 1,513.44 |
| Less : Current Maturities of Long-term Borrowings | | | | 900.43 | 526.53 |
| **Total Long-term Borrowings (net)** | | | | **834.51** | **986.91** |

Details of securities created:

(i) Soft loan - State owned corporation viz., SIPCOT - First charge on the specific plant and equipment and also secured by equitable mortgage created by way of deposit of title deeds of land.

Amount payable in each instalment:

| Description | Currency | Amount* | Rate of Interest |
|---|---|---|---|
| State owned corporation | INR | ₹ 4.45 crores and ₹ 9.24 crores | 0.10% |
| | | (Two instalments between April 2026 and April 2030) | |
| Non Convertible Debentures (12500 numbers, face value of ₹ 1 lakh each) | INR | ₹125 crores at the end of the term - March 2026 | Repo Rate plus Margin |
| Term Loan from Bank - I | INR | 8 quarterly unequated instalments from 28th June 2025 | 6.30% |
| Term Loan from Bank - II | INR | 4 quarterly equated instalments beginning from 30th June 2025 | Repo Rate plus Margin |
| Term loan from Bank - III | INR | 6 quarterly unequated instalments from 30th June 2025 | Repo Rate plus Margin |
| Term loan from Bank - IV | INR | 5 quarterly equated instalments beginning from 31st May 2025 | Repo Rate plus Margin |
| Sales tax deferral | INR | ₹15.73 crores per annum from June - 2025 to June - 2027 | Nil |
| Term loan from Bank - V | INR | 12 quarterly equated instalments beginning from 21st June 2025 | Repo Rate plus Margin |
| Term loan from Bank - VI | INR | 12 quarterly equated instalments beginning from 21st June 2027 | Repo Rate plus Margin |
| Term loan from Bank - VII | INR | 20 quarterly equated instalments beginning from 30th June 2025 | Repo Rate plus Margin |
| Term loan from Bank - VIII | INR | 12 quarterly equated instalments beginning from 19th July 2025 | Repo Rate plus Margin |

* undiscounted cash outflows





# Notes to the Financial Statements (Contd.)

## 15 Provisions

Rupees in crores

| Particulars | As at 31-03-2025 | | As at 31-03-2024 | |
|---|---|---|---|---|
| | Current | Non-current | Current | Non-current |
| Provision for employee benefits: | | | | |
| (a) Pension | 58.29 | 124.24 | 65.85 | 100.25 |
| (b) Leave salary | 12.64 | 93.97 | 11.51 | 83.54 |
| Others: | | | | |
| (a) Warranty | 113.20 | 37.73 | 66.24 | 22.08 |
| | **184.13** | **255.94** | **143.60** | **205.87** |

## 16 Deferred Tax Liabilities (Net)

**The balance comprises temporary differences attributable to:**

Rupees in crores

| Particulars | As at 31-03-2025 | As at 31-03-2024 |
|---|---|---|
| **Deferred tax liability consists of tax impact on:** | | |
| - Depreciation | 397.25 | 324.87 |
| - Others | 18.60 | 19.49 |
| **Total deferred tax liability (A)** | **415.85** | **344.36** |
| **Deferred tax asset consists of tax impact on:** | | |
| - Employee benefit expenses | 35.48 | 49.14 |
| - Warranty provision | 37.99 | 23.95 |
| - Others | 76.46 | 84.22 |
| **Total deferred tax assets (B)** | **149.93** | **157.31** |
| **Net deferred tax liability (A)-(B)** | **265.92** | **187.05** |

**Movement in deferred tax :**

Rupees in crores

| Particulars | Depreciation | Others | Total |
|---|---|---|---|
| **As at 31-03-2023** | | | 198.20 |
| **Charged/(credited):** | | | |
| - to profit or loss | 34.07 | (38.49) | (4.42) |
| - to other comprehensive income | - | (6.73) | (6.73) |
| **As at 31-03-2024** | | | 187.05 |
| **Charged/(credited):** | | | |
| - to profit or loss | 72.38 | (21.80) | 50.58 |
| - to other comprehensive income | - | 7.06 | 7.06 |
| - relating to earlier years | - | 21.23 | 21.23 |
| **As at 31-03-2025** | | | **265.92** |

## 17 Financial Liabilities - Borrowings - Current

Rupees in crores

| | As at 31-03-2025 | As at 31-03-2024 |
|---|---|---|
| Current Maturities of long term borrowings: | | |
| Unsecured | 900.43 | 526.53 |
| | **900.43** | 526.53 |

# Notes to the Financial Statements (Contd.)

## 18 Trade Payables

Rupees in crores

| Particulars | As at 31-03-2025 | As at 31-03-2024 |
|---|---|---|
| Dues to Micro and Small Enterprises ** | 37.21 | 34.80 |
| Dues to enterprises other than Micro and Small Enterprises# | 6,116.45 | 5,077.37 |
| | **6,153.66** | 5,112.17 |

** 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. The entire closing balance represents the principal amount payable to these enterprises. There is no principal or interest due thereon and remaining unpaid at the end of the year. (Refer Note 38)

# Includes balances due to related parties [Refer Note 35 (c)(ii)].

### Ageing for trade payables as on 31-03-2025

Rupees in crores

| Particulars | Not due | Outstanding for following periods from due date of payment | | | | |
|---|---|---|---|---|---|---|
| | | <1 Yr. | 1-2 years | 2-3 years | More than 3 years | Total |
| (i) Micro and Small Enterprises (MSME) | 37.21 | - | - | - | - | 37.21 |
| (ii) Others | 3,685.53 | 618.20 | 11.56 | 19.52 | 25.34 | 4,360.15 |
| (iii) Disputed dues - MSME | - | - | - | - | - | - |
| (iv) Disputed dues - Others | - | - | - | - | - | - |
| **Total (i) to (iv)** | 3,722.74 | 618.20 | 11.56 | 19.52 | 25.34 | 4,397.36 |
| Accrued expenses | | | | | | 1,756.30 |
| **Total** | | | | | | **6,153.66** |

### Ageing for trade payables as on 31-03-2024

Rupees in crores

| Particulars | Not due | Outstanding for following periods from due date of payment | | | | |
|---|---|---|---|---|---|---|
| | | <1 Yr. | 1-2 years | 2-3 years | More than 3 years | Total |
| (i) Micro and Small Enterprises (MSME) | 34.80 | - | - | - | - | 34.80 |
| (ii) Others | 3,181.44 | 309.99 | 29.46 | 19.48 | 20.25 | 3,560.62 |
| (iii) Disputed dues - MSME | - | - | - | - | - | - |
| (iv) Disputed dues - Others | - | - | - | - | - | - |
| **Total (i) to (iv)** | 3,216.24 | 309.99 | 29.46 | 19.48 | 20.25 | 3,595.42 |
| Accrued expenses | | | | | | 1,516.75 |
| **Total** | | | | | | **5,112.17** |

## 19 Other Financial Liabilities

Rupees in crores

| Particulars | As at 31-03-2025 | As at 31-03-2024 |
|---|---|---|
| Interest accrued but not due on loans | 2.99 | 4.26 |
| Trade deposits received | 31.70 | 32.33 |
| Unpaid dividend | 215.14 | 4.07 |
| (Not due for transfer to Investor Education and Protection Fund) | | |
| Payables against capital goods | 61.09 | 80.91 |
| Hedge liability (Net) | - | 5.38 |
| | **310.92** | **126.95** |





# Notes to the Financial Statements (Contd.)

## 20 Other Current Liabilities

Rupees in crores

| Particulars | As at 31-03-2025 | As at 31-03-2024 |
|---|---|---|
| Statutory dues | 174.49 | 164.78 |
| Employee related | 211.37 | 157.37 |
| Advance received from customers | 364.95 | 198.85 |
| Deferred income | 3.50 | 5.63 |
| | **754.31** | **526.63** |

## 21 Revenue From Operations

Rupees in crores

| Particulars | Year Ended 31-03-2025 | Year Ended 31-03-2024 |
|---|---|---|
| Revenue from Contract with Customers: | | |
| i. Sale of products | 35,618.32 | 31,449.57 |
| ii. Sale of services | 74.38 | 52.92 |
| Other operating revenue# | 558.62 | 273.88 |
| | **36,251.32** | **31,776.37** |

#Includes Government Grants of ₹ 488.48 crores (Last year ₹ 237.02 crores)

## 22 Other Income

Rupees in crores

| Particulars | Year Ended 31-03-2025 | Year Ended 31-03-2024 |
|---|---|---|
| Dividend income from: | | |
| (i) Subsidiaries | 100.27 | 1.96 |
| (ii) Other investments designated as Fair Value through OCI | - | 0.65 |
| Interest income | 19.87 | 18.88 |
| Profit on sale of investments - (Net) | 1.15 | 145.39 |
| Profit on sale of property, plant and equipment (Net) | 8.42 | 2.63 |
| (Loss)/Gain on valuation of investments Fair Valued through profit and loss (Net) | (78.27) | (26.93) |
| Other non-operating income | 6.57 | 5.95 |
| | **58.01** | **148.53** |

# Notes to the Financial Statements (Contd.)

## 23 Material Cost

Rupees in crores

| Particulars | Year Ended 31-03-2025 | Year Ended 31-03-2024 |
|---|---|---|
| Cost of materials consumed : | | |
| Opening stock of raw materials and components | 650.11 | 655.57 |
| Add: Purchases | 25,621.21 | 23,238.70 |
| | **26,271.32** | **23,894.27** |
| Less: Closing stock of raw materials and components | 728.97 | 650.11 |
| | **25,542.35** | **23,244.16** |
| Purchases of stock-in-trade : | | |
| Spare parts | 223.16 | 211.35 |
| Engine oil | 183.57 | 178.02 |
| | **406.73** | **389.37** |
| Changes in inventories of finished goods, work-in-progress and stock-in-trade: | | |
| Opening stock: | | |
| Work-in-progress | 48.89 | 46.06 |
| Stock-in-trade | 104.70 | 113.86 |
| Finished goods | 466.13 | 255.24 |
| **(A)** | **619.72** | **415.16** |
| Closing stock: | | |
| Work-in-progress | 50.12 | 48.89 |
| Stock-in-trade | 140.19 | 104.70 |
| Finished goods | 617.84 | 466.13 |
| **(B)** | **808.15** | **619.72** |
| **(A)-(B)** | **(188.43)** | **(204.56)** |

## 24 Employee Benefits Expense

Rupees in crores

| Particulars | Year Ended 31-03-2025 | Year Ended 31-03-2024 |
|---|---|---|
| Salaries, wages and bonus | 1,630.70 | 1,334.59 |
| Employee share-based payment expense | 32.81 | - |
| Contribution to provident and other funds | 146.39 | 121.12 |
| Staff welfare expenses | 160.36 | 140.16 |
| | **1,970.26** | **1,595.87** |

## 25 Finance Costs

Rupees in crores

| Particulars | Year Ended 31-03-2025 | Year Ended 31-03-2024 |
|---|---|---|
| Interest on borrowings | 120.60 | 137.39 |
| Interest on lease liabilities | 15.76 | 44.75 |
| Exchange differences | 2.30 | (0.51) |
| | **138.66** | **181.63** |

## 26 Depreciation and Amortisation Expense

Rupees in crores

| Particulars | Year Ended 31-03-2025 | Year Ended 31-03-2024 |
|---|---|---|
| Depreciation on property, plant and equipment | 471.32 | 442.98 |
| Amortisation on right of use asset | 79.70 | 124.48 |
| Amortisation on intangible assets | 193.58 | 132.89 |
| | **744.60** | **700.35** |





# Notes to the Financial Statements (Contd.)

## 27 Other Expenses

Rupees in crores

| Particulars | Year Ended 31-03-2025 | Year Ended 31-03-2024 |
|---|---|---|
| (a) Consumption of stores, spares and tools | 53.75 | 52.96 |
| (b) Power and fuel | 111.23 | 102.80 |
| (c) Repairs - buildings | 43.19 | 35.08 |
| (d) Repairs - plant and equipment | 133.85 | 81.40 |
| (e) Insurance | 53.04 | 43.78 |
| (f) Rates and taxes (excluding taxes on income) | 11.46 | 5.96 |
| (g) Audit fees[#] | 1.34 | 1.15 |
| (h) Cost audit fees | 0.08 | 0.08 |
| (i) Packing and freight charges | 556.89 | 524.74 |
| (j) Advertisement and publicity | 762.03 | 536.78 |
| (k) Other marketing expenses | 774.24 | 567.52 |
| (l) Foreign exchange loss (Net) | 3.89 | 1.35 |
| (m) Corporate Social Responsibility expenditure* | 40.00 | 30.00 |
| (n) Contributions to Electoral Trust / Bond | 13.00 | 40.00 |
| (o) Miscellaneous expenses (under this head there is no expenditure which is in excess of 1% of revenue from operations or ₹ 10 lakh, whichever is higher) | 1,508.38 | 1,213.82 |
| | **4,066.37** | **3,237.42** |

[#]Refer Note No. 39 for details on Audit fees.

* Refer Note No. 45 for details on Corporate Social Responsibility expenditure.

## 28 Tax Expense and Reconciliation

Rupees in crores

| Particulars | Year Ended 31-03-2025 | Year Ended 31-03-2024 |
|---|---|---|
| **(a) Tax expense** | | |
| Current tax: | | |
| On profits for the year | 867.67 | 702.08 |
| Adjustments for prior periods | - | - |
| **(A)** | **867.67** | **702.08** |
| Deferred tax: | | |
| Decrease / (increase) in deferred tax assets | (44.40) | (82.78) |
| (Decrease) / increase in deferred tax liabilities | 94.98 | 78.36 |
| **(B)** | **50.58** | **(4.42)** |
| **(A + B)** | **918.25** | **697.66** |
| **(b) Reconciliation of tax expense and the accounting profit multiplied by India's tax rate:** | | |
| **Profit before income tax expense** | **3,628.79** | **2,780.66** |
| Tax expense at 25.168% | 913.29 | 699.84 |
| Add / (Less) : Tax Impact on | | |
| - Tax on income chargeable at lower rates | (32.97) | (39.40) |
| - Expenses not admissible for deduction | 37.93 | 37.06 |
| - Others | - | 0.17 |
| **Tax expense** | **918.25** | **697.66** |

# Notes to the Financial Statements (Contd.)

## 29 Fair Value Measurements

Rupees in crores

| Particulars | As at 31-03-2025 | | | As at 31-03-2024 | | |
|---|---|---|---|---|---|---|
| | FVTPL$ | FVTOCI* | Amortised cost | FVTPL$ | FVTOCI* | Amortised cost |
| **Financial assets** | | | | | | |
| Investments | | | | | | |
| - Equity instruments | 233.19 | 176.68 | - | 163.19 | 132.62 | - |
| - Preference shares | 50.00 | - | - | 50.00 | - | - |
| - Other non-current investments | - | 37.43 | - | - | 32.79 | - |
| - Debt Instruments | - | - | 28.83 | 45.00 | - | 44.77 |
| Trade receivables | - | - | 1,280.06 | - | - | 1,302.14 |
| Derivative financial asset | - | 15.73 | - | - | - | - |
| Cash and cash equivalents | - | - | 293.56 | - | - | 485.83 |
| Other bank balances - Bank deposit | - | - | 2.20 | - | - | 2.20 |
| Earmarked balances with banks | - | - | 264.66 | - | - | 45.02 |
| Other financial assets | - | - | 107.73 | - | - | 106.66 |
| | **283.19** | **229.84** | **1,977.04** | **258.19** | **165.41** | **1,986.62** |
| **Financial liabilities** | | | | | | |
| Borrowings | - | - | 1,734.94 | - | - | 1,513.44 |
| Trade payables | - | - | 6,153.66 | - | - | 5,112.17 |
| Lease liability | - | - | 301.02 | - | - | 450.18 |
| Derivative financial liability | - | - | - | - | 5.38 | - |
| Other financial liability | - | - | 310.92 | - | - | 121.57 |
| | **-** | **-** | **8,500.54** | **-** | **5.38** | **7,197.36** |

* FVTOCI - Fair Valued Through Other Comprehensive Income $ FVTPL- Fair Value Through Profit or Loss

### (i) Fair value hierarchy

This section explains the judgements and estimates made in determining the fair values to be disclosed in the financial instruments that are recognised and measured at fair value and that are measured at amortised cost. To provide an indication about the reliability of the inputs used in determining fair value, the Company 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

Rupees in crores

| As at 31-03-2025 | Notes | Level 1 | Level 2 | Level 3 | Total |
|---|---|---|---|---|---|
| **Financial assets** | | | | | |
| Financial investments at FVTPL | 3A & 3B | 233.19 | - | 50.00 | 283.19 |
| Financial investments at FVTOCI | 3A | 1.20 | 37.43 | 175.48 | 214.11 |
| Derivatives | 10 | - | 15.73 | - | 15.73 |
| | | **234.39** | **53.16** | **225.48** | **513.03** |
| **Financial liabilities** | | | | | |
| Derivatives | 19 | - | - | - | - |
| | | **-** | **-** | **-** | **-** |

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

Rupees in crores

| As at 31-03-2025 | Notes | Level 1 | Level 2 | Level 3 | Total |
|---|---|---|---|---|---|
| **Financial assets** | | | | | |
| Investments | | | | | |
| Debt instruments | 3A | - | - | 28.83 | 28.83 |
| | | **-** | **-** | **28.83** | **28.83** |
| **Financial liabilities** | | | | | |
| Borrowings | 14 & 17 | - | - | 1,734.94 | 1,734.94 |
| | | **-** | **-** | **1,734.94** | **1,734.94** |



# Notes to the Financial Statements (Contd.)

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

Rupees in crores

| As at 31-03-2024 | Notes | Level 1 | Level 2 | Level 3 | Total |
|---|---|---|---|---|---|
| **Financial assets** | | | | | |
| Financial Investments at FVTPL | 3A & 3B | 163.19 | - | 95.00 | 258.19 |
| Financial Investments at FVTOCI | 3A | 1.33 | 32.79 | 131.29 | 165.41 |
| | | **164.52** | **32.79** | **226.29** | **423.60** |
| **Financial liabilities** | | | | | |
| Derivatives | 19 | - | 5.38 | - | 5.38 |
| | | **-** | **5.38** | **-** | **5.38** |

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

Rupees in crores

| As at 31-03-2024 | Notes | Level 1 | Level 2 | Level 3 | Total |
|---|---|---|---|---|---|
| **Financial assets** | | | | | |
| Investments | | | | | |
| Debt instruments | 3A | - | - | 44.77 | 44.77 |
| | | | | **44.77** | **44.77** |
| **Financial liabilities** | | | | | |
| Borrowings | 14 & 17 | - | - | 1,513.44 | 1,513.44 |
| | | **-** | **-** | **1,513.44** | **1,513.44** |

Level 1: Level 1 hierarchy includes financial instruments measured using quoted prices. This includes listed equity instruments that have quoted price. The fair value of all equity instruments (including bonds) which are traded in the stock exchanges are valued using the closing price as at the end of 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 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, preference shares and other non current investments included in level 3.

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

During the reporting period, there are no transfers among the three levels.

### (ii) Valuation technique used to determine fair value (Level 2)

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 interest rate swaps is calculated as the present value of estimated cash flows based on observable yield curves.
- the fair value of forward exchange contract and principal only swap is determined using forward exchange rate at the balance sheet date.
- the fair value of the remaining financial instruments is determined using discounted cash flow analysis.

# Notes to the Financial Statements (Contd.)

### (iii) Fair value measurements using significant unobservable inputs (Level 3)

Rupees in crores

| Particulars | Unlisted Equity Shares | Unlisted Preference Shares | Debt Instruments | Total |
|---|---|---|---|---|
| **As at 01-04-2023** | 316.66 | 50.00 | 45.00 | 411.66 |
| Additions / (Deletions) | 0.50 | - | - | 0.50 |
| Reclassified from Level 3 to Level 1 | (191.92) | - | - | (191.92) |
| Gains/(losses) recognised in other comprehensive income | 6.05 | - | - | 6.05 |
| **As at 31-03-2024** | 131.29 | 50.00 | 45.00 | 226.29 |
| Additions / (Deletions) | 25.41 | - | (45.00) | (19.59) |
| Gains/(losses) recognised in other comprehensive income | 18.78 | - | - | 18.78 |
| **As at 31-03-2025** | **175.48** | **50.00** | **-** | **225.48** |

### (iv) Valuation inputs and relationships to fair value

Rupees in crores

| Particulars | Fair value as at | | Significant unobservable input | | Probability weighted range for the year ended | | Sensitivity |
|---|---|---|---|---|---|---|---|
| | 31-03-2025 | 31-03-2024 | | | 31-03-2025 | 31-03-2024 | |
| Preference Share | 50.00 | 50.00 | a) | Earnings growth rate | 1-3% | 1-3% | Not significant |
| | | | b) | Risk adjusted discount rate | 8% | 8% | |
| Debt Instrument | - | 45.00 | a) | Earnings growth rate | 1-3% | 1-3% | Not significant |
| | | | b) | Risk adjusted discount rate | 8% | 8% | |
| Unquoted Equity shares | 175.48 | 131.29 | a) | Earnings growth rate | 1-3% | 1-3% | Not significant |
| | | | b) | Risk adjusted discount rate | 8% | 8% | |

### (v) Valuation processes

Discount rates are determined using a capital asset pricing model to calculate a pretax rate that reflects current market assessments of the time value of money and the risk specific to the asset. Earnings growth factor of preference shares are based on cash flow projections of future earnings of the Company and unlisted equity securities are estimated based on market information for similar type of companies. Risk adjustments have been derived based on the market risk premium adjusted for companies relevant financial data.

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

Rupees in crores

| Particulars | 31-03-2025 | | 31-03-2024 | |
|---|---|---|---|---|
| | Carrying amount | Fair value | Carrying amount | Fair value |
| **Financial assets** | | | | |
| **Investments:** | | | | |
| Preference shares | - | - | - | - |
| Debt instruments | 28.83 | 28.83 | 44.77 | 44.77 |
| | **28.83** | **28.83** | **44.77** | **44.77** |
| **Financial liabilities** | | | | |
| Borrowings | 1,734.94 | 1,734.94 | 1,513.44 | 1,513.44 |
| | **1,734.94** | **1,734.94** | **1,513.44** | **1,513.44** |

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

The fair values for preference shares and other debt instruments are calculated based on cash flows discounted using effective interest 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 values of non-current borrowings are based on discounted cash flows using a effective interest rate. They are classified as level 3 fair values in the fair value hierarchy due to the inclusion of unobservable inputs including own credit risk.

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





# Notes to the Financial Statements (Contd.)

## 30 Financial Risk Management

The Company's activities exposes 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 manages the risk and the impact of hedge accounting in the financial statements.

| Risk | Exposure arising from | Risk Parameters and Mitigation |
|---|---|---|
| Credit risk | Cash, Cash equivalents and Trade receivables | Credit risk primarily arises from cash and cash equivalents, trade receivables and investments carried at amortised cost. 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 forward-looking information (more specifically described below). 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, when they fall due. This definition of default is determined by considering the business environment in which entity operates and other macro-economic factors. |
| | a. Cash and Cash Equivalents | Surplus cash is deposited only with banks / financial institutions with a high external credit rating. |
| | b. Domestic Trade Receivables | Domestic sales to the Dealers are based on advance payments received through banking channels or through inventory funding facilities availed by them from the banks. The Company extends limited credit to the dealers and such extension of credit is based on dealers' credit worthiness, ability to repay and past track record. The Company has extensive reporting and review system to constantly monitor the outstandings. |
| | c. Export Trade Receivables | The Company's export business is mostly based on Letters of credit. Export receivables are also covered through Insurance with ECGC Limited. |
| Liquidity risk | INR denominated borrowings [other than soft loans given by Govt. Authorities] | The company's liquidity management policy involves projecting cash flows in major currencies by considering the level of liquid assets necessary to meet the same, monitoring balance sheet liquidity ratios against internal and external regulatory requirements and maintaining debt financing plans. The Company works out a detailed annual operating plans to assess the fund requirements - both short term and long term. Detailed month wise cash flow forecast is also carried out along with required sensitivities. Based on these factors adequate working capital credit limits are organised in advance. Company has pre-approved credit lines with various banks and these are constantly reviewed and approved by the Board. For long term fund requirements, Company targets various options such as rupee term loan, external commercial borrowing, debentures etc. The Company obtains a credit rating for the various borrowing facilities on annual basis. Company constantly monitors the free cash flow from operations to ensure that the borrowing is minimized. |
| Market risk | (i) Foreign exchange | The Company operates internationally and is exposed to foreign exchange risk arising from foreign currency transactions. 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 has a forex management policy which is duly approved by the Board. The objective of the hedges when taken is to minimise the volatility of the INR cash flows of highly probable forecasted transactions. |
| | a. Export trade receivables and Import payables | The company has a forex management policy duly approved by the Board. The Company's policy is to hedge most of its net currency exposure. Company reviews the forex exposure on a regular basis and also reports its adherence to the Board on a quarterly basis. The recording and reporting requirements are strictly adhered. |
| | b. Foreign currency denominated borrowings | The Company has hedged its borrowings by covering the principal repayments. |
| | (ii) Interest rate - Foreign currency denominated borrowings | 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. Company's policy is to maintain most of its borrowings at fixed rate using interest rate swaps to achieve this when necessary. The Company's fixed rate borrowings are carried at amortised cost. They are therefore not subject to interest rate risk as defined in Ind AS 107, since neither the carrying amount nor the future cash flows will fluctuate because of a change in market interest rates. |

# Notes to the Financial Statements (Contd.)

## (A) Credit risk

Basis of recognition of expected credit loss provision

| Rating | Category | Description of category | Investments | Loans and deposits | Trade receivables |
|---|---|---|---|---|---|
| 1 | High Quality assets, negligible credit risk | Assets where the counter-party has strong capacity to meet the obligations and where the risk of default is negligible or nil. | 12 month expected credit losses | 12 month expected credit losses | Life time expected credit losses (simplified approach) |
| 2 | Quality assets, low credit risk | Assets where there is low risk of default and where the counter-party has sufficient capacity to meet the obligations and where there has been low frequency of defaults in the past | | | |
| 3 | Standard Assets, moderate credit risk | Assets where the probability of default is considered moderate and where the counter-party's capacity to meet the obligations is not strong. | | | |
| 4 | Substandard Assets, relatively high credit risk | Assets where there has been a significant increase in credit risk since initial recognition. | Life time expected credit losses | | |
| 5 | Low quality assets, very high credit risk | Assets where there is a high probability of default. Also includes assets where the credit risk of counter-party has increased significantly though payments may not be more than 180 days past due. | | | |
| 6 | Doubtful assets, credit impaired | Assets are written off when there is no reasonable expectation of recovery, such as a debtor declaring bankruptcy or failing to engage in a repayment plan with the Company. Where loans or receivables have been written off, the Company continues to engage in enforcement activity to attempt to recover the receivable due. Where recoveries are made, these are recognised in profit or loss. | Asset is written off | | |

### As at 31-03-2025

a) Expected credit loss for investments, loans and other financial assets

Rupees in crores

| Particulars | Internal rating | Asset/Asset group | Gross carrying amount | Expected probability of default | Expected credit loss | Carrying amount net of impairment provision |
|---|---|---|---|---|---|---|
| Loss allowance measured at 12 month expected credit loss | 2 | Investments at amortised cost | 28.83 | 0% | - | 28.83 |
| | 1 | Other financial assets | 107.73 | 0% | - | 107.73 |

b) Expected credit loss for trade receivables under simplified approach

Rupees in crores

| Particulars | 0 to 180 days past due | More than 180 days past due | Total |
|---|---|---|---|
| Gross carrying amount | 1,061.35 | 248.31 | 1,309.66 |
| Expected loss rate | 0.10% | 11% | - |
| Expected credit losses | 1.09 | 28.51 | 29.60 |
| Carrying amount of trade receivables | 1,060.26 | 219.80 | 1,280.06 |

### As at 31-03-2024

a) Expected credit loss for investments, loans and other financial assets

Rupees in crores

| Particulars | Internal rating | Asset/Asset group | Gross carrying amount | Expected probability of default | Expected credit loss | Carrying amount net of impairment provision |
|---|---|---|---|---|---|---|
| Loss allowance measured at 12 month expected credit loss | 2 | Investments at amortised cost | 44.77 | 0% | - | 44.77 |
| | 1 | Other financial assets | 106.66 | 0% | - | 106.66 |



# Notes to the Financial Statements (Contd.)

b) Expected credit loss for trade receivables under simplified approach

Rupees in crores

| Particulars | 0 to 180 days past due | More than 180 days past due | Total |
|---|---|---|---|
| Gross carrying amount | 1,009.64 | 320.63 | 1,330.27 |
| Expected loss rate | - | 9% | - |
| Expected credit losses | - | 28.13 | 28.13 |
| Carrying amount of trade receivables | 1,009.64 | 292.50 | 1,302.14 |

Reconciliation of loss allowance provision - Trade receivables

Rupees in crores

| | |
|---|---|
| Loss allowance on 01-04-2023 | 26.93 |
| Changes in loss allowance | 1.20 |
| Loss allowance on 31-03-2024 | 28.13 |
| Changes in loss allowance | 1.47 |
| Loss allowance on 31-03-2025 | 29.60 |

## (B) Liquidity risk

### (i) Financing arrangements

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

Rupees in crores

| Particulars | As at 31-03-2025 | As at 31-03-2024 |
|---|---|---|
| Floating rate | | |
| - Expiring within one year (bank overdraft and other facilities) | 1,952.03 | 1,920.54 |
| - Expiring beyond one year (bank loans) | - | - |

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 and have an average maturity ranging 30 to 180 days.

### (ii) 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.

**As at 31-03-2025**

| Contractual Maturities of Financial Liabilities | Less than 3 months | 3 months to 6 months | 6 months to 1 year | 1 year to 5 years | More than 5 years | Total |
|---|---|---|---|---|---|---|
| Borrowings | 193.20 | 194.14 | 513.09 | 838.59 | - | 1,739.02 |
| Lease liabilities | 28.31 | 29.91 | 50.17 | 205.84 | 26.95 | 341.18 |
| Trade payables | 6,153.66 | - | - | - | - | 6,153.66 |
| Other financial liabilities | 310.92 | - | - | - | - | 310.92 |

**As at 31-03-2024**

| Contractual Maturities of Financial Liabilities | Less than 3 months | 3 months to 6 months | 6 months to 1 year | 1 year to 5 years | More than 5 years | Total |
|---|---|---|---|---|---|---|
| Borrowings | 96.55 | 143.33 | 286.65 | 983.36 | 5.23 | 1,515.12 |
| Lease liabilities | 35.35 | 34.68 | 67.08 | 363.92 | 27.60 | 528.63 |
| Trade payables | 5,112.17 | - | - | - | - | 5,112.17 |
| Other financial liabilities | 126.95 | - | - | - | - | 126.95 |

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

# Notes to the Financial Statements (Contd.)

## (C) Market risk

### i) Foreign exchange risk

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

| Particulars | As at 31-03-2025 | | As at 31-03-2024 | |
|---|---|---|---|---|
| Exposure in foreign currency | USD | EUR | USD | EUR |
| **Financial assets:** | | | | |
| Trade receivables | 711.31 | 40.45 | 888.20 | 87.45 |
| Investments | 37.43 | - | 32.79 | - |
| Derivative assets | | | | |
| Foreign exchange forward contracts | | | | |
| Sell foreign currency | (711.31) | (40.45) | (888.20) | (87.45) |
| **Financial liabilities:** | | | | |
| Foreign currency loan | - | - | - | - |
| Trade payables | 159.42 | 8.70 | 108.88 | 15.22 |
| Derivative liabilities | | | | |
| Foreign exchange forward contracts | | | | |
| Buy foreign currency | - | - | - | - |
| Principal swap | | | | |
| Buy foreign currency | - | - | - | - |

**Sensitivity**

The sensitivity of profit or loss to changes in the exchange rates arises mainly from foreign currency denominated financial instruments and the impact on other components of equity arises from foreign forward exchange contracts designated as cash flow hedges.

| Particulars | Impact on profit after tax* | | Impact on other components of equity* | |
|---|---|---|---|---|
| | As at 31-03-2025 | As at 31-03-2024 | As at 31-03-2025 | As at 31-03-2024 |
| USD sensitivity | | | | |
| INR/USD increases by 10% | 41.22 | 58.38 | (50.34) | (64.08) |
| INR/USD decreases by 10% | (41.22) | (58.38) | 50.34 | 64.08 |
| EURO sensitivity | | | | |
| INR/EURO increases by 10% | 2.38 | 5.41 | (3.03) | (6.55) |
| INR/EURO decreases by 10% | (2.38) | (5.41) | 3.03 | 6.55 |

* Holding all other variables constant

### ii) Interest rate risk

For short term borrowings, interest rates are based on central bank approved benchmark rates plus margin. Whenever the Company resorts to short term borrowings through Commercial Paper, the rate of interest is fixed in advance. In respect of long term foreign currency borrowings, the interest rates are covered through interest rate swaps (IRS)

Rupees in crores

| Particulars | As at 31-03-2025 | As at 31-03-2024 |
|---|---|---|
| Variable rate borrowings | 1,538.14 | 1,012.53 |
| Fixed rate borrowings | 200.88 | 502.59 |

The Amount disclosed in the table are the contractual undiscounted cash flows.

Rupees in crores

| Sensitivity | Impact on profit after tax | |
|---|---|---|
| | As at 31-03-2025 | As at 31-03-2024 |
| Increase in interest rates by 100 bps | (11.49) | (7.58) |
| Decrease in interest rates by 100 bps | 11.49 | 7.58 |





# Notes to the Financial Statements (Contd.)

### iii) Price risk

The company's exposure to equity securities price risk arises from investments held by the Company and classified in the balance sheet either as fair value through OCI or at fair value through profit or loss. To manage its price risk from investments in equity securities, the Company diversifies its portfolio. The impact of the changes in price risk is not material.

## (D) Impact of hedging activities

i) Disclosure of effects of hedge accounting on financial position

a) Disclosure of effects of hedge accounting on financial position as at 31-03-2025

| Type of hedge and risks | Nominal value | | Carrying amount of hedging instrument | | Maturity date | Changes in fair value of hedging instrument since inception of hedge | Changes in the value of hedged item used as the basis for recognising hedge effectiveness |
|---|---|---|---|---|---|---|---|
| | Assets | Liabilities | Assets | Liabilities | | | |
| Cash flow hedge | | | | | | | |
| Foreign exchange forward contracts | 751.76 | - | 15.73 | - | Apr'25 to Dec'25 | 15.73 | (15.73) |

b) Disclosure of effects of hedge accounting on financial position as at 31-03-2024

| Type of hedge and risks | Nominal value | | Carrying amount of hedging instrument | | Maturity date | Changes in fair value of hedging instrument since inception of hedge | Changes in the value of hedged item used as the basis for recognising hedge effectiveness |
|---|---|---|---|---|---|---|---|
| | Assets | Liabilities | Assets | Liabilities | | | |
| Cash flow hedge | | | | | | | |
| Foreign exchange forward contract | 975.65 | - | - | 5.38 | Apr'24 to Dec'24 | 5.38 | (5.38) |

ii) Disclosure of effects of hedge accounting on financial performance :

for the year ended 31-03-2025:

Rupees in crores

| Type of hedge | Change in the value of hedging instrument recognised in other comprehensive income | Hedge ineffectiveness recognised in profit and loss | Amount reclassified from cash flow hedging reserve to profit or loss | Line item affected in statement of profit and loss because of the reclassification |
|---|---|---|---|---|
| **Cash flow hedge :** | | | | |
| Foreign exchange risk/ POS/ IRS | 3.89 | - | (3.77) | Revenue and Borrowing cost |

for the year ended 31-03-2024:

Rupees in crores

| Type of hedge | Change in the value of hedging instrument recognised in other comprehensive income | Hedge ineffectiveness recognised in profit and loss | Amount reclassified from cash flow hedging reserve to profit or loss | Line item affected in statement of profit and loss because of the reclassification |
|---|---|---|---|---|
| **Cash flow hedge :** | | | | |
| Foreign exchange risk/ POS/ IRS | (3.77) | - | 1.35 | Revenue and Borrowing cost |

# Notes to the Financial Statements (Contd.)

## 31 Capital Management

### (a) Risk management

The Company's objectives when managing capital are to

- safeguard our ability to continue as a going concern, so that we 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 an optimum gearing ratio. The gearing ratios were as follows:

Rupees in crores

| Particulars | As at 31-03-2025 | As at 31-03-2024 |
|---|---|---|
| Net debt | 1,441.38 | 1,027.61 |
| Total equity | 9,936.65 | 7,731.04 |
| **Net debt to equity ratio (times)** | **0.1** | **0.1** |

**The company also monitors Interest coverage ratio :**

Company's earnings before interest, taxes and exceptional items (EBIT) divided by Interest

**The Company's strategy is to maintain an optimum interest coverage ratio.**

The Interest coverage ratio were as follows:

Rupees in crores

| Particulars | Year ended 31-03-2025 | Year ended 31-03-2024 |
|---|---|---|
| EBIT | 3,767.45 | 2,962.29 |
| Interest | 122.90 | 136.88 |
| **Interest coverage ratio (times)** | **30.7** | **21.6** |

### (b) Dividends

Rupees in crores

| Particulars | Year ended 31-03-2025 | Year ended 31-03-2024 |
|---|---|---|
| (i) Equity shares | | |
| Interim dividend for the year ended 31-03-2025 of ₹10.00 (31-03-2024 of ₹ 8.00) per fully paid share | 475.09 | 380.07 |
| (ii) Dividends not recognised at the end of the reporting period | - | - |

## 32 Key Financial Ratios

| Sl. No. | Particulars | As at 31-03-2025 | As at 31-03-2024 | Variance |
|---|---|---|---|---|
| 1 | Current ratios (times)<br>[Current Assets / Current Liabilities] | 0.6 | 0.6 | 0.0% |
| 2 | Net Debt / Equity Ratio (times)<br>[ (Total borrowing - Cash) / Equity] | 0.1 | 0.1 | 0.0% |
| 3 | Debt Service Coverage Ratio (times)<br>[ Earnings before Interest, Tax and Exceptional Items / (Interest Expense + Principal repayments of long term loan made during the period excluding prepayment)] - Note 1 | 5.4 | 2.5 | 112.5% |
| 4 | Return on Equity (%)<br>[Net Profit after tax/Average shareholders equity] | 30.7% | 30.2% | 1.5% |



# Notes to the Financial Statements (Contd.)

| Sl. No. | Particulars | As at 31-03-2025 | As at 31-03-2024 | Variance |
|---|---|---|---|---|
| 5 | Inventory Turnover Ratio (times)<br>[ Annualised Cost of goods sold / Average Inventory] | 16.6 | 18.0 | 7.4% |
| 6 | Debtors Turnover ratio (times)<br>[ Annualised Turnover / Average Debtors] | 28.1 | 27.9 | (0.8%) |
| 7 | Trade Payable turnover ratio (times)<br>[(Cost of Goods sold + Other expenses) /Average Trade payable] | 5.3 | 5.8 | 8.1% |
| 8 | Net Capital Turnover ratio (times)<br>[Net Sales /(Current Asset - Current Liabilities excluding current maturities of long term borrowing)] | NA | NA | NA |
| 9 | Net Profit ratio (%)<br>[Profit after tax / Turnover] | 7.5% | 6.6% | 14.1% |
| 10 | Return on Capital Employed (%)<br>[Earnings before Interest, Tax and Exceptional Items / Capital Employed] | 31.6% | 31.4% | 0.5% |
| 11 | Return on Investment (%)<br>[Income generated from invested funds/Average invested funds.] - Note 2 | NA | NA | NA |

1. Reflects improvement in operational performance during the financial year.
2. Significant investments held by the Company is for strategic purposes. Benchmarking the return on annual basis will not reflect yield from such investments.

## 33 Empoloyee Benefit Obligations

### Defined benefit plans as per actuarial valuation

Rupees in crores

| | Funded Plan | Unfunded Plans | |
|---|---|---|---|
| | Gratuity | Pension | |
| | Present value of obligation | Fair value of plan assets | Net amount | Present value of obligation |
| **As at 01-04-2023** | **186.26** | **(193.68)** | **(7.42)** | **142.83** |
| Current service cost | 36.01 | - | 36.01 | - |
| Interest expense/(income) | 14.52 | (13.78) | 0.74 | 10.85 |
| **Total amount recognised in profit or loss** | **50.53** | **(13.78)** | **36.75** | **10.85** |
| **Remeasurements** | | | | |
| Return on plan assets, excluding amounts included in interest expense/(income) | - | 6.10 | 6.10 | - |
| (Gain)/loss from change in financial assumptions | 4.28 | - | 4.28 | 0.92 |
| Experience (gains)/losses | (7.03) | - | (7.03) | 16.21 |
| **Total amount recognised in other comprehensive income** | **(2.75)** | **6.10** | **3.35** | **17.13** |
| Employer contributions | - | (37.45) | (37.45) | - |
| Benefit payments | (12.89) | 12.89 | - | (4.72) |
| **As at 31-03-2024** | **221.15** | **(225.92)** | **(4.77)** | **166.09** |
| Current service cost | 44.96 | - | 44.96 | - |
| Interest expense/(income) | 16.01 | (15.17) | 0.84 | 11.91 |
| **Total amount recognised in profit or loss** | **60.97** | **(15.17)** | **45.80** | **11.91** |
| **Remeasurements** | | | | |
| Return on plan assets, excluding amounts included in interest expense/(income) | - | (5.75) | (5.75) | - |
| (Gain)/loss from change in financial assumptions | 6.38 | - | 6.38 | 10.72 |
| Experience (gains)/losses | (18.18) | - | (18.18) | 0.43 |
| **Total amount recognised in other comprehensive income** | **(11.80)** | **(5.75)** | **(17.55)** | **11.15** |
| Employer contributions | - | (29.39) | (29.39) | - |
| Benefit payments | (21.58) | 21.58 | - | (6.62) |
| **As at 31-03-2025** | **248.74** | **(254.65)** | **(5.91)** | **182.53** |

# Notes to the Financial Statements (Contd.)

The Company has an obligation towards gratuity, a defined benefit retirement plan covering eligible employees. The Company has created an Employees' Group Gratuity Fund which has taken a Group Gratuity Assurance Scheme with the Life Insurance Corporation of India. Company's contributions are based on actuarial valuation arrived at the end of each year and charged to Statement of Profit and Loss.

### The defined benefit obligations maturing after year ended March 31, 2025 are as follows

Rupees in crores

| Year ending March 31, | Defined Benefit Obligations |
|---|---|
| 2026 | 26.95 |
| 2027 | 16.18 |
| 2028 | 18.03 |
| 2029 | 19.91 |
| 2030 | 17.75 |
| 2031-2035 | 95.21 |

### The significant actuarial assumptions were as follows:

| Particulars | As at 31-03-2025 | As at 31-03-2024 |
|---|---|---|
| Discount rate (Gratuity) | 6.67% | 7.0% |
| Discount rate (Pension) | 6.34% | 7.0% |
| Salary growth rate | 5.5% | 5.5% |
| Pre-retirment Mortality rate | IALM (2006-08) Ultimate | |
| Post retirment Mortality rate | LIC Ann (1996-98) | |
| Attrition rate (For Gratuity) | 3.0% | 3.0% |
| Attrition rate (For Pension) | 0.0% | 0.0% |

Assumptions regarding future mortality for pension 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 age 58.

**(i) Sensitivity analysis**

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

| | Impact on defined benefit obligation - Gratuity | | | | | |
|---|---|---|---|---|---|---|
| | Change in assumption | | Increase in assumption | | Decrease in assumption | |
| | Year ended 31-03-2025 | Year ended 31-03-2024 | Year ended 31-03-2025 | Year ended 31-03-2024 | Year ended 31-03-2025 | Year ended 31-03-2024 |
| Discount rate | 0.50% | 0.50% | 238.05 | 211.96 | 260.26 | 231.03 |
| Salary growth rate | 0.50% | 0.50% | 260.33 | 231.13 | 237.89 | 211.79 |
| Mortality | 5.00% | 5.00% | 248.77 | 221.18 | 248.70 | 221.10 |

| | Impact on defined benefit obligation - Pension | | | | | |
|---|---|---|---|---|---|---|
| | Change in assumption | | Increase in assumption | | Decrease in assumption | |
| | Year ended 31-03-2025 | Year ended 31-03-2024 | Year ended 31-03-2025 | Year ended 31-03-2024 | Year ended 31-03-2025 | Year ended 31-03-2024 |
| Discount rate | 1.00% | 1.00% | 165.91 | 150.75 | 202.14 | 184.21 |
| Salary growth rate | 1.00% | 1.00% | 203.13 | 185.21 | 164.89 | 149.74 |
| Mortality | 5.00% | 5.00% | 180.82 | 164.70 | 184.32 | 167.55 |

The above sensitivity analysis is 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.





Notes to the Financial Statements (Contd.)

**(ii) 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 underperform this yield, this will create a deficit.

**Changes in bond:** A decrease in bond yields will increase plan liabilities, although this will be partially offset by an yield 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 obligations are 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.

**(iii) Defined contribution plans**

The Company's contribution to defined contribution plan i.e., provident fund of ₹ 57.51 crores (previous year ₹ 44.73 crores) has been recognised in the Statement of Profit and Loss.

## 34 TVS Motor Company Employee Stock Option Plan

The Company introduced TVS Motor Company Employee Stock Option Plan to provide equity-based incentives to the eligible employees of the Company. The plan is administered by the Nomination and Remuneration Committee of the Company through a Trust.

A maximum of 11,87,717 options may be granted under the Plan. Each option granted under the plan entitles the holder to one equity share of the Company at an exercise price, which is approved by the Nomination and Remuneration Committee (NRC).

As per the plan, NRC grants options to the employees of the Company. The vesting period of the option is one to ten years from the date of grant. Options granted under the Scheme can be exercised within a period of four years from the date of vesting.

Accordingly, NRC granted 3,51,000 options under the Plan and the Trust acquired shares from secondary market for the purpose of implementation of the Plan.

The movement in options are as below:

| Particulars | For the year ended 31st March 2025 | For the year ended 31st March 2024 |
|---|---|---|
| Outstanding at the beginning of the year | - | - |
| Options granted during the year | 3,51,000 | - |
| Options forfeited during the year | - | - |
| Options exercised during the year | - | - |
| Outstanding at the end of the year | 3,51,000 | - |
| Options exercisable at the end of the year | - | - |

### Fair value measurement:

The fair value at grant date is determined using the Black-Scholes Model which takes into account the exercise price, the term of the option, the share price at grant date and expected price volatility of the underlying share, the expected dividend yield and the risk free interest rate for the term of the option.

The key inputs used in Black-Scholes Model for calculating fair value of options under the scheme as on the date of grant are as follows:

The weighted average remaining contractual life of the options outstanding as of 31st March 2025 was 4 months.

# Notes to the Financial Statements (Contd.)

The fair value of the options is estimated on the date of grant using the Black-Scholes Model with the following assumptions:

| Particulars | For the year ended 31st March 2025 | For the year ended 31st March 2024 |
|---|---|---|
| No of options granted | 3,51,000 | - |
| Dividend yield (%) | 0.39% | - |
| Volatility rate (%) | 24.66% | |
| Risk free rate | 7.04% | - |
| Expected life of options (years) | 1.12 | - |
| Weighted average fair value of options per share (₹) | 1263.66 | - |
| Weighted average share price (₹) | **1858.95** | **-** |

## 35 Related Party Disclosure

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

**Holding company:**

TVS Holdings Limited, Chennai

**Subsidiaries:**

Sundaram Auto Components Limited, Chennai
TVS Motor Services Limited, Chennai
TVS Credit Services Limited, Chennai
TVS Digital Limited, Chennai (formerly known as TVS Housing Limited) (upto 15.09.2024)
TVS Electric Mobility Ltd, Chennai
DriveX Mobility Private Limited, Coimbatore (w.e.f 23.12.2024)
Harita ARC Services Private Limited, Chennai
Harita Two Wheeler Mall Private Limited, Chennai
TVS Housing Finance Private Limited, Chennai
TVS Motor (Singapore) Pte. Limited, Singapore (TVSM Singapore)
PT TVS Motor Company Indonesia, Jakarta
TVS Motor Company (Europe) B.V., Amsterdam
TVS Motor Company DMCC, Dubai (w.e.f 27.06.2024)
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
Swiss E-Mobility Group (Schweiz) AG Switzerland, Zurich
Colag E-Mobility GmBH, Germany, Nuremberg
Alexand'Ro Edouard'O Passion Vélo Sàrl, Switzerland
Swiss E-mobility Group (österreich) Gmbh, Austria

**Associate company:**

Ultraviolette Automotive Private Limited, Bengaluru
Indian Foundation for Quality Management, Bengaluru [Upto 10.03.2025]
DriveX Mobility Private Limited, Coimbatore (Upto 22.12.2024)

### (ii) Other related parties and their relationship where transaction exists

**Fellow Subsidiaries**

TVS Emerald Limited (Formerly known as Emerald Haven Realty Ltd), Chennai (name change w.e.f 27.09.2024) - (Upto 31.12.2024)
Emerald Haven Development Limited, Chennai - (Upto 31.12.2024)
TVS Digital Limited, Chennai (formerly known as TVS Housing Limited) (wef 16.09.2024)





# Notes to the Financial Statements (Contd.)

**Associate / Branches /Joint venture of holding / subsidiary / fellow subsidiary company:**

Predictronics Corp, USA
TVS Training & Services Limited, Chennai
TVS Motor (Singapore) Pte. Ltd, Italy Branch
TVS Motor (Singapore) Pte. Ltd, Philippines Branch
TVS Motor (Singapore) Pte. Ltd, Australia Branch

### (iii) Enterprises under Common control

Sundaram - Clayton Limited, Chennai (formerly known as Sundaram - Clayton DCD Limited
TVS Emerald Limited (Formerly known as Emerald Haven Realty Ltd), Chennai (name change w.e.f 27.09.2024) - (Enterprises in which one of the promoter group holding control w.e.f 01.01.2025)
Emerald Haven Development Limited, Chennai - (Subsidiary of TVS Emerald Limited)

### (iv) Enterprises in which directors are interested

Dua Associates (upto 13.07.2024)
Dua Consulting Private Limited (upto 13.07.2024)
McCann-Erickson (India) Private Limited (upto 13.07.2024)
Trichur Sundaram Santhanam & Family Private Limited
T.V Sundram Iyengar & Sons Private Limited
TVS Organics Private Limited
TVS Automobile Solutions Private Limited
TVS Cheema Scholarship Foundation
Veeyes Charities Foundation

**Key Management personnel**

**Executive Directors:**

Mr. Venu Srinivasan, Chairman Emeritus & Managing Director
Mr. Sudarshan Venu, Managing Director
Mr. K N Radhakrishnan, Director & Chief Executive Officer

**Non-executive Directors:**

**Independent Directors:**

Mr. Shailesh Haribhakti
Dr. Deepali Pant Joshi
Mr. Vijay Sankar
Mr. B Sriram
Mr. C R Dua (Upto 13.07.2024)
Mr. H K Singh (Upto 13.07.2024)
Mr. Kuok Meng Xiong (Upto 06.08.2024)

**Non-Independent Directors:**

Prof Sir Ralf Dieter Speth
Dr. Lakshmi Venu (Upto 06.08.2024)

**Chief Financial Officer**

Mr. K Gopala Desikan

**Company Secretary**

Mr. K S Srinivasan

**Post Employment benefit plans:**

TVS Motor Company Employees' Gratuity Fund
TVS Motor Company Employees' Provident Fund

**Others:**

Srinivasan Services Trust
TVSM Employees Stock Option Trust

# Notes to the Financial Statements (Contd.)

**(b) Transactions with related parties: (Transactions from the date of becoming/ upto the date of ceasing to be related party)**

Rupees in crores

| | | As at / Year Ended 31-03-2025 | As at / Year Ended 31-03-2024 |
|---|---|---|---|
| **(i)** | **Purchase of goods (Including sales reversal)** | | |
| - | Holding company (TVS Holdings Limited, Chennai) | - | 126.75 |
| - | Subsidiary companies | | |
| | Sundaram Auto Components Limited, Chennai | 481.80 | 398.38 |
| | PT.TVS Motor Company Indonesia, Jakarta | 0.54 | 0.09 |
| | Swiss E-Mobility Group (Schweiz) AG Switzerland, Zurich | - | 0.13 |
| - | Enterprises under Common control | | |
| | Sundaram-Clayton Limited, Chennai | 426.83 | 255.24 |
| - | Enterprises in which directors are interested | | |
| | TVS Organics Private Limited | 0.90 | 0.69 |
| **(ii)** | **Sale of goods** | | |
| - | Holding company (TVS Holdings Limited, Chennai) | 113.76 | 471.96 |
| - | Subsidiary companies | | |
| | PT.TVS Motor Company Indonesia, Jakarta | 301.77 | 354.27 |
| | The Norton Motorcycle Co. Ltd, UK | 3.03 | 0.72 |
| | Celerity Motor GmbH, Germany | 0.02 | 0.06 |
| | DriveX Mobility Private Limited, Coimbatore | 0.07 | - |
| - | Associate Companies | | |
| | DriveX Mobility Private Limited, Coimbatore | 0.21 | 0.06 |
| - | Associate / Branches /Joint venture of holding / subsidiary / fellow subsidiary company: | | |
| | TVS Motor (Singapore) Pte. Ltd, Italy Branch | 14.23 | - |
| | TVS Motor (Singapore) Pte. Ltd, Philippines Branch | 0.60 | - |
| - | Enterprises under Common control | | |
| | Sundaram-Clayton Limited, Chennai | 20.49 | 9.60 |
| **(iii)** | **Purchase of assets** | | |
| - | Holding company (TVS Holdings Limited, Chennai) | 7.42 | 39.00 |
| - | Enterprises under Common control | | |
| | Sundaram-Clayton Limited, Chennai | 108.00 | - |
| - | Enterprises in which directors are interested | | |
| | Trichur Sundaram Santhanam & Family Private Limited, Chennai | 1.87 | - |
| - | Key Management personnel | 18.71 | - |
| **(iv)** | **Sale of assets** | | |
| - | Subsidiary companies | | |
| | Sundaram Auto Components Limited, Chennai | - | 0.02 |
| - | Enterprises under Common control | | |
| | Sundaram-Clayton Limited, Chennai | - | 0.29 |
| - | Enterprises in which directors are interested | | |
| | Trichur Sundaram Santhanam & Family Private Limited, Chennai | 0.35 | - |
| **(v)** | **Rendering of services** | | |
| - | Holding company (TVS Holdings Limited, Chennai) | - | 0.45 |
| - | Subsidiary companies | | |
| | Sundaram Auto Components Limited, Chennai | 0.11 | 0.11 |
| | PT. TVS Motor Company Indonesia, Jakarta | 0.55 | 0.55 |
| | TVS Credit Services Limited, Chennai | 2.46 | 5.43 |
| | The Norton Motorcycle Co. Ltd, UK | 22.53 | 8.58 |
| - | Fellow Subsidiary companies | | |
| | TVS Emerald Limited | - | 1.05 |
| - | Enterprises under Common control | | |
| | Sundaram-Clayton Limited, Chennai | 1.79 | 1.34 |





# Notes to the Financial Statements (Contd.)

Rupees in crores

| | | As at / Year Ended 31-03-2025 | As at / Year Ended 31-03-2024 |
|---|---|---|---|
| **(vi)** | **Availing of services (includes sub-contract charges paid)** | | |
| - | Holding company (TVS Holdings Limited, Chennai) | 141.72 | 118.03 |
| - | Subsidiary company | | |
| | Sundaram Auto Components Limited, Chennai | 0.99 | 2.84 |
| | TVS Credit Services Limited, Chennai | 8.81 | 6.10 |
| | TVS Digital Pte Limited, Singapore | 1.51 | 0.34 |
| | TVS Digital Limited (Subsidiary upto 15.09.2024) | 4.91 | - |
| | Celerity Motor GmbH, Germany | 16.95 | - |
| - | Fellow Subsidiary companies | | |
| | TVS Digital Limited (w.e.f 16.09.2024) | 12.53 | - |
| - | Associate / joint venture of holding / subsidiary / fellow subsidiary company | | |
| | TVS Training & Services Limited, Chennai | 0.01 | - |
| | TVS Motor (Singapore) Pte. Ltd, Philippines Branch | 0.01 | - |
| - | Enterprises under Common control | | |
| | Sundaram-Clayton Limited, Chennai | 3.91 | 3.35 |
| - | Enterprises in which directors are interested | | |
| | Dua Associates, Delhi (Upto 13.07.2024) | 0.06 | 0.35 |
| | Dua Consulting Private Limited, Delhi (Upto 13.07.2024) | 1.12 | 4.57 |
| | McCann-Erickson (India) Private Limited, Delhi (Upto 13.07.2024) | 0.90 | 3.59 |
| | Trichur Sundaram Santhanam & Family Private Limited, Chennai | 0.16 | 0.65 |
| | TVS Automobile Solutions Private Limited | 0.17 | - |
| **(vii)** | **Investments made/(Redemption) during the year** | | |
| - | Subsidiary companies | | |
| | TVS Motor (Singapore) Pte. Limited, Singapore | 1,497.24 | 1,231.34 |
| | TVS Motor Services Limited, Chennai | - | - |
| | TVS Credit Services Limited, Chennai | 282.67 | 100.00 |
| | Sundaram Auto Components Limited, Chennai (Reduction of Share Capital) | - | (310.00) |
| | TVS Motor Company DMCC, Dubai | 210.78 | - |
| | TVS Digital Limited | - | 3.00 |
| | DriveX Mobility Private Limited, Coimbatore | 40.79 | - |
| - | Fellow Subsidiary companies | | |
| | TVS Digital Limited (w.e.f 16.09.2024) | (3.05) | - |
| - | Associate / Joint venture | | |
| | Indian Foundation for Quality Management, Bengaluru | - | 25.00 |
| **(viii)** | **Share application money pending allotment** | | |
| - | Subsidiary companies | | |
| | TVS Motor (Singapore) Pte Limited, Singapore | - | 121.19 |
| **(ix)** | **Remuneration to key managerial personnel** | | |
| | Short-term employee benefits | 75.60 | 64.74 |
| | Post-employment benefits | 0.54 | 0.65 |
| | (ESOPs granted to KMPs have not been considered as remuneration for the current year as defined under section 2(78) of the Companies Act, 2013 as the options have not been excercised) | | |
| **(x)** | **Obligation arising out of agreements facilitating credit / payment to service provider** | | |
| - | Subsidiary companies | | |
| | TVS Motor (Singapore) Pte. Limited, Singapore | - | 83.41 |
| **(xi)** | **Contributions to post employment benefit plans** | | |
| | TVS Motor Company Employees' Gratuity Fund | 30.37 | 38.51 |
| | TVS Motor Company Employees' Provident Fund | 142.75 | 114.30 |
| | (Including Employee and Employer Contributions) | | |

# Notes to the Financial Statements (Contd.)

Rupees in crores

| | | As at / Year Ended 31-03-2025 | As at / Year Ended 31-03-2024 |
|---|---|---|---|
| **(xii)** | **Loans and Advances** | | |
| - | Issue / (Redemption) of Non convertible zero coupon debentures | | |
| - | Subsidiary Company | | |
| | Sundaram Auto Components Limited, Chennai | - | (310.00) |
| **(xiii)** | **Dividend received from** | | |
| - | Subsidiary Company | | |
| | Sundaram Auto Components Limited, Chennai | 100.27 | 1.96 |
| **(xiv)** | **Dividend paid to** | | |
| - | Holding company (TVS Holdings Limited, Chennai) | 238.78 | 191.03 |
| **(xv)** | **Donations Made** | | |
| - | Enterprises in which directors are interested | | |
| | TVS Cheema Scholarship Foundation | 39.98 | - |
| | Veeyes Charities Foundation | 7.00 | 8.30 |
| **(xvi)** | **Others** | | |
| | Srinivasan Services Trust - CSR contribution | 40.00 | 30.00 |
| | TVSM Employees Stock Option Trust - Purchase of Shares | 95.27 | - |

## (c) Balances with related parties:

Rupees in crores

| | | As at / Year Ended 31-03-2025 | As at / Year Ended 31-03-2024 |
|---|---|---|---|
| **(i)** | **Trade receivables / Other current assets** | | |
| - | Holding company (TVS Holdings Limited, Chennai) | - | 74.23 |
| - | Subsidiary companies | | |
| | Sundaram Auto Components Limited, Chennai | 0.06 | 0.75 |
| | PT. TVS Motor Company Indonesia, Jakarta | 300.78 | 412.13 |
| | TVS Credit Services Limited, Chennai | 8.68 | 8.17 |
| | The Norton Motorcycle Co. Ltd, UK | 32.31 | 18.99 |
| | TVS Digital Pte Limited, Singapore | 8.06 | 8.03 |
| | Swiss E-Mobility Group (Holding) AG, Switzerland (SEMG) | 4.82 | 0.98 |
| | Celerity Motor GmbH, Germany | - | 0.06 |
| - | Associates | | |
| | Ultraviolette Automotive Private Limited, Bengaluru | 0.02 | 0.02 |
| - | Associate / Branches /Joint venture of holding / subsidiary / fellow subsidiary company: | | |
| | TVS Motor (Singapore) Pte. Ltd, Italy Branch | 4.61 | - |
| | TVS Motor (Singapore) Pte. Ltd, Philippines Branch | 0.59 | - |
| - | Fellow Subsidiary companies | | |
| | TVS Digital Limited (w.e.f 16.09.2024) | 1.00 | - |
| - | Enterprises under Common control | | |
| | Sundaram-Clayton Limited, Chennai | 1.65 | 0.93 |
| | Emerald Haven Development Limited, Chennai | 0.16 | 0.09 |
| | TVS Emerald Limited | 14.09 | 11.96 |
| - | Enterprises in which directors are interested | | |
| | Trichur Sundaram Santhanam & Family Private Limited, Chennai | 0.21 | 0.52 |
| | TVS Cheema Scholarship Foundation | 0.48 | - |
| | McCann-Erickson (India) Private Limited, Delhi | - | 0.02 |

# Notes to the Financial Statements (Contd.)

Rupees in crores

| | | As at / Year Ended 31-03-2025 | As at / Year Ended 31-03-2024 |
|---|---|---|---|
| **(ii)** | **Trade payables** | | |
| - | Holding company (TVS Holdings Limited, Chennai) | 2.67 | 1.25 |
| - | Subsidiary companies | | |
| | Sundaram Auto Components Limited, Chennai | 5.08 | 5.54 |
| | TVS Motor (Singapore) Pte Limited, Singapore | 10.69 | 1.52 |
| | TVS Credit Services Limited, Chennai | 5.36 | 1.81 |
| | PT. TVS Motor Company Indonesia, Jakarta | 0.17 | 0.11 |
| | Celerity Motor GmbH, Germany | 0.41 | - |
| | DriveX Mobility Private Limited, Coimbatore | 0.02 | 0.04 |
| - | Associate / joint venture of holding / ultimate holding / subsidiary / fellow subsidiary company | | |
| | Predictronics Corporation, USA | - | 0.07 |
| - | Enterprises under Common control | | |
| | Sundaram-Clayton Limited, Chennai | 1.78 | 20.98 |
| - | Enterprises in which directors are interested | | |
| | Dua Consulting Private Limited, Delhi (upto 13.07.2024) | - | 0.32 |
| | T.V Sundram Iyengar & Sons Private Limited, Madurai | 0.03 | 0.07 |
| | TVS Organics Private Limited | - | 0.03 |
| **(iii)** | **Guarantees issued** | - | 83.41 |

The transactions with related parties are made on terms equivalent to those that prevail in arm's length transactions. Outstanding balances at the year end are unsecured and settlement occurs in cash.

## 36 Earnings Per Share

Rupees in crores

| Particulars | As at / Year Ended 31-03-2025 | As at / Year Ended 31-03-2024 |
|---|---|---|
| Profit attributable to ordinary shareholders | 2,710.54 | 2,083.00 |
| Number of equity shares | 47,50,87,114 | 47,50,87,114 |
| Face value of the share (in rupees) | 1.00 | 1.00 |
| Weighted average number of equity shares outstanding during the year | 47,50,87,114 | 47,50,87,114 |
| Basic and diluted earnings per share for continued operations (in rupees) | 57.05 | 43.84 |
| Basic and diluted earnings per share for discontinued operations (in rupees) | - | - |
| Basic and diluted earnings per share for continued and discontinued operations (in rupees) | 57.05 | 43.84 |

## 37 Warranty Provision

Rupees in crores

| Particulars | As at / Year Ended 31-03-2025 | As at / Year Ended 31-03-2024 |
|---|---|---|
| Opening balance | 88.32 | 55.11 |
| Add: Provision for the year (net) | 150.93 | 88.32 |
| | **239.25** | **143.43** |
| Less: Payments / debits (net) | 88.32 | 55.11 |
| **Closing balance** | **150.93** | **88.32** |

# Notes to the Financial Statements (Contd.)

## 38 Disclosure Under Micro, Small and Medium Enterprises Development Act, 2006.

Rupees in crores

| Particulars | | | As at / Year Ended 31-03-2025 | As at / Year Ended 31-03-2024 |
|---|---|---|---|---|
| Trade Payables pertaining to dues to Micro and Small Enterprises (all are within agreed credit period and not due for payment) [Refer note 18] | | | 37.21 | 34.80 |
| (i) | The principal amount and interest due thereon remaining unpaid to any supplier as at the end of each accounting year | | Nil | Nil |
| (ii) | 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 |
| (iii) | 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 |
| (iv) | The amount of interest accrued and remaining unpaid at the end of each accounting year | | Nil | Nil |
| (v) | 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 |

## 39 Payment to Auditors

Rupees in crores

| Particulars | As at / Year Ended 31-03-2025 | As at / Year Ended 31-03-2024 |
|---|---|---|
| Audit fees | 0.85 | 0.85 |
| Tax Audit fees | 0.20 | 0.20 |
| Certification fees | 0.10 | 0.10 |
| Other services | 0.19 | - |
| | **1.34** | **1.15** |
| Miscellaneous expenses include travel and stay expenses of auditors | - | 0.03 |
| | **1.34** | **1.18** |

## 40 Contingent Liabilities and Commitments not Provided for

Rupees in crores

| Particulars | | | As at / Year Ended 31-03-2025 | As at / Year Ended 31-03-2024 |
|---|---|---|---|---|
| **(a)** | **Claims against the company not acknowledged as debts:** | | | |
| | (i) | Central Excise | 23.90 | 23.89 |
| | (ii) | GST | 22.12 | 7.25 |
| | (iii) | Service tax | 0.95 | 0.95 |
| | (iv) | Sales tax | - | 2.00 |
| | (v) | Guarantees given to bank/others for credit facility granted to subsidiary Companies | - | 83.41 |
| | (vi) | Income tax | 39.98 | 46.85 |
| | | 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. | | |
| **(b)** | **Other money for which the company is contingently liable:** | | | |
| | On bills discounted with banks | | 330.98 | 250.99 |
| **(c)** | **Commitments:** | | | |
| | (i) | Estimated amount of contracts remaining to be executed on capital account and not provided for | 314.55 | 229.94 |
| | (ii) | On Investments | 0.00 | 1.88 |





# Notes to the Financial Statements (Contd.)

## 41 Leases

### Company as a Lessee

The company has taken land, warehouses and sales offices across the country on lease for lease period ranging from 6-99 years. Company also has other assets on leases, the lease term here ranges from 2-9 Years.

Wherever the lease includes extension option and it is reasonably certain to exercise that option, the same is considered for computing the lease term. In other cases, the term is limited to initial lease period. Lease term includes non-cancellable period and expected lease period.

Payment made towards short term leases during the year is ₹ 87.84 Cr (Previous year: ₹ 78.46 Cr)

Payment made towards Low value assets during the year is Nil (Previous year: Nil)

Payment relating to leases are disclosed in Cash flow statement

Income from sub-leasing of Right of use asset is ₹ 0.39 Crs (Previous year: Nil)

## 42A Additional Regulatory Disclosures as Per Schedule iii of Companies Act, 2013

(i) 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.

(ii) The Company does not have any investment property.

(iii) As per the Company's accounting policy, Property, Plant and Equipment (including Right of Use Assets) and intangible assets are carried at historical cost (less accumulated depreciation & impairment, if any), hence the revaluation related disclosures required as per Additional Regulatory Information of Schedule III (revised) to the Companies Act, is not applicable.

(iv) 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.

(v) 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.

(vi) The Company has sanctioned facilities from banks on the basis of security of current assets. The periodic returns filed by the Company with such banks are in agreement with the books of accounts of the Company.

(vii) The company has adhered to debt repayment and interest service obligations on time. "Wilful defaulter" related disclosures required as per Additional Regulatory Information of Schedule III (revised) to the Companies Act, is not applicable.

(viii) There are no transactions with the companies whose names were struck off under section 248 of The Companies Act, 2013 or section 560 of Companies Act, 1956 during the year ended 31 March 2025

(ix) 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 31st March 2025

(x) 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.

(xi) No scheme of arrangement has been approved by the competent authority in terms of Section 230 to 237 of the Companies Act, 2013.

(xii) 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

(xiii) The Company has not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Company shall:

(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

(xiv) The Company has not operated in any crypto currency or Virtual Currency transactions

(xv) 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.

# Notes to the Financial Statements (Contd.)

## 42B Segment Information for the Year Ended 31-03-2025

The Company identified two verticals viz (a) Automotive Vehicles & Parts and related investments and (b) Investment held in Financial Services based on operations from which significant risks and rewards are derived. Chief Operating Decision Maker (CODM) examines the risks and rewards of the entities' performance in the above two verticals and allocates the resources aligning with the Company's strategy.

The Investments of the Company in TVS Credit Services Limited and TVS Motor Services Limited and other non-strategic companies categorized as Financial Services.

Rupees in crores

| Particulars | Business Segment | | | | | |
|---|---|---|---|---|---|---|
| | Year ended 31-03-2025 | | | Year ended 31-03-2024 | | |
| | Automotive vehicles & parts | Financial Services | Total | Automotive vehicles & parts | Financial Services | Total |
| Revenue | | | | | | |
| External sales - domestic | 27,819.21 | - | 27,819.21 | 24,346.39 | - | 24,346.39 |
| - exports | 8,432.11 | - | 8,432.11 | 7,429.98 | - | 7,429.98 |
| Other income | 118.50 | (60.49) | 58.01 | 145.87 | 2.66 | 148.53 |
| Inter segment sales | - | - | - | - | - | - |
| Total revenue | 36,369.82 | (60.49) | 36,309.33 | 31,922.24 | 2.66 | 31,924.90 |
| Segment-wise results before interest and tax | 3,827.94 | (60.49) | 3,767.45 | 2,959.63 | 2.66 | 2,962.29 |
| Less: Interest | 138.66 | - | 138.66 | 181.63 | - | 181.63 |
| Profit before tax | 3,689.28 | (60.49) | 3,628.79 | 2,778.00 | 2.66 | 2,780.66 |
| Less: Tax expense | 933.56 | (15.31) | 918.25 | 696.99 | 0.67 | 697.66 |
| Profit after tax | 2,755.72 | (45.18) | 2,710.54 | 2,081.01 | 1.99 | 2,083.00 |
| Segment assets | 17,148.47 | 2,814.42 | 19,962.89 | 13,337.20 | 2,725.04 | 16,062.24 |
| Segment liabilities | 10,026.24 | - | 10,026.24 | 8,331.20 | - | 8,331.20 |
| Segment depreciation / amortisation | 744.60 | - | 744.60 | 700.35 | - | 700.35 |

## 42C Revenue From Contract With Customers:

Rupees in crores

| Particulars | | Year Ended 31-03-2025 | Year Ended 31-03-2024 |
|---|---|---|---|
| (a) | Geographical market | | |
| (i) | Domestic | 27,260.59 | 24,072.51 |
| (ii) | Exports | 8,432.11 | 7,429.98 |
| | | **35,692.70** | **31,502.49** |
| (b) | Revenue recognized that was inlcuded in the contract liabilities at the beginning of the period. (Payment is 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). | 265.58 | 154.70 |
| (c) | Reconciliation of revenue with contract price: | | |
| (i) | Contract price | 37,124.81 | 32,734.60 |
| (ii) | Adjustments : | | |
| | Incentive schemes | 829.73 | 705.62 |
| | Transport cost | 602.38 | 526.49 |
| | Revenue from sale of products/services | **35,692.70** | **31,502.49** |





# Notes to the Financial Statements (Contd.)

## 43 Disclosure Made in Terms of Regulation 34(3) of Listing Regulations

Rupees in crores

| Sl. No. | Particulars | Name of the company | | Amount outstanding as at 31-03-2025 | Amount outstanding as a 31-03-2024 |
|---|---|---|---|---|---|
| (a) | **Investments by the company** | | | | |
| | (i) **In subsidiary companies** | **Sundaram Auto Components Limited, Chennai** | | 108.46 | 108.46 |
| | | [1,19,37,422 (last year-1,19,37,422) Equity shares of ₹10/- each fully paid up] | | | |
| | | Maximum amount held at any time | | | |
| | | During the year | 108.46 | | |
| | | During the previous year | 108.46 | | |
| | | **TVS Digital Limited, Chennai (Formerly known as TVS Housing Limited)** | | - | 3.05 |
| | | Nil (last year - 30,50,000) Equity shares of ₹10/- each fully paid up] | | | |
| | | Maximum amount held at any time | | | |
| | | During the year | 3.05 | | |
| | | During the previous year | 3.05 | | |
| | | **TVS Motor Services Limited, Chennai** | | 148.68 | 148.68 |
| | | [14,96,33,814 (last year -14,96,33,814) Equity shares of ₹10/- each fully paid up] | | | |
| | | Maximum amount held at any time | | | |
| | | During the year | 148.68 | | |
| | | During the previous year | 148.68 | | |
| | | **TVS Motor Services Limited, Chennai** | | | |
| | | [5,00,00,000 (last year - 5,00,00,000) Preference shares of ₹ 10/- each fully paid up] | | 50.00 | 50.00 |
| | | Maximum amount held at any time | | | |
| | | During the year | 50.00 | | |
| | | During the previous year | 50.00 | | |
| | | **TVS Credit Services Limited, Chennai** | | 2,243.65 | 1,960.99 |
| | | [20,23,19,089 (last year - 19,54,24,754) Equity shares of ₹10/- each fully paid up] | | | |
| | | Maximum amount held at any time | | | |
| | | During the year | 2,243.65 | | |
| | | During the previous year | 1,960.99 | | |
| | | **TVS Credit Services Limited, Chennai** | | 100.00 | 100.00 |
| | | [31,69,773 (last year - 31,69,773) Preference shares of ₹10/- each fully paid up] | | | |
| | | Maximum amount held at any time | | | |
| | | During the year | 100.00 | | |
| | | During the previous year | 100.00 | | |
| | | **TVS Motor Company (Europe)B.V., Amsterdam** | | 1.80 | 1.80 |
| | | [2,25,301 (last year- 2,25,301) Ordinary shares of Euro 100/- each fully paid up] | | | |
| | | Maximum amount held at any time | | | |
| | | During the year | 1.80 | | |
| | | During the previous year | 1.80 | | |

# Notes to the Financial Statements (Contd.)

Rupees in crores

| Sl. No. | Particulars | Name of the company | | Amount outstanding as at 31-03-2025 | Amount outstanding as a 31-03-2024 |
|---|---|---|---|---|---|
| | | **TVS Motor (Singapore) Pte. Limited, Singapore** | | 5,195.12 | 3,697.87* |
| | | [90,76,19,207 (last year 67,16,85,616) Ordinary shares of Singapore $ 1/- each fully paid up] | | | |
| | | Maximum amount held at any time | | | |
| | | During the year | 5,195.12 | | |
| | | During the previous year | 3,697.87 | | |
| | | (* - Including share application money pending allotment) | | | |
| | | **PT. TVS Motor Company Indonesia, Jakarta** | | 389.06 | 389.06 |
| | | [85,97,000 (last year - 85,97,000) Equity shares of Indonesian Rp.97,400/- each fully paid up] | | | |
| | | Maximum amount held at any time | | | |
| | | During the year | 389.06 | | |
| | | During the previous year | 389.06 | | |
| | | **DriveX Mobility Private Limited, Coimbatore#** | | 225.74 | 87.17 |
| | | [20,981 (last year - 9766) Equity shares of ₹10 each fully paid] | | | |
| | | Maximum amount held at any time | | | |
| | | During the year | 225.74 | | |
| | | During the previous year | 87.17 | | |
| | | # Ceased to be an associate and become the subsidiary of the company as on 31st March 2025 | | | |
| | | **TVSM DMCC** | | 210.78 | - |
| | | [92,000 (last year - Nil) Equity shares of AED1000 each fully paid] | | | |
| | | Maximum amount held at any time | | | |
| | | During the year | 210.78 | | |
| | | During the previous year | - | | |
| | | **TVS Electric Mobility Ltd, Chennai** | | 1.00 | 1.00 |
| | | [10,00,000 (last year -10,00,000) Equity shares of ₹10/- each fully paid up] | | | |
| | | Maximum amount held at any time | | | |
| | | During the year | 1.00 | | |
| | | During the previous year | 1.00 | | |





# Notes to the Financial Statements (Contd.)

Rupees in crores

| Sl. No. | Particulars | Name of the company | | Amount outstanding as at 31-03-2025 | Amount outstanding as a 31-03-2024 |
|---|---|---|---|---|---|
| | (ii) in associate companies | **Emerald Haven Realty Limited, Chennai,** | | - | - |
| | | Nil (last year - Nil) Equity shares of ₹ 10/- each fully paid up] | | | |
| | | Maximum amount held at any time | | | |
| | | During the year | - | | |
| | | During the previous year | 111.22 | | |
| | | **Ultraviolette Automotive Private Limited, Bengaluru** | | 11.00 | 11.00 |
| | | [14,850 (last year-14,850) Equity shares of ₹ 10/- each fully paid up] | | | |
| | | Maximum amount held at any time | | | |
| | | During the year | 11.00 | | |
| | | During the previous year | 11.00 | | |
| | | **Ultraviolette Automotive Private Limited, Bengaluru** | | 5.00 | 5.00 |
| | | [990 (last year - 990) Preference shares of ₹ 50,545/- each fully paid up] | | | |
| | | Maximum amount held at any time | | | |
| | | During the year | 5.00 | | |
| | | During the previous year | 5.00 | | |
| | | (7387 (last year - 7387) Preference shares of ₹ 40,616/- each fully paid up] | | 30.00 | 30.00 |
| | | Maximum amount held at any time | | | |
| | | During the year | 30.00 | | |
| | | During the previous year | 30.00 | | |
| | | [3939 (last year - 3939) Preference shares of ₹1,90,384/- each fully paid up] | | 75.00 | 75.00 |
| | | Maximum amount held at any time | | | |
| | | During the year | 75.00 | | |
| | | During the previous year | 75.00 | | |
| | | **Tagbox Solutions Private Limited, Bengaluru** | | - | - |
| | | [Nil (last year - Nil) Equity shares of ₹1 each fully paid] | | | |
| | | Maximum amount held at any time | | | |
| | | During the year | - | | |
| | | During the previous year | 1.19 | | |
| | | **Tagbox Solutions Private Limited, Bengaluru** | | - | - |
| | | [Nil (last year - Nil) Preference shares of ₹16 each fully paid] | | | |
| | | Maximum amount held at any time | | | |
| | | During the year | - | | |
| | | During the previous year | 9.99 | | |

# Notes to the Financial Statements (Contd.)

Rupees in crores

| Sl. No. | Particulars | Name of the company | | Amount outstanding as at 31-03-2025 | Amount outstanding as a 31-03-2024 |
|---|---|---|---|---|---|
| | | **Indian Foundation for Quality Management, Bengaluru^** | | - | 25.00 |
| | | [Nil (last year - 2,50,00,000) Equity shares of ₹10 each fully paid] | | | |
| | | Maximum amount held at any time | | | |
| | | During the year | 25.00 | | |
| | | During the previous year | 25.00 | | |
| | | ^Ceased to be associate as on 31st March 2025 and become part of Non current Investments | | | |
| | **(b) Investments by the holding company** | **TVS Holdings Limited (formerly Sundaram-Clayton Limited), Chennai** | | 17.15 | 17.15 |
| | | 23,87,82,786 (last year 23,87,82,786) Equity shares of ₹ 1/- each fully paid up | | | |
| | | Maximum amount held at any time | | | |
| | | During the year | 17.15 | | |
| | | During the previous year | 17.15 | | |

## 44 Details of Loans given, Investments Made And Guarantees Given

(DISCLOSURE AS PER SECTION 186 OF THE COMPANIES ACT, 2013)

(a) Investments made - Refer Note No.3

(b) Guarantee issued towards credit facility / business purpose - Refer Note No.35b(x)





# Notes to the Financial Statements (Contd.)

## 45 Corporate Social Responsibility

Expenditure incurred on Corporate Social Responsibility (CSR) activities:

(a) Gross amount required to be spent during the year is ₹ 39.55 crores (Previous Year ₹ 26.39 crores)

(b) Amount spent during the year:

Rupees in crores

| Sl. No. | Particulars | In cash | Yet to be paid in cash | Year ended 31-03-2025 | Year ended 31-03-2024 |
|---|---|---|---|---|---|
| 1 | Construction/acquisition of any asset | - | - | - | - |
| 2 | Other than above | - | - | 40.00 | 30.00 |

| Sl. No. | Particulars | Year ended 31-03-2025 | Year ended 31-03-2024 |
|---|---|---|---|
| 1 | Amount required to be spent by the Company during the year | 39.55 | 26.39 |
| 2 | Amount of expenditure incurred | 40.00 | 30.00 |
| 3 | Shortfall at the end of the year | - | - |
| 4 | Total of previous years shortfall | - | - |
| 5 | Reasons for shortfall | - NOT APPLICABLE - | |
| 6 | Details of related party transactions | 40.00 | 30.00 |
| 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, environment sustainability, social empowerment, infrastructure development and conservation of natural resources.

## 46 Previous Year's Figures have been regrouped wherever necessary to conform to the Current Year's classification.

**PROF SIR RALF DIETER SPETH**
Chairman
DIN: 03318908

**SUDARSHAN VENU**
Managing Director
DIN: 03601690

**K N RADHAKRISHNAN**
Director & Chief Executive Officer
DIN: 02599393

As per our report annexed
For **Sundaram & Srinivasan**
Chartered Accountants
Firm Regn. No.004207S

Place : Chennai
Date : 28th April 2025

**K GOPALA DESIKAN**
Chief Financial Officer

**K S SRINIVASAN**
Company Secretary

**S USHA**
Partner
Membership No.:211785

# Independent Auditors' Report

for the year ended 31st March 2025

**To the members of TVS Motor Company Limited**

## Report on the Audit of Consolidated Ind AS Financial Statements

### Opinion

We have audited the accompanying consolidated Ind AS financial statements of TVS Motor Company Limited (hereinafter referred to as the 'Holding Company") and its subsidiaries (Holding Company and its subsidiaries together referred to as "the Group"), and its associates, which comprise the consolidated Balance Sheet as at March 31, 2025, and the consolidated statement of Profit and Loss,(including Other Comprehensive Income), the consolidated statement of changes in equity and the consolidated cash flow statement for the year then ended, and notes to the consolidated Ind AS financial statements, including material accounting policies and other explanatory information (hereinafter referred to as "the consolidated Ind AS financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated Ind AS 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 Indian Accounting standards prescribed under Section 133 of the Act, read with the Companies (Indian Accounting Standards) Rule, 2015 as amended (“Ind AS”) and other accounting principles generally accepted in India, of the consolidated state of affairs of the Group, its associates as at March 31, 2025, and its consolidated profit, its consolidated total comprehensive income, its consolidated changes in equity and its consolidated cash flows for the year then ended.

### 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 Standards are further described in the “Auditor's Responsibilities for the Audit of the Consolidated Ind AS Financial Statements” section of our report. We are independent of the Group and its associates in accordance with the ethical requirements that are relevant to our audit of the consolidated Ind AS financial statements in India in terms of the Code of Ethics issued by the Institute of Chartered Accountants of India and the relevant provisions of the Act, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained, and the audit evidence obtained by the other auditors in terms of their reports referred to in Other Matters section below, other than the unaudited financial statements/ financial information as certified by the management and referred to in Other Matters section below, is sufficient and appropriate to provide a basis for our opinion.

### Key Audit Matter

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated Ind AS financial statements of the current period. These matters were addressed in the context of our audit of the consolidated Ind AS financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

| Key Audit Matter | Principal Audit Procedures |
|---|---|
| **1. Carrying Value of Goodwill**<br>Management has obtained a valuation report of the Cash Generating Unit, wherein valuers have arrived at a fair value, based on weighted average of the Discounted Cash Flow Method and Comparable Companies Multiples Method. | Management has obtained a valuation report of the Cash Generating Unit, wherein valuers have arrived at a fair value, based on weighted average of the Discounted Cash Flow Method and Comparable Companies Multiples Method.<br>We gained an understanding of the key assumptions used to forecast the cash flows and the discount rates applied Weighted Average Cost of Capital (WACC) as well as the Comparable Companies considered in arriving at the fair value. We consider that the management conclusions concerning the absence of impairment in the goodwill are adequately supported and consistent with the information currently available. |
| **2. Government Grants**<br>Government has announced various Grants to manufacturers of automobiles. The company in turn is availing the said grants on fulfilling the conditions attached to that.<br>Recognition of government grants has been considered a key audit matter due to the materiality of the amounts involved and the significant management judgement required in assessing compliance with the conditions for grant eligibility.<br>The management periodically reviews, during the year, compliance of relevant conditions attached to each grant whether there is a reasonable assurance that the grants will be received, in order to determine the timing and amounts of grants to be recognized in the financial statements. | Determined the appropriateness of the accounting policy for government grants as per the relevant accounting standard;<br>Examined the Company's key internal financial controls over recognition of government grants with regard to its design and implementation. Tested the operating effectiveness of such controls for the transactions selected.<br>Verified documents, on sample basis, submitted to the various government authorities relating to the grants received and receivable and checked the compliance of conditions attached to the respective grants.<br>Considered the basis of management's judgement towards fulfilment of conditions attached to the grants and evaluated the reasonable assurance that grants will be received.<br>Reviewed the appropriateness of the disclosures made in accordance with the relevant accounting standards. |
| **3. Investments**<br>The Company has significant investments in its subsidiaries and associates.<br>Management reviews regularly whether there are any indicators of impairment of the investments by reference to the requirements under Ind AS 36 "Impairment of Assets".<br>For investments where impairment indicators exist, significant judgments are required to determine the key assumptions used in the valuation model and methodology, such as revenue growth, discount rates, etc.<br>Considering, the impairment assessment which involves significant assumptions and judgement of the management and the same has been considered as key audit matter. | Obtained and read the valuation report used by the management for determining the fair value ('recoverable amount') of its material investments.<br>Considered the independence, competence and objectivity of the management specialist involved in determination of valuation.<br>Tested the fair value of the investment as mentioned in the valuation report to the carrying value in books.<br>Made inquiries with management to understand key drivers of the cash flow forecasts, discount rates, etc.<br>Assessed the disclosures made in the financial statements regarding such investments to comply with the requirements of Standards. |
| **4. Intangible assets under development**<br>The Company has various internally generated intangible projects under development. Initial recognition of the development expenditure under these projects is based on assessing each project in relation to specific recognition criteria that needs to be met for capitalisation. In addition, the management also assess indication of impairment of the carrying value of assets which requires management judgment and assumptions as affected by future market or economic developments.<br>Due to the materiality of the assets under development recognised and the level of management judgement involved, initial recognition and measurement of internally generated intangible assets under development has been considered as a key audit matter. | Our audit procedures included but were not limited to the following:<br>Assessed whether the Company's Internally generated intangible assets- research and development expenditure accounting policy is in compliance with Ind AS 38 “Intangible Assets”.<br>We assessed the design, implementation and operating effectiveness over management process of identifying and capitalising the development expenditure in accordance with the accounting principles of capitalisation of expenditure on internally generated intangible assets as per Ind AS 38 such as technical feasibility of the project, intention and ability to complete the intangible asset, ability to use or sell the asset, generation of future economic benefits and the ability to measure costs reliably.<br>We performed test of details of development expenditure capitalised by reviewing the key assumptions including the authorisation of the stage of the project in the development phase, the accuracy of costs included and assessing the useful economic life attributed to the asset. In addition, we considered whether any indicators of impairment were present by understanding the business rationale for projects. |
| **5. Evaluation of Uncertain Direct tax and Indirect Tax positions**<br>The Company has material uncertain tax positions including matters under dispute relating to Excise, Customs Duty, Goods and Service Tax (Indirect Taxes) and Income Tax (Direct Tax).<br>These matters involve significant judgment to determine the possible outcome of these disputes | We obtained details of demands relating to Direct Tax and indirect tax, for the year ended 31st March 2025.<br>We considered legal precedence and other rulings, obtained external opinions and discussed with company's internal legal team in evaluating management's position on these uncertain tax positions.<br>We satisfied ourselves that it is not probable that an outflow of economic benefits will be required and disclosed such obligation as a contingent liability |

| Key Audit Matter | Principal Audit Procedures |
|---|---|
| 6. **Impairment Loss Allowance (as carried in TVS Credit Services Limited ("TVSCS")- Subsidiary)**<br><br>Management's judgements in the calculation of impairment allowances have significant impact on the financial statements (TVSCS). 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".<br><br>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 categorisation of the individual asset.<br><br>The key areas of judgement include:<br>1. Categorisation of loans in Stage 1, 2 and 3 based on identification of: (a) exposures with significant increase in credit risk since their origination and (b) individually impaired / default exposures.<br>2. Techniques used to determine Loss Given Default ('LGD') and Probability of Default ('PD') to calculate an ECL based on experience.<br>3. The impact of different future macroeconomic conditions in the determination of ECL.<br><br>These judgements required the models to be reassessed including the impact of Covid-19 Pandemic to measure the ECL.<br><br>Management has made several interpretations and assumptions when designing and implementing models that are compliant with the standard.<br><br>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 obtained an understanding of management's assessment of impairment of loans and advances including the Ind AS109 implementation process, internal rating model, impairment allowance policy and ECL modelling methodology.<br><br>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.<br><br>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.<br><br>We also assessed the approach of the Company for categorisation of the loans in various stages reflecting the inherent risk in the respective loans.<br><br>For a sample of financial assets, we tested the correctness of Staging, reasonableness of PD, accuracy of LGD and ECL computation.<br><br>We have also verified the compliance of circulars issued by Reserve Bank of India from time to time during the year on this subject.<br><br>As a result of the above audit procedures, no material differences were noted. We confirm the adequacy of disclosures made in the financial statements. |

## Information other than the Consolidated Ind AS 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 Annual Report (Financial Highlights, Board's Report, Management Discussion and Analysis and Report on Corporate Governance) but does not include the consolidated Ind AS financial statements and our auditors' report thereon. The Annual Report is expected to be made available to us after the date of this Auditors' Report.

Our opinion on the consolidated Ind AS 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 Ind AS 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 consolidated Ind AS financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

When we read the Annual report, if we conclude that there is material misstatement therein, we are required to communicate the matter to those charged with governance and take appropriate action as applicable under the laws and regulations.

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

The Holding Company's Board of Directors is responsible for the preparation and presentation of these consolidated Ind AS financial statements in term of the requirements of the Act, that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows, and consolidated Changes in Equity of the Group including its associates in accordance with the accounting principles generally accepted in India, including the Ind AS specified under Section 133 of the Act. The respective Board of Directors of the companies included in the Group and of its associates 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 judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring 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 Ind AS financial statements by the Directors of the Holding Company, as aforesaid.

In preparing the consolidated Ind AS financial statements, the respective Board of Directors of the companies included in the Group and of its associates are responsible for assessing the ability of the Group and of its associates 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 the Group or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the companies included in the Group and of its associates are responsible for overseeing the financial reporting process of the Group and of its associates.

## Auditor's Responsibilities for the Audit of the Consolidated Ind AS Financial Statements

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

As a 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 risk of material misstatement of consolidated Ind AS financial statements, whether due to fraud or error, design, and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis of 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 collusions, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Holding company has adequate internal financial controls with reference to consolidated Ind AS 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 the management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may significantly doubt on the ability of the Group and its associates 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 Ind AS financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group and its associates to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated Ind AS financial statements, including the disclosures, and whether the consolidated Ind AS 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 entities or business activities within the Group and its associates to express an opinion on the consolidated Ind AS financial statements. We are responsible for the direction, supervision, and performance of the audit of the financial statements of such entities included in the consolidated Ind AS financial statements of which we are the independent auditors. For the other entities included in the consolidated Ind AS financial statements, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

We communicate with those charged with governance of the Holding Company and such other entities included in the consolidated Ind AS financial statements of which we are the independent auditors 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 Ind AS financial statements of the current periods 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

The consolidated Ind AS financial statement include the audited financial statements of 13 subsidiaries, whose Ind AS financial statement reflect total asset of ₹ 38,978.92 crores as at 31st March 2025 and total revenues of ₹ 7,879.53 Crores, total net loss after tax of ₹ 49.66 Crores and total comprehensive loss of ₹ 51.32 Crores, for the year ended 31st March 2025 and cash flow of ₹ 1,872.21 crores for the period from 1st April 2024 to 31st March 2025. The consolidated audited Ind AS financial statement also include the Group's share of net loss of ₹ 18.88 crores and total comprehensive Loss of ₹ 18.88 crores for the year ended 31st March 2025, as considered in the consolidated audited Ind AS financial Statement, in respect of 1 associate company, whose Ind AS financial statement have not been audited by us. This financial Statement have been audited by other auditor's whose report has been furnished to us by the Management

and our opinion, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries and one associate, is based solely on the report of the other auditors.

The consolidated annual Ind AS financial Statement include the unaudited Ind AS financial Statement of 11 subsidiaries which have not been audited by their auditors and are based solely on management certified accounts, whose Ind AS financial Statement reflect total asset of ₹ 1,256.17 crores as at 31st March 2025 and total revenue of ₹ 110.89 Crores and total net loss after tax of ₹ 391.30 crores and total comprehensive Loss of ₹ 378.85 Crores for the year ended 31st March 2025 and cash flow of ₹ 65.67 crores for the period from 1st April 2024 to 31st March 2025 as considered in the consolidated Ind AS audited financial Statement. The consolidated Ind AS audited financial Statement also include the Group's share of net loss after tax of ₹ 55.25 Crores and total comprehensive Loss of ₹ 55.25 Crores for the year ended 31st March 2025, as considered in the consolidated Ind AS audited financial Statement, in respect of 8 associates based on their financial statement which have not been audited by their auditors and are based solely on management certified accounts.

The financial information of subsidiaries and associates located outside India have been prepared in accordance with accounting principles generally accepted in their respective countries. The Holding Company's Management has converted this financial information from accounting principles generally accepted in their respective countries, to Indian Accounting Standards (Ind AS) prescribed under Section 133 of the Companies Act, 2013 and other accounting principles generally accepted in India. We have audited these conversion adjustments made by the Parent Company's Management. Our opinion in so far as it relates to such subsidiaries and associates located outside India is based on the aforesaid conversion adjustments report prepared by the Parent Company's Management.

This financial statements / financial information are unaudited and have been furnished to us by the Management and our opinion, on the consolidated Ind AS financial statements, in so far as it relates to the amounts and disclosures included in respect of these associates, and our report in terms of sub-section (3) of Section 143 of the Act, in so far as it relates to this associate, is based solely on such unaudited financial statements / financial information. In our opinion and according to the information and explanations given to us by the Management, this financial statement / financial information is not material to the Group.

Our opinion on the consolidated Ind AS financial statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors and the financial statements/ financial information certified by the Management.

## Report on Other Legal and Regulatory Requirements

1. With respect to the matters specified in clause (xxi) of paragraph 3 and paragraph 4 of the Companies (Auditor's Report) Order, 2020 ("CARO"/"the Order") issued by the Central Government in terms of Section 143(11) of the Act, and based on the CARO reports issued by us and the auditors of respective companies included in the consolidated financial statements to which reporting under CARO is applicable, as provided by the Management of the Parent, we report that there are no qualifications or adverse remarks by the respective auditors in the CARO reports of the said companies included in the consolidated financial statements, except for the instances detailed below. It is further clarified that clause references reported below relate to factual disclosures required under the Order and do not constitute qualifications or adverse remarks in the CARO reports of the respective auditors:

| S. No | Name of the Entity | Relationship | Clause number | Nature of Reporting |
|---|---|---|---|---|
| 1 | TVS Credit Services Limited | Subsidiary | (iii)(c) & (iii)(d) | Repayment Schedule and Overdue Loans & Recovery Efforts |
| 2 | DriveX Mobility Private Limited | Subsidiary | (xvii) | Cash Losses Incurred |

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

   a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated Ind AS financial statements.

   b. In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated Ind AS financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditors.

   c. The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss including other comprehensive income, the consolidated Statement of Changes in Equity and the Consolidated Cash Flow Statement dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated Ind AS financial statements.

   d. In our opinion, the aforesaid consolidated Ind AS financial statements comply with the Accounting Standards 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 of the Holding Company as on 31st March, 2025, taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors of its subsidiary companies and its associate companies, incorporated in India, none of the directors of the Group companies, its associate companies incorporated in India 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 internal financial controls over financial reporting of the Group and the operating effectiveness of such controls, refer to our separate report in Annexure.

   g. (i) The remuneration paid / provided by the group and its associates to the directors during the year is in accordance with the Section 197 read with Schedule V of the Act.

      (ii) This clause is not applicable to the overseas subsidiary companies and associate companies incorporated outside India.

   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 consolidated Ind AS financial statements disclose the impact of pending litigations on the consolidated financial position of the Group (refer note no. 44).

   ii. Provision has been made in the consolidated Ind AS financial statements, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts.

   iii. There has been no delay in transferring amounts, and required to be transferred, to the Investor Education Protection Fund by the Group, its associates incorporated in India.

   iv. a) The respective Managements of the Company, its subsidiaries and associates which are companies incorporated in India, whose financial statements have been audited under the Act, have represented to us and to the other auditors of such subsidiaries and associates respectively that, to the best of their knowledge and belief, other than as disclosed in the notes to accounts (refer note no 46 (viii), 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 or any of such subsidiaries or associates 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, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company or any of such subsidiaries and associates ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries. This clause is not applicable to company incorporated outside India.

   b) The respective Managements of the Company its subsidiaries and associates which are companies incorporated in India, whose financial statements have been audited under the Act, have represented to us and to the other auditors of such subsidiaries and associates respectively that, to the best of their knowledge and belief, other than as disclosed in the notes to accounts (refer note no 46 (ix) no funds (which are material either individually or in the aggregate) have been received by the Company or any of such subsidiaries and associates from any person(s) or entity(ies), including foreign entity ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company or any of such subsidiaries or associates 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. This clause is not applicable to the companies incorporated outside India.

   c) Based on the audit procedures that have been considered reasonable and appropriate in the circumstances performed by us on the Company and its subsidiaries and associates which are companies incorporated in India whose financial statements have been audited under the Act, 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 dividends declared and paid during the year by the Group, are in accordance with Section 123 of the Companies Act 2013.

   vi. Based on our examination, which included test checks, and that performed by the respective auditors of the group and associates and which are companies incorporated in India whose financial statements have been audited under the Act the Group and associates have used accounting software for maintaining books of account for the financial year ended 31st March 2025 which have a feature of recording audit trail (edit log) facility and that has operated throughout the year for all relevant transactions recorded in the software. Further, during the course of performing the procedures, we, and the respective auditors of such group and its associates, did not notice any instance of the audit trail feature being tampered with.

   In our opinion, the Group & its Associates have preserved the audit trail as per the statutory requirements for record retention as specified under the proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014

   The reporting requirement under this clause is not applicable to subsidiary companies and associate companies incorporated outside India.

For **Sundaram & Srinivasan**
Chartered Accountants
Firm Registration Number: 004207S

**S. USHA**
Partner
Place: Chennai
Membership No.: 211785
Date: 28th April 2025
UDIN: 25211785BMIWEG1472

# Annexure

to the Independent Auditors' Report for the year ended 31st March 2025

**To the members of TVS Motor Company Limited**

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

In conjunction with our audit of the consolidated Ind AS financial statements of the Company as of and for the year ended March 31, 2025, we have audited the internal financial controls over financial reporting of TVS Motor Company Ltd ("the Holding Company"), the subsidiary companies and its associate companies incorporated in India.

## Management's Responsibility for Internal Financial Controls

The respective Board of Directors of the Holding company, its subsidiary companies and its associates, which are companies incorporated in India, are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (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 the respective 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

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting 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, 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, 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 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 authorisation 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 consolidated Ind AS 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 the Holding Company, its subsidiary companies and its associates, which are companies incorporated in India, have, 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 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 Matter

Our aforesaid reports under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls with reference to financial statements in so far as it relates to 8 subsidiary companies which are companies incorporated in India, is based on the corresponding reports of the auditors of such companies incorporated in India.

Our aforesaid reports under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls with reference to financial statements in so far as it relates to 1 associate companies, which are companies incorporated in India, is based on the management certificate of such companies incorporated in India.

The reporting under section 143(3)(i) of the Act is not applicable to 15 subsidiary companies and 3 associate companies, which are companies incorporated outside India.

Our opinion is not modified in respect of this matter.

For **Sundaram & Srinivasan**
Chartered Accountants
Firm Registration Number: 004207S

**S. USHA**
Partner
Place: Chennai
Membership No.: 211785
Date: 28th April 2025
UDIN: 25211785BMIWEG1472

# Balance Sheet

as at 31st March 2025

Rupees in crores

| | Notes | As at 31-03-2025 | As at 31-03-2024 |
|---|---|---|---|
| **ASSETS** | | | |
| **Non-current assets** | | | |
| Property, plant and equipment | 2 | 5,488.74 | 4,294.12 |
| Capital work-in-progress | 2 | 663.78 | 338.01 |
| Investment properties | 3 | 141.38 | 137.70 |
| Goodwill on consolidation | | 731.43 | 597.05 |
| Other intangible assets | 2 | 1,282.90 | 861.95 |
| Intangible assets under development | | 801.67 | 694.94 |
| Financial assets | | | |
| i. Investments | 4 | 564.94 | 482.75 |
| ii. Loans (receivable from financing activity) | 5 | 11,206.99 | 12,054.55 |
| iii. Other Financial Assets | 6 | 160.24 | 195.52 |
| Investments accounted using equity method | 7 | 167.13 | 477.25 |
| Non-current tax assets (Net) | | 12.55 | 23.55 |
| Deferred tax assets | 8 | 495.91 | 394.28 |
| Other non-current assets | 9 | 235.00 | 148.78 |
| | | **21,952.66** | **20,700.45** |
| **Current assets** | | | |
| Inventories | 10 | 2,416.58 | 2,248.40 |
| Financial assets | | | |
| i. Trade receivables | 11 | 1,716.75 | 1,839.42 |
| ii. Investments | 4 | 515.31 | 163.19 |
| iii. Loans (receivable from financing activity) | 5 | 15,093.48 | 13,417.26 |
| iv. Cash and cash equivalents | 12 | 4,115.00 | 2,355.80 |
| v. Bank balances other than (iv) above | 13 | 271.24 | 69.93 |
| vi. Other financial assets | 14 | 325.96 | 202.66 |
| Current tax assets (Net) | | - | 23.89 |
| Other current assets | 15 | 1,529.93 | 1,199.46 |
| | | **25,984.25** | **21,520.01** |
| **Total assets** | | **47,936.91** | **42,220.46** |
| **EQUITY AND LIABILITIES** | | | |
| **Equity** | | | |
| Equity share capital | 16 | 47.51 | 47.51 |
| Other equity | 17 | 8,455.87 | 6,736.00 |
| Equity attributable to owners | | **8,503.38** | **6,783.51** |
| Non-controlling interest | | 938.89 | 727.60 |
| | | **9,442.27** | **7,511.11** |
| **Liabilities** | | | |
| **Non-current liabilities** | | | |
| Financial liabilities | | | |
| i. Borrowings | 18 | 13,932.68 | 12,629.32 |
| ii. Lease Liabilities | | 751.83 | 503.68 |
| Provisions | 19 | 322.57 | 270.18 |
| Deferred tax liabilities (Net) | 20 | 286.02 | 196.46 |
| Other non current liabilities | | 28.00 | 31.50 |
| | | **15,321.10** | **13,631.14** |
| **Current liabilities** | | | |
| **Financial liabilities** | | | |
| i. Borrowings | 21 | 13,683.08 | 12,657.30 |
| ii. Lease Liabilities | | 241.12 | 215.40 |
| iii. Trade payables | 22 | | |
| a. Total outstanding dues of micro and small enterprises | | 45.51 | 62.38 |
| b. Total outstanding dues of other than (iii) (a) above | | 7,515.75 | 6,575.84 |
| iv. Other financial liabilities | 23 | 400.39 | 459.58 |
| Provisions | 19 | 218.27 | 166.64 |
| Current tax liabilities | | 39.80 | 34.58 |
| Other current liabilities | 24 | 1,029.62 | 906.49 |
| | | **23,173.54** | **21,078.21** |
| **Total liabilities** | | **38,494.64** | **34,709.35** |
| **Total equity and liabilities** | | **47,936.91** | **42,220.46** |
| Material accounting policies | 1 | | |

See the accompanying notes to the financial statements

**PROF SIR RALF DIETER SPETH**
Chairman
DIN: 03318908

**SUDARSHAN VENU**
Managing Director
DIN: 03601690

**K N RADHAKRISHNAN**
Director & Chief Executive Officer
DIN: 02599393

As per our report annexed
For **Sundaram & Srinivasan**
Chartered Accountants
Firm Regn. No.004207S

Place : Chennai
Date : 28th April 2025

**K GOPALA DESIKAN**
Chief Financial Officer

**K S SRINIVASAN**
Company Secretary

**S USHA**
Partner
Membership No.:211785

# Statement of profit and loss

for the year ended 31st March 2025

Rupees in crores

| | | Notes | Year Ended 31-03-2025 | Year Ended 31-03-2024 |
|---|---|---|---|---|
| I | Revenue from operations | 25 | 44,089.01 | 38,778.82 |
| II | Other income | 26 | 69.56 | 105.82 |
| **III** | **Total Income (I +II)** | | **44,158.57** | **38,884.64** |
| IV | Expenses: | | | |
| | Cost of material consumed | 27 | 25,968.44 | 23,581.90 |
| | Purchase of stock in trade | 27 | 834.62 | 1,011.69 |
| | Changes in inventories of finished goods, Stock-in -trade and work-in-progress | 27 | (79.22) | (323.37) |
| | Employee benefits expense | 28 | 3,580.88 | 3,297.72 |
| | Finance costs | 29 | 2,093.25 | 1,916.60 |
| | Depreciation and amortisation expense | 30 | 1,045.56 | 956.15 |
| | Other expenses | 31 | 7,135.57 | 5,732.86 |
| | **Total expenses** | | **40,579.10** | **36,173.55** |
| **V** | **Profit before exceptional items, share of net profit/(loss) from associates and tax (III - IV)** | | **3,579.47** | **2,711.09** |
| VI | Share of net profit / (loss) from associates using equity method | | (74.12) | (43.47) |
| **VII** | **Profit before exceptional items and tax (V + VI)** | | **3,505.35** | **2,667.62** |
| VIII | Exceptional items | | - | - |
| **IX** | **Profit before tax from continuing operations (VII + VIII)** | | **3,505.35** | **2,667.62** |
| X | Tax expense | 32 | | |
| | i) Current tax | | 1,190.17 | 1,006.84 |
| | ii) Deferred tax | | (34.72) | (92.80) |
| | **Total Tax expense from continuing operations (i+ii)** | | **1,155.45** | **914.04** |
| **XI** | **Profit for the year from continuing operations (IX - X)** | | **2,349.90** | **1,753.58** |
| **XII** | **Profit before tax from Discontinued operations** | | **22.49** | **35.30** |
| XIII | Tax expense | 32 | | |
| | i) Current tax | | 2.63 | 5.79 |
| | ii) Deferred tax | | (10.05) | 4.55 |
| | **Total Tax expense from discountiued operations (i+ii)** | | **(7.42)** | **10.34** |
| **XIV** | **Profit for the year from discontinued operations (XII - XIII)** | | **29.91** | **24.96** |
| **XV** | **Profit for the year (XI + XIV)** | | **2,379.81** | **1,778.54** |
| XVI | (Profit) / Loss attributable to non-controlling Interest | | (144.25) | (92.17) |
| **XVII** | **Profit for the year attributable to owners (XV + XVI)** | | **2,235.56** | **1,686.37** |
| XVIII | Other comprehensive income | | | |
| | *A. Items that will not be reclassified to profit or loss:* | | | |
| | Remeasurements of post employment benefit obligations | | (4.35) | (28.42) |
| | Change in fair value of equity instruments | | 23.27 | 0.32 |
| | Share of other comprehensive income of an associate | | - | 0.01 |
| | Income tax relating to these items | | (1.78) | 3.93 |
| | *B. Items that will be reclassified to profit or loss:* | | | |
| | Fair value changes on cash flow hedges | | (3.29) | (27.47) |
| | Foreign currency translation adjustments | | 33.55 | (8.08) |
| | Income tax relating to these items | | (0.18) | 6.24 |
| | **Other comprehensive income for the year, net of tax (XVIII)** | | **47.22** | **(53.47)** |
| XIX | Other comprehensive income attributable to non-controlling interest | | (2.85) | (5.93) |
| **XX** | **Other comprehensive income attributable to owners (XVIII - XIX)** | | **50.07** | **(47.54)** |
| **XXI** | **Total comprehensive income attributable to owners (XVII +XX)** | | **2,285.63** | **1,638.83** |
| XXII | **Earnings per equity share (Face value of ₹1/- each)** | | | |
| | Basic & Diluted earnings per share (in rupees) | 42 | | |
| | Continuing Operations | | 46.42 | 34.97 |
| | Discontinued Operations | | 0.63 | 0.53 |
| | Continuing Operations and Discontinued Operations | | 47.05 | 35.50 |
| | Material accounting policies | 1 | | |

See the accompanying notes to the financial statements

**PROF SIR RALF DIETER SPETH**
Chairman
DIN: 03318908

**SUDARSHAN VENU**
Managing Director
DIN: 03601690

**K N RADHAKRISHNAN**
Director & Chief Executive Officer
DIN: 02599393

As per our report annexed
For **Sundaram & Srinivasan**
Chartered Accountants
Firm Regn. No.004207S

Place : Chennai
Date : 28th April 2025

**K GOPALA DESIKAN**
Chief Financial Officer

**K S SRINIVASAN**
Company Secretary

**S USHA**
Partner
Membership No.:211785

# Statement of Changes in Equity

## a Equity Share Capital

Rupees in crores

| | |
|---|---|
| **As at 01-04-2023** | **47.51** |
| Changes in Equity Share capital due to prior period errors | - |
| Restated balance as at 01-04-2023 | 47.51 |
| Changes in equity share capital during the year | - |
| **As at 31-03-2024** | **47.51** |
| Changes in Equity Share capital due to prior period errors | - |
| Restated balance as at 01-04-2024 | 47.51 |
| Changes in equity share capital during the year | - |
| **As at 31-03-2025** | **47.51** |

## b Other Equity

Rupees in crores

| Particulars | Reserves & Surplus | | | | Other Reserves | | | | | Non Controlling Interest | Total |
|---|---|---|---|---|---|---|---|---|---|---|---|
| | General reserve | Capital reserve | Statutory Reserve | Retained earnings | Equity Instruments Fair Valued through Other Comprehensive Income | Foreign currency translation reserve | Hedging reserve | Treasury shares | Share Based Payment Reserve | | |
| **Balance as at 31-03-2023** | **876.24** | **6.51** | **183.59** | **4,315.42** | **1.95** | **60.25** | **13.53** | **-** | **-** | **404.85** | **5,862.34** |
| Add : Profit for the year | - | - | - | 1,686.37 | - | - | - | - | - | 92.17 | 1,778.54 |
| Add : Other comprehensive income for the year (net of tax) | - | - | - | (22.98) | 0.19 | (6.09) | (18.67) | - | - | (5.92) | (53.47) |
| Add: Share of OCI from associates, net of tax | - | - | - | 0.01 | - | - | - | - | - | - | 0.01 |
| Less: Issue expense taken to reserve | - | - | - | 18.94 | - | - | - | - | - | 4.45 | 23.39 |
| Add: Transfer from Retained earnings to Statutory reserve | - | - | 114.37 | (114.37) | - | - | - | - | - | - | - |
| Transaction in capacity as owners | | | | | | | | | | | |
| Add : Transactions with non-controlling interest | - | - | - | 63.92 | (9.11) | (17.97) | 1.85 | - | - | 240.95 | 279.64 |
| Less : Distribution to shareholders | | | | | | | | | | | |
| Interim dividend | - | - | - | 380.07 | - | - | - | - | - | - | 380.07 |
| **Balance as at 31-03-2024** | **876.24** | **6.51** | **297.96** | **5,529.36** | **(6.97)** | **36.19** | **(3.29)** | **-** | **-** | **727.60** | **7,463.60** |
| Add : Profit for the year | - | - | - | 2,235.56 | - | - | - | - | - | 144.25 | 2,379.81 |
| Add : Other comprehensive income for the year (net of tax) | - | - | - | (1.67) | 20.31 | 33.55 | (2.13) | - | - | (2.85) | 47.22 |
| Add : Reclassification to statuatory reserve from retained earning | - | - | 153.45 | (153.45) | - | - | - | - | - | - | - |
| Add: Recognition of share based payments to employees | - | - | - | - | - | - | - | - | 0.27 | - | 0.27 |
| Less: Treasury shares held by ESOP Trust | - | - | - | - | - | - | - | 62.46 | - | - | 62.46 |
| Transaction in capacity of owners | | | | | | | | | | | |
| Add : Transactions with non-controlling interest | - | - | - | (28.48) | - | - | - | - | - | 69.89 | 41.41 |
| Less : Distribution to shareholders | | | | | | | | | | | |
| Interim dividend | - | - | - | 475.09 | - | - | - | - | - | - | 475.09 |
| **Balance as at 31-03-2025** | **876.24** | **6.51** | **451.41** | **7,106.23** | **13.34** | **69.74** | **(5.42)** | **(62.46)** | **0.27** | **938.89** | **9,394.76** |

### Nature and purpose of Other Reserves

1. General reserve is available for distribution to share holders.
2. Capital reserve

| | | Rupees in crores |
|---|---|---|
| i. | On shares forfeited (₹ 55,200) | - |
| ii. | On surplus arising out of amalgamation | 6.51 |
| | | **6.51** |

3. Statutory Reserve has been created pursuant to section 45 - IC of the RBI Act,1934. Owners portion of Statutory Reserve created in subsidiary shown above after becoming subsidiary.
4. Hedging Reserve - Refer Note No. 34(D)

   It represents the effective portion of the fair value of forward/option contracts designated as cashflow hedge
5. FVTOCI reserve

   The Company has elected to recognise changes in the fair value of certain investments in equity securities in other comprehensive income.
   These changes are accumulated within the FVTOCI reserve within equity.
6. Treasury Shares

   The Treasury shares of the parent company are held by the TVSM Employees Stock Option Trust (ESOP Trust) under the TVS Motor Company Employee Stock Option Plan implemented to its eligible employees. The equity shares of the parent company have been acquired and held by ESOP Trust, to be transferred to employees upon the exercise of their stock options.
7. Share Based Payment Reserve

   Share based payment reserve is created as required by Ind AS 102 'Share Based Payments' on the employee stock option scheme operated by the subsidiary company for its employees.

See the accompanying notes to the financial statements

**PROF SIR RALF DIETER SPETH**
Chairman
DIN: 03318908

**SUDARSHAN VENU**
Managing Director
DIN: 03601690

**K N RADHAKRISHNAN**
Director & Chief Executive Officer
DIN: 02599393

As per our report annexed
For **Sundaram & Srinivasan**
Chartered Accountants
Firm Regn. No.004207S

Place : Chennai
Date : 28th April 2025

**K GOPALA DESIKAN**
Chief Financial Officer

**K S SRINIVASAN**
Company Secretary

**S USHA**
Partner
Membership No.:211785

# Cash Flow Statement

Rupees in crores

| | | Year ended 31-03-2025 | | Year ended 31-03-2024 | |
|---|---|---|---|---|---|
| **A.** | **Cash flow from operating activities:** | | | | |
| | Net profit before tax | | | | |
| | From Continuing Operations | | 3,505.35 | | 2,667.62 |
| | From Discontinued Operations | | 22.49 | | 35.30 |
| | Add: | | | | |
| | Depreciation and amortisation for the year | 1,045.56 | | 975.12 | |
| | (Profit) on sale of property, plant and equipment (Net) | (9.15) | | (3.38) | |
| | (Gain) on fair valuation of investments (Net) | 78.27 | | 26.93 | |
| | (Gain)/Loss on sale of investments (Net) | (1.02) | | (89.47) | |
| | (Gain)/Loss on sale of Associate | (95.14) | | - | |
| | (Gain) on lease preclosure | (0.07) | | (4.75) | |
| | Unrealised exchange (gain) / loss | 9.95 | | 10.82 | |
| | Net (profit)/ loss from associates using equity method | 74.12 | | 43.47 | |
| | Dividend income | - | | (0.65) | |
| | Interest income | (27.16) | | (22.10) | |
| | Finance cost [excluding relatable to financial enterprise] | 229.93 | | 274.08 | |
| | Share based payment expense | 33.08 | | - | |
| | Provisions | 99.67 | | 61.40 | |
| | | | 1,438.04 | | 1,271.47 |
| | **Operating profit before working capital changes** | | **4,965.88** | | **3,974.39** |
| | Adjustments for: | | | | |
| | Loans given by a financial enterprise (Net) | (828.66) | | (4,925.23) | |
| | Trade receivables | 110.50 | | (590.00) | |
| | Inventories | (168.18) | | (326.89) | |
| | Other current assets | (330.64) | | 104.88 | |
| | Other financial assets | (324.92) | | 15.54 | |
| | Trade payables | 923.94 | | 1,537.73 | |
| | Other financial liabilities | 140.69 | | 49.00 | |
| | Other current liabilities | 125.43 | | 36.88 | |
| | Other non - current assets | 35.53 | | (169.55) | |
| | | | (316.31) | | (4,267.64) |
| | Cash generated from operations | | 4,649.57 | | (293.25) |
| | Direct taxes paid | | (1,146.65) | | (959.42) |
| | **Net cash from operating activities** | (A) | **3,502.92** | | **(1,252.67)** |
| **B.** | **Cash flow from investing activities:** | | | | |
| | Purchase of property, plant and equipment, intangible assets, capital work-in-progress, intangibles under development, net of capital advances | (2,478.06) | | (1,145.17) | |
| | Proceeds from sale of property, plant and equipment | 19.00 | | 34.63 | |
| | Purchase of other investments | (424.13) | | (223.25) | |
| | Purchase of Investments in Subsidiaries / Associates | (98.49) | | (387.59) | |
| | Sale of Investments in Subsidiaries / Associates | 4.15 | | 168.59 | |
| | Sale / redemption of other investments | 56.32 | | 47.82 | |
| | (Purchase) / Sale of investment property | (3.68) | | - | |
| | Interest received | 25.93 | | 23.61 | |
| | | | (2,898.96) | | (1,481.36) |
| | **Net cash from / (used in) investing activities** | (B) | **(2,898.96)** | | **(1,481.36)** |

Rupees in crores

| | | Year ended 31-03-2025 | | Year ended 31-03-2024 | |
|---|---|---|---|---|---|
| **C.** | **Cash flow from financing activities :** | | | | |
| | Borrowings: | | | | |
| | Non-current borrowings availed / (repaid) | 1,301.85 | | 3,844.07 | |
| | Current borrowings availed / (repaid) | 1,025.78 | | (182.03) | |
| | Other bank balances | - | | (43.96) | |
| | Finance cost paid | (406.54) | | (283.67) | |
| | Contribution from non-controlling Interest | 42.74 | | 480.00 | |
| | Purchase of treasury shares by ESOP Trust | (95.27) | | - | |
| | Lease liabilities paid | (238.23) | | (195.70) | |
| | Dividend paid | (475.09) | | (380.07) | |
| | | | 1,155.24 | | 3,238.64 |
| | **Net cash from / (used in) financing activities** | (C) | **1,155.24** | | **3,238.64** |
| | **Total (A)+(B)+(C)** | | **1,759.20** | | **504.61** |
| | Cash and cash equivalents at the beginning of the year | | 2,355.80 | | 1,851.19 |
| | Cash and cash equivalents at the end of the year (Refer Note 12) | | 4,115.00 | | 2,355.80 |
| **D.** | **Net increase/(decrease) in cash and cash equivalents** | | **1,759.20** | | **504.61** |

Note : The above statement of cash flow is prepared using indirect method.

## Change in liability arising from financing activities

| Particulars | As at 01-04-2024 | Cash flow | Foreign exchange movement | Outgoing subsidiary | Amortisation | As at 31-03-2025 |
|---|---|---|---|---|---|---|
| Non-current borrowings | 12,629.32 | 1,301.85 | - | - | 1.51 | 13,932.68 |
| Current borrowings | 12,657.30 | 1,025.78 | - | - | - | 13,683.08 |

## Non-cash financing and investing activities

| Particulars | 2024-25 | 2023-24 |
|---|---|---|
| Acquisition of right-of-use assets | 737.81 | 160.55 |
| Acquisition of investment | - | - |

**PROF SIR RALF DIETER SPETH**
Chairman
DIN: 03318908

**SUDARSHAN VENU**
Managing Director
DIN: 03601690

**K N RADHAKRISHNAN**
Director & Chief Executive Officer
DIN: 02599393

As per our report annexed
For **Sundaram & Srinivasan**
Chartered Accountants
Firm Regn. No.004207S

Place : Chennai
Date : 28th April 2025

**K GOPALA DESIKAN**
Chief Financial Officer

**K S SRINIVASAN**
Company Secretary

**S USHA**
Partner
Membership No.:211785

# Notes to the Consolidated Financial Statements (Contd.)

## 1 Material Accounting Policies

The accounting policies mentioned herein are relating to the consolidated financial statements of TVS Motor Company Limited and its subsidiaries and associates.

### a) Brief description of the Group

TVS Motor Company Limited (the Company) is a public limited company, incorporated and domiciled in India whose shares are publicly traded. The registered office is located at "Chaitanya", No. 12, Khader Nawaz Khan Road, Nungambakkam, Chennai - 600006, Tamil Nadu, India. The Company together with its subsidiaries and associates (collectively referred to as the "Group") operate in a wide range of activities such as manufacturing of automotive vehicles, spare parts & accessories thereof, and financial services.

### 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 statement has been prepared on the historical cost convention under accrual basis of accounting except for certain 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 authorised for issue by the Board of Directors at its meeting held on 28th April 2025.

### 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 and its subsidiaries line by line adding together like 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 have been changed where necessary to ensure consistency with the policies adopted by the group.

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.

#### Associates

Associates are all entities over which the group has significant influence but not control or joint control. (This is generally the case where the group holds between 20% and 50% of the voting rights). Investments in associates are accounted for using the equity method of accounting after initially being recognised at cost.

Under the equity method of accounting, the investments are initially recognised at cost and adjusted thereafter to recognise the group's share of the post-acquisition profits or losses of the investee in profit and loss, and the group's share of other comprehensive income of the investee in other comprehensive income. Dividends received or receivable from associates and joint ventures are recognised as a reduction in the carrying amount of the investment.

When the group's share of losses in an investment accounted under equity method equals or exceeds its interest in the entity, including any other unsecured long-term receivables, the group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the other entity.

Unrealised gains on transactions between the group and its associates and joint ventures are eliminated to the extent of the group's interest in these entities. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of investees accounted under equity method have been changed where necessary to ensure consistency with the policies adopted by the group.

The carrying amount of investments accounted under equity method are tested for impairment in accordance with the policy described in note 1(k) below.





Notes to the Consolidated Financial Statements (Contd.)

The subsidiary companies and associates considered in consolidated financial statements are :

| Sl. No. | Name of the Company | Country of incorporation | Proportion of ownership (interest/voting power -%) | | Reporting date |
|---|---|---|---|---|---|
| | | | 2024-25 | 2023-24 | |
| **1** | **Subsidiary Companies:** | | | | |
| a. | Sundaram Auto Components Limited, Chennai | India | 100% | 100% | 31-03-2025 |
| b. | TVS Motor Company (Europe) B.V. Amsterdam | Netherlands | 100% | 100% | 31-03-2025 |
| c. | PT. TVS Motor Company Indonesia, Jakarta | Indonesia | 51.20% direct holding, 31.71% by (d) and 17.09% by (b) | 51.20% direct holding, 31.71% by (d) and 17.09% by (b) | 31-03-2025 |
| d. | TVS Motor (Singapore) Pte. Limited, Singapore | Singapore | 100% | 100% | 31-03-2025 |
| e. | TVS Digital Limited (Formerly known as TVS Housing Limited) up to 15.09.24 | India | 100% | 100% | 31-03-2025 |
| f. | TVS Motor Services Limited, Chennai | India | 100% | 100% | 31-03-2025 |
| g. | TVS Credit Services Limited, Chennai | India | 80.69 % direct holding and 0.43% by (f) | 80.53 % direct holding and 0.44% by (f) | 31-03-2025 |
| h. | Harita ARC Services Private Limited, Chennai | India | 100% by (g) | 100% by (g) | 31-03-2025 |
| i. | Harita Two Wheeler Mall Private Limited, Chennai | India | 100% by (g) | 100% by (g) | 31-03-2025 |
| j. | TVS Housing Finance Private Limited, Chennai | India | 100% by (g) | 100% by (g) | 31-03-2025 |
| k. | The Norton Motorcycle Co. Limited, London | United Kingdom | 100% by (d) | 100% by (d) | 31-03-2025 |
| l. | TVS Digital Pte Limited | Singapore | 100% by (d) | 100% by (d) | 31-03-2025 |
| m. | The GO Corporation, Switzerland (GO AG) | Switzerland | 100% by (d) | 87.82% by (d) | 31-03-2025 |
| n. | EGO Movement Stuttgart, GmbH | Germany | 100% by (m) | 100% by (m) | 31-03-2025 |
| o. | TVS Electric Mobility Ltd, Chennai | India | 100% | 100% | 31-03-2025 |
| p. | Swiss E-Mobility Group (Holding) AG | Switzerland | 100% by (d) | 100% by (d) | 31-03-2025 |
| q. | Swiss E-Mobility Group (Schweiz) AG, Zurich | Switzerland | 100% by (p) | 100% by (p) | 31-03-2025 |
| r. | Colag E-Mobility GmbH, Germany, Nuremberg | Germany | 100% by (p) | 100% by (p) | 31-03-2025 |
| s. | Alexand'Ro Edouard'O Passion Vélo Sàrl ("Passion Vélo"), Neuchatel | Switzerland | 100% by (p) | 100% by (p) | 31-03-2025 |
| t. | EBCO Limited, Warwickshire, England | United Kingdom | 100% by (d) | 70% by (d) | 31-03-2025 |
| u. | Celerity Motor GmbH, Germany | Germany | 100% by (d) | 100% by (d) | 31-03-2025 |
| v. | DriveX Mobilty private Limited, Coimbatore | India | 89.40% | - | 31-03-2025 |
| w. | TVS Motor Company DMCC, Dubai | UAE | 100% | - | 31-03-2025 |
| x. | Swiss E-mobility Group (österreich) Gmbh, Austria | Austria | 100% by (p) | 100% by (p) | 31-03-2025 |
| **2.** | **Associate Companies:** | | | | |
| aa. | Ultraviolette Automotive Private Limited, Bengaluru | India | 30.83% | 30.83% | 31-03-2025 |
| ab. | DriveX Mobilty private Limited, Coimbatore | India | - | 48.27% | 31-03-2025 |
| ac. | Tagbox Pte Ltd, Singapore | Singapore | - | 24.32% by (l) | 31-03-2025 |
| ad. | Predictronics Corp, USA | USA | 23.49% by (l) | 23.49% by (l) | 31-03-2025 |
| ae. | Scienaptic Systems Inc., USA | USA | - | 21.03% by (l) | 31-03-2025 |
| af. | Altizon Inc, USA | USA | 20.0% by (l) | 20.0% by (l) | 31-03-2025 |
| ag. | Indian foundation for Quality Management | India | - | 28.57% | 31-03-2025 |
| ah. | Kilwatt Gmbh | Germany | 49% by (d) | 49% by (d) | 31-03-2025 |
| ai. | ION Mobility Pte Ltd | Singapore | - | 25.64% by (d) | 31-03-2025 |

### 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.

# Notes to the Consolidated Financial Statements (Contd.)

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

The areas involving critical estimates or judgments are:

i) Estimation of useful life of Property, Plant and Equipment - Refer Note 1(f) and 1(g).

ii) Estimation of fair value of unlisted securities - (Refer Note 33).

iii) Estimation of impairment of goodwill. (Refer Note 37)

iv) Defined benefit obligation - (Refer Note 39).

v) Estimation of provision (Refer Note 43).

vi) Estimation and evaluation of provisions and contingencies relating to tax litigations (Refer Note 44(a))

### e) Revenue recognition

Sale of automotive vehicles, parts and automotive components

Revenue is recognised when the performance obligations are satisfied and the control of the goods is transferred, being when the goods are delivered as per the relevant terms of the contract at which point in time, the Group has a right to payment for the goods, customer has possession and legal title to the goods, customer bears significant risk and rewards of ownership and the customer has accepted the goods or the Group has objective evidence that all criteria for acceptance have been satisfied.

Payment for the sale is made as per the credit terms in the agreements with the customers. The credit period is generally short term, thus there is no significant financing component.

The Group's contracts with customers does not provide for any right to returns, refunds or similar obligations. The Group's obligation to repair or replace faulty products under standard warranty terms is recognised as a provision (Refer Note 43).

#### Sale of services

The Group also earns revenue from providing Technical/ IT services and Royalty on usage of Group's technical knowhow. In respect of Technical/IT service, the revenue is recognised on a time proportion basis as the customer simultaneously receives and consumes the benefits as the obligations are performed. Payment for the services provided are received as per the credit terms agreed with the customers. The credit period is generally short term, and thus there is no significant financing component.

In respect of Royalty, the performance obligation is, to provide the right-to-use the Group's technical knowhow by the customers, for which usage-based royalty is charged. Payment for the services provided is received as per the credit terms as agreed with the customers. The credit period is generally short term, and thus there is no significant financing component.

#### Revenue from financing

Interest income for loans [other than Purchase of Originally Credit Impaired (POCI)] is recognised using the Effective Interest Rate (EIR) method.

For financial assets that are not "POCI" but have subsequently become credit-impaired (or 'stage-3'), for which interest revenue is calculated by applying the effective interest rate to their amortised cost (i.e. net of the expected credit loss provision).

Income in the nature of overdue interest, and bounce charges are recognized on realization, due to uncertainty of collection.

#### Warranty Obligations

The Company provides warranties for products sold as per terms of the contract with ultimate customers. These warranties are considered as assurance type warranties and are accounted for under Ind AS 37- Provisions, Contingent Liabilities and Contingent Assets.

#### Significant judgements

There are no significant judgements made by the Group in determining the timing of satisfaction of performance obligation. It is determined as per the terms of the contract. In case of multiple performance obligations, the Group uses the adjusted market assessment approach to allocate the transaction price between multiple performance obligations. If a discount is granted, the same is adjusted against the transaction price of the contract.

### f) Property, Plant and Equipment

Property, plant and equipment (including land, building, furniture, fixtures, vehicles, etc.) are held for use in the production or supply of goods or services, or for administrative purposes. Freehold Land is carried at historical cost. All other items of Property, Plant and Equipment are stated at cost of acquisition or construction less accumulated depreciation / amortisation and impairment, if any. Such assets are classified to the appropriate categories of property, plant and equipment when completed and ready for its intend use. Cost includes purchase price, taxes and duties, labour cost and directly attributable overheads incurred upto the date the asset is ready for its intended use. However, cost excludes Goods and Services Tax to the extent credit of the duty or 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 Group and the cost of the item can be measured reliably. The carrying amount of any component accounted for as separate asset is derecognized when replaced. All other repairs and maintenance are charged to profit and loss during the reporting period in which they are incurred.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised as profit or loss with in other income /expenses.

### g) Depreciation and amortisation

i) 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.

ii) Keeping in mind the rigorous and periodic maintenance programme followed by the Group, the estimated useful life of the property, plant and equipment as assessed by the Chartered Engineer and followed by the Group is given below:

| Description | Years |
|---|---|
| Factory building and other buildings | 5 to 61 |
| Plant and machinery | 4 to 29 |
| Electrical equipment | 15 |
| Furniture and fixtures | 4 to10 |
| Computers and information systems | 3 to 4 |
| Material handling equipment | 5 |
| Mobile phone | 2 |
| Vehicles | 3 to 6 |

iii) Tools and dies are generally depreciated based on quantity of components manufactured, subject to a maximum of 5 years. Tools and dies used for low volume models are depreciated over a period of 9 years

iv) Residual values and useful lives are reviewed, and adjusted, if appropriate, for each reporting period.

v) On property, plant and equipment added / disposed of during the year, depreciation is charged on pro-rata basis from the date of addition / till the date of disposal.

vi) Depreciation in respect of property, plant and equipment costing less than ₹10,000/- is provided at 100%.

### h) Investment properties

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 cost where applicable, borrowing cost. Subsequent expenditure is capitalised 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 is measured reliably.

### i) Intangible assets

#### Goodwill

Goodwill on acquisition of business is included in intangible assets. Goodwill is not amortised but 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, if any.

Goodwill is allocated to the cash generating units for the purpose of impairment testing. The allocation is made to those cash generating units or group of cash generating units that are expected to benefit from the business combination in which the goodwill arose. The units or group of units are identified at the lowest level at which goodwill is monitored for internal management purposes, which in our case are the cash generating units.

#### Other intangible assets

*Intangible assets acquired separately:*

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 - research and development expenditure:*

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.

# Notes to the Consolidated Financial Statements (Contd.)

The intangible assets are amortised on straight line basis over its useful life, viz., 2-3 years in the case of software, 8 years in case of acquired brand and trademark and 6 to 10 years in the case of Design, Development and Technical knowhow.

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.

## j) Loans (receivable from financing activity)

The Loans (receivable from financing activity) are stated at the contract value plus transaction costs less origination income that are directly attributable to the acquisition of the loan. Interest income is recognised using the Effective Interest Rate (EIR) method. Loans are stated at carrying value less impairment loss.

## k) 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 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. 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. 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.

## l) Foreign currency translation

### (i) Functional and presentation 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 consolidated financial statements are prepared in INR and all values are rounded off to nearest crore.

### (ii) Transactions and balances

Transactions in foreign currencies are recorded at the exchange rates prevailing on the date of transaction.

i) Foreign currency monetary assets and liabilities such as cash, receivables, payables, etc., are translated at year end exchange rates.

ii) Non-monetary items denominated in foreign currency such as investments, Property, Plant and Equipment, etc., are valued at the exchange rate prevailing on the date of transaction. Non-monetary investments measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined. The gain or loss arising on account of such translation is recognized in OCI or Profit and Loss in line with the designation of the respective item.

iii) Exchange differences arising on settlement of transactions and translation of monetary items are recognised as income or expense in the year in which they arise.

### (iii) Group companies

The results and financial position of foreign operations (none of which has the currency of a hyperinflationary economy) that have a functional currency different from the presentation currency are translated into the presentation currency in the following manner:

a) assets and liabilities are translated at the closing rate at the date of that balance sheet;

b) income and expenses are translated at average exchange rates (unless this is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the dates of the transactions); and

c) all resulting exchange differences are recognised in other comprehensive income.

## m) Hedge accounting

Derivatives are initially recognised at fair value on the date when a derivative contract is entered into and are subsequently remeasured 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 certain derivatives as either:

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





# Notes to the Consolidated Financial Statements (Contd.)

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 fair values or cash flows of hedged items.

The fair values of various derivative financial instruments used for hedging purposes are disclosed in Note 33. Movements in the hedging reserve in shareholders' equity are shown in Note 34. 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 is 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 statement of profit and loss.

When forward contracts are used to hedge forecasted transactions, the Group 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 recognised in the cash flow hedging reserve within equity.

Amounts accumulated in equity are reclassified to profit and loss in the periods when the hedged item affects profit and 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 forecasted 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 the statement of profit and loss.

## n) Inventories

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

i) Cost of raw materials, components, stores and spares are ascertained on a moving average basis.

ii) Cost of finished goods and work-in-progress comprise of direct materials, direct labour and an appropriate proportion of variable and fixed overhead, the latter being allocated on the basis of normal operating capacity. Costs are assigned to individual items of inventory on the basis of weighted average costs. Costs of purchased inventory includes cost of purchase and other cost incurred in bringing the inventories to the current location after deducting rebates and discounts. 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 and supplies held for use in production of inventories 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 material, obsolescence, defective inventories are duly provided for.

iii) Provision for slow and Obsolete inventory:

The company has a policy for identifying slow/ non-moving inventory. Based on the policy value inventory is provided for obsolescence based on ageing.

## o) 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 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 obligations:

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

# Notes to the Consolidated Financial Statements (Contd.)

related service. They are, therefore, measured at 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. Remeasurements as a result of experience adjustments and changes in actuarial assumptions are charged to Profit and Loss account. 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 Group operates the following post-employment schemes:

a) Defined benefit plans such as gratuity for its eligible employees, pension plan for its eligible senior managers; and

b) Defined contribution plans such as provident fund.

**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 at the end of each reporting period 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 recognised in the period in which they occur, directly in other comprehensive income (net-off deferred tax). 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 profit and loss as past service cost.

**Provident fund:**

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

### (iv) Bonus plans:

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

## p) 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 Group'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 income tax is provided in full, using the balance sheet 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 and loss. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantively 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.





# Notes to the Consolidated Financial Statements (Contd.)

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 liabilities and assets are not recognised for temporary differences between the carrying amount and tax bases of investments in foreign operations where the Group 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 liabilities are recognized for all taxable temporary differences, except in respect of taxable temporary differences associated with investments in subsidiaries, when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary 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 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 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 Group 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 Group accounts for such allowances as tax credits, which means that the allowances reduce income tax payable and current tax expense. A deferred tax asset is recognised for unclaimed tax credits that are carried forward.

## q) 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 Group 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 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.

In case of waiver of duty under EPCG licence, such grant is considered as revenue grant and recognized in statement of profit and loss on based on positive evidence of completion of export obligation as approved by Regulatory Authorities.

## r) Dividends

Dividends are recognised in profit and 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.

## s) Provisions and contingent liabilities

### i) Provision:

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. When products are sold, the estimated liability for product warranties is recorded 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 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 recognised 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.

### iii) Warranty:

Provision is made for estimated warranty claims in respect of vehicles sold which are still under warranty at the end of the reporting period. These claims are

# Notes to the Consolidated Financial Statements (Contd.)

expected to be settled from the next financial year. Management estimates the provision based on historical warranty claim information; and any recent trends that may suggest future claims could differ from historic and the dues which are payable within 12 Months is classified as current and others are non-current.

## t) Segment reporting

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

The Company's Chief Operating Decision Maker (CODM) examines Risks and Rewards of the entity's performance and allocates the resources aligning with the Company's strategy.

The Company identified operations from which significant risks and rewards are derived in two verticals viz (a) Automotive Vehicles & Parts and related investments and (b) Investment held in Financial services.

Profit /Loss of the Financial services vertical represents dividend, interest, profit / (Loss) on fair valuation / sale of investments.

The Investments of the Company in TVS Credit Services Limited and TVS Motor Services Limited and other non-strategic companies categorized as Financial services.

## u) 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 Group. Contracts may contain both lease and non-lease components. The Group allocates the consideration in the contract to the lease and non-lease components based on their relative stand-alone prices. However, for leases of buildings for which the Group 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 Group under residual value guarantees
- the exercise price of a purchase option if the Group is reasonably certain to exercise that option, and
- payments of penalties for terminating the lease, if the lease term reflects the Group exercising that option.
- 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 Group, 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 respective Company:

- where possible, uses recent third-party financing received by the Company 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 Group if 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 and loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the lease liability for each period. The carrying amount of lease liability is reduced by net lease payments (i.e., lease payments net off finance cost).

Variable lease payments are recognised in profit and 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 Group is reasonably certain to exercise a purchase option, the right-of-use asset is depreciated over the underlying asset's useful life.





# Notes to the Consolidated Financial Statements (Contd.)

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 and 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.

## v) 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, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities in the balance sheet.

## w) Trade receivables

Trade receivables are measured at their transaction price on initial recognition, unless it contains a significant financing component or pricing adjustments embedded in the contract in which cases, it is recognised at fair value. Trade receivables are held with the objective of collecting the contractual cash flows and therefore are subsequently measured at amortised cost less allowance for expected credit loss.

## x) Contract liabilities

A contract liability is the obligation to transfer goods to a customer for which the Group has received consideration (or an amount of consideration is due) from the customer. If a customer pays consideration before the Group transfers goods or services to the customer, a contract liability is recognised when the consideration is received. Contract liabilities are recognised as revenue when the Group performs under the contract.

## y) Investments and Other financial assets

### i) Classification

The Group classifies its financial assets in the following categories:

- Those to be measured subsequently at fair value [either through Fair Value Through Other Comprehensive Income (FVTOCI), or Fair Value Through Profit and Loss (FVTPL)], 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 Group measures a financial asset at its fair value plus transaction cost (in the case of a financial asset not a FVTPL) that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at FVTPL are expensed in profit and loss.

**Debt Instruments:**

Subsequent measurement of debt instruments depends on the Group's business model for managing the asset and the cash flow characteristics of the asset. There are three measurement categories into which the Group 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 derecognised or impaired. Interest income from these financial assets is included in finance income using the effective interest rate method.

- *Fair value through other comprehensive income:*

  Assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at FVTOCI. Movements in the carrying amount are taken through OCI, except for the recognition of impairment gains or losses, interest income and foreign exchange gains and losses which are recognised in profit and loss.

- *Fair Value through profit or loss:*

  Assets that do not meet the criteria for amortised cost or FVTOCI are measured at FVTPL. A gain or loss on a debt investment that is subsequently measured at FVTPL and is not part of a hedging relationship is recognised in profit or loss and presented in the statement of profit and loss in the period in which it arises. Interest income from these financial assets is included in other income.

**Equity instruments:**

The Group subsequently measures all its investments in equity at fair value. Where the Group's management has elected to present fair

# Notes to the Consolidated Financial Statements (Contd.)

value gains and losses on equity investments in other comprehensive income, there is no subsequent reclassification of fair value gains and losses to profit and loss.

Impairment losses (and reversal of impairment losses) on equity investments measured at FVTOCI are not reported separately.

Where the Group 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.

### iii) Impairment of financial assets

The Group assesses on a forward-looking basis the expected credit losses associated with its assets carried at amortised cost and FVTOCI debt instruments. The impairment methodology applied depends on whether there has been significant increase in credit risk. Note no. 34 and Note no. 35 details how the Group determines whether there has been a significant increase in credit risk.

For trade receivables, the Group 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.

For loans given by financial enterprise the impairment methodology applied depends on whether there has been a significant increase in credit risk. Note 35 details how the Group determines whether there has been a significant increase in credit risk.

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

### iv) Derecognition of financial assets

A financial asset is derecognised only when:

a) the Group has transferred the rights to receive cash flows from the financial asset or

b) the Group 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 Group 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 Group has not retained control of the financial asset. Where the Group retains control of the financial asset, the asset is continued to be recognised to the extent of continuing involvement in the financial asset.

### v) Income recognition

**Interest Income:**

Interest income from debt instruments is recognised using the effective interest rate method. The effective interest rate is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the gross carrying value of a financial asset. While calculating the effective interest rate, the Group 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.

## z) Financial Liabilities

Financial liabilities that are not held-for-trading and are not designated as at FVTPL are measured at amortised cost at the end of subsequent accounting periods. The carrying amounts of financial liabilities that are subsequently measured at amortised cost are determined based on the effective interest method. Interest expense that is not capitalised as part of costs of an asset is included under 'Finance costs'.

The effective interest method is a method of calculating the amortised 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.

All financial liabilities are subsequently measured at amortised cost using the effective interest method or at FVTPL.

The Company derecognises financial liabilities when, and only when, the Company's obligations are discharged, cancelled or have expired.

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 and loss.

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

## aa) Borrowing costs

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.

## ab) Current and Non-current classification

The Group 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 Group has identified twelve months as its operating cycle for all entities within the group.

## ac) Earnings Per Share (EPS)

Basic earnings per share is computed by dividing the profit after tax (attributable to the owners) by the weighted average number of equity shares outstanding during the year.

Diluted earnings per share is computed by dividing the profit after tax as adjusted for dividend, interest and other charges to expense or income relating to the dilutive potential equity shares, by the weighted average number of equity shares considered for deriving basic earnings per share and the weighted average number of equity shares which could have been issued on the conversion of all dilutive potential equity shares.

## ad) Treasury Shares

The Company has created an ESOP Trust (the 'Trust') for providing share-based payment to its employees. The Company uses the Trust as a vehicle for distributing shares to employees under the Employee Stock Option Scheme. The Trust purchases shares of the Company from the market for giving shares to employees. The Company treats Trust as its extension and shares held by the Trust are treated as treasury shares.

Own equity instruments that are re-acquired (treasury shares) are recognised at cost and deducted from other equity. As and when treasury shares are transferred to employees on exercise after satisfaction of the vesting conditions, the balance lying in "Treasury share reserve" is transferred to "Retained earnings".

## ae) 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.

# Notes to the Consolidated Financial Statements (Contd.)

## 2 Property, Plant & Equipment and Other Intangible Assets as at 31-03-2025

Rupees in crores

| Description | Property, Plant & Equipment | | | | | | | | Other Intangible | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | Land | Buildings | Plant & equipment | Furniture & fixtures | Vehicles | Office equipment | Right of Use | Total | Software | Design Development | Trade Mark | Total |
| | 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 | 10 | 11 | 12 |
| Cost of assets | | | | | | | | | | | | |
| Gross carrying value as at 01-04-2024 | 562.92 | 1,264.20 | 5,682.63 | 238.17 | 120.69 | 359.11 | 1,164.07 | 9,391.79 | 291.19 | 830.80 | 512.28 | 1,634.27 |
| Acquired in business combination | - | - | 1.10 | 3.17 | 0.01 | 1.15 | 7.54 | 12.97 | 2.35 | - | - | 2.35 |
| Additions | 488.83 | 38.34 | 651.44 | 65.36 | 281.45 | 84.30 | 739.24 | 2,348.96 | 232.39 | 366.37 | 105.62 | 704.38 |
| Foreign exchange translation reserve adjustments | (2.22) | 1.88 | 3.10 | 3.57 | 0.56 | 0.46 | 12.45 | 19.80 | 6.50 | 5.80 | 27.02 | 39.32 |
| **Sub-total** | **1,049.53** | **1,304.42** | **6,338.27** | **310.27** | **402.71** | **445.02** | **1,923.30** | **11,773.52** | **532.43** | **1,202.97** | **644.92** | **2,380.32** |
| Sales / deletion | 3.21 | 52.90 | 324.72 | 12.07 | 12.46 | 16.07 | 436.84 | 858.27 | - | - | - | - |
| **Total** | **1,046.32** | **1,251.52** | **6,013.55** | **298.20** | **390.25** | **428.95** | **1,486.46** | **10,915.25** | **532.43** | **1,202.97** | **644.92** | **2,380.32** |
| **Depreciation / Amortisation** | | | | | | | | | | | | |
| Upto 31-03-2024 | - | 434.76 | 3,716.61 | 139.98 | 68.38 | 255.52 | 482.42 | 5,097.67 | 211.96 | 440.00 | 120.38 | 772.34 |
| For the year | - | 40.78 | 377.96 | 33.87 | 34.26 | 64.62 | 196.92 | 748.41 | 73.94 | 153.35 | 69.86 | 297.15 |
| Foreign exchange translation reserve adjustments | - | (0.07) | 1.17 | 2.87 | (0.55) | 0.33 | 4.95 | 8.70 | 14.81 | 1.72 | 11.40 | 27.93 |
| **Sub-total** | **-** | **475.47** | **4,095.74** | **176.72** | **102.09** | **320.47** | **684.29** | **5,854.78** | **300.71** | **595.07** | **201.64** | **1,097.42** |
| Withdrawn on assets sold / deleted | - | 12.54 | 190.46 | 6.05 | 10.20 | 14.35 | 194.67 | 428.27 | - | - | - | - |
| **Total** | **-** | **462.93** | **3,905.28** | **170.67** | **91.89** | **306.12** | **489.62** | **5,426.51** | **300.71** | **595.07** | **201.64** | **1,097.42** |
| Net carrying value as at 31-03-2025 | 1,046.32 | 788.59 | 2,108.27 | 127.53 | 298.36 | 122.83 | 996.84 | 5,488.74 | 231.72 | 607.90 | 443.28 | 1,282.90 |

a) Cost of buildings includes ₹ 30.99 crores pertaining to buildings constructed on leasehold lands.

b) Land includes lease hold land of ₹ 0.51 Crores, whose ownership is transferrable at the end of the lease term.

c) Borrowing cost capitalised during the year - Nil

### Capital work-in-progress (at cost) as at 31-03-2025

| | | |
|---|---|---|
| (a) | Building | 304.63 |
| (b) | Plant & equipment | 359.15 |
| **Total** | | **663.78** |

### (i) Ageing of Capital work-in-progress as at 31-03-2025

| Particulars | Amount in Capital work-in-progress for a period of | | | | |
|---|---|---|---|---|---|
| | <1 Yr. | 1-2 years | 2-3 years | More than 3 years | Total |
| Projects in progress | 514.51 | 111.56 | 16.90 | 20.81 | 663.78 |

### (ii) Ageing of Intangible assets under development as at 31-03-2025

| Particulars | Amount in Intangible assets under development for a period of | | | | |
|---|---|---|---|---|---|
| | <1 Yr. | 1-2 years | 2-3 years | More than 3 years | Total |
| Projects in progress | 507.82 | 229.81 | 27.51 | 36.53 | 801.67 |

### Capital work-in-progress and Intangible asset under development:

There is no Capital work in progress and Intangible asset under development whose completion is overdue or has exceeded its cost compared to its original plan





# Notes to the Consolidated Financial Statements (Contd.)

## 2 Property, Plant & Equipment and Intangible Assets as at 31-03-2024

Rupees in crores

| Description | Property, Plant & Equipment | | | | | | | | Other Intangible | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | Land | Buildings | Plant & equipment | Furniture & fixtures | Vehicles | Office equipment | Right of Use | Total | Software | Design Development | Trade Mark | Total |
| | 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 | 10 | 11 | 12 |
| Cost of assets | | | | | | | | | | | | |
| Gross carrying value as at 01-04-2023 | 511.73 | 1,158.94 | 5,410.93 | 170.71 | 99.15 | 311.42 | 1,026.23 | 8,689.11 | 217.56 | 681.14 | 497.24 | 1,395.94 |
| Additions | 56.21 | 109.43 | 437.24 | 67.72 | 31.61 | 62.64 | 177.96 | 942.80 | 73.13 | 179.35 | 2.41 | 254.89 |
| Foreign exchange translation reserve adjustments | (5.02) | (0.27) | (3.74) | 0.71 | 0.54 | 0.02 | - | (7.76) | 0.50 | (2.90) | 12.63 | 10.23 |
| **Sub-total** | **562.92** | **1,268.10** | **5,844.43** | **239.14** | **131.30** | **374.08** | **1,204.19** | **9,624.15** | **291.19** | **857.59** | **512.28** | **1,661.06** |
| Sales / deletion | - | 3.90 | 161.79 | 0.97 | 10.60 | 14.97 | 40.12 | 232.36 | - | 26.79 | - | 26.79 |
| **Total** | **562.92** | **1,264.20** | **5,682.63** | **238.17** | **120.69** | **359.11** | **1,164.07** | **9,391.79** | **291.19** | **830.80** | **512.28** | **1,634.27** |
| Depreciation / Amortisation | | | | | | | | | | | | |
| Upto 31-03-2023 | - | 386.52 | 3,443.74 | 110.28 | 58.35 | 217.60 | 295.22 | 4,511.71 | 166.80 | 335.49 | 57.77 | 560.06 |
| For the year | - | 51.91 | 384.75 | 30.44 | 15.51 | 52.95 | 217.84 | 753.40 | 53.05 | 104.59 | 64.08 | 221.72 |
| Foreign exchange translation reserve adjustments | - | (0.74) | (3.86) | 0.35 | 0.14 | (0.11) | (8.12) | (12.34) | (7.90) | (0.09) | (1.47) | (9.45) |
| **Sub-total** | **-** | **437.69** | **3,824.63** | **141.07** | **74.00** | **270.44** | **504.94** | **5,252.77** | **211.95** | **440.00** | **120.38** | **772.33** |
| Withdrawn on assets sold / deleted | - | 2.93 | 108.02 | 1.09 | 5.62 | 14.92 | 22.52 | 155.10 | 0.01 | - | - | - |
| **Total** | **-** | **434.76** | **3,716.61** | **139.98** | **68.38** | **255.52** | **482.42** | **5,097.67** | **211.96** | **440.00** | **120.38** | **772.33** |
| Net carrying value as at 31-03-2024 | 562.92 | 829.44 | 1,966.03 | 98.19 | 52.31 | 103.59 | 681.65 | 4,294.12 | 79.24 | 390.80 | 391.90 | 861.95 |

a) Cost of buildings includes ₹ 11.42 crores pertaining to buildings constructed on leasehold lands.

b) Land includes lease hold land of ₹ 0.51 Crores, whose ownership is transferrable at the end of the lease term.

c) Borrowing cost capitalised during the year - ₹ 1.78 crores.

### Capital work-in-progress (at cost) as at 31-03-2024

| | | |
|---|---|---|
| (a) | Building | 60.45 |
| (b) | Plant & equipment | 277.56 |
| **Total** | | **338.01** |

### (i) Ageing of Capital work-in-progress as at 31-03-2024

| Particulars | Amount in Capital work-in-progress for a period of | | | | |
|---|---|---|---|---|---|
| | <1 Yr. | 1-2 years | 2-3 years | More than 3 years | Total |
| Projects in progress | 220.96 | 34.22 | 61.97 | 20.86 | 338.01 |

### (ii) Ageing of Intangible assets under development as at 31-03-2024

| Particulars | Amount in Intangible assets under development for a period of | | | | |
|---|---|---|---|---|---|
| | <1 Yr. | 1-2 years | 2-3 years | More than 3 years | Total |
| Projects in progress | 439.91 | 168.61 | 64.86 | 21.56 | 694.94 |

### Capital work-in-progress and Intangible asset under development:

There is no Capital work in progress and Intangible asset under development whose completion is overdue or has exceeded its cost compared to its original plan

# Notes to the Consolidated Financial Statements (Contd.)

## 3 Investment Properties

Rupees in crores

| Particulars | As at 31-03-2025 | As at 31-03-2024 |
|---|---|---|
| Gross carrying amount | 137.70 | 137.70 |
| Additions | 3.68 | - |
| Deletions | - | - |
| **Closing gross carrying amount (A)** | **141.38** | **137.70** |
| Opening accumulated depreciation | - | |
| Additions | - | - |
| Deletions | - | - |
| **Closing accumulated depreciation (B)** | - | - |
| **Total investment properties (A)-(B)** | **141.38** | **137.70** |

## 4 Investments

### A. Non Current Investments

| Sl. No. | Particulars | No. of shares / units: As at 31-03-2025 | No. of shares / units: As at 31-03-2024 | Face Value | Currency | Rupees in crores: As at 31-03-2025 | Rupees in crores: As at 31-03-2024 |
|---|---|---|---|---|---|---|---|
| (1) | (2) | (3) | (4) | (5) | (6) | (7) | (8) |
| **(a)** | **Investment in Equity Instruments :** | | | | | | |
| | **Fair valued through OCI:** | | | | | | |
| | **Quoted :** | | | | | | |
| | (i) Ucal Fuel Systems Limited, Chennai | 91,760 | 91,760 | 10.00 | INR | 1.20 | 1.33 |
| | **Unquoted :** | | | | | | |
| | (ii) Green Infra BTV Limited, New Delhi | 32,50,000 | 32,50,000 | 10.00 | INR | 2.04 | 1.89 |
| | (iii) TVS Lanka (Private) Limited, Colombo | 50,00,000 | 50,00,000 | 10.00 | LKR | 16.99 | 4.48 |
| | (iv) Green Infra Wind Power Projects Limited, New Delhi | 1,11,600 | 1,11,600 | 10.00 | INR | 0.08 | 0.08 |
| | (v) Green Infra Wind Energy Theni Limited, New Delhi | - | 34,34,477 | 10.00 | INR | - | 2.14 |
| | (vi) Green Infra Wind Power Generation Limited, New Delhi | 2,16,000 | 2,16,000 | 10.00 | INR | 0.19 | 0.18 |
| | (vii) Condivision Solutions Pvt. Limited, Bengaluru | 6,760 | 6,760 | 10.00 | INR | - | - |
| | (viii) Mulanur Renewable Energy Pvt. Limited, Chennai | 15,000 | 15,000 | 10.00 | INR | 0.02 | 0.02 |
| | (ix) PHI Research Pvt. Limited, Chennai | 3,50,000 | 3,50,000 | 10.00 | INR | 3.36 | 3.36 |
| | (x) Atria Wind Power Bijapur 1 Limited, Bengaluru | 1,01,217 | 1,01,217 | 10.00 | INR | 2.00 | 2.00 |
| | (xi) Atria wind power (Chitradurga) P Ltd, Bengaluru | - | 80,948 | 100.00 | INR | - | 0.51 |
| | (xii) Altizon Systems Private Limited, Pune | 10 | 10 | 10.00 | INR | 0.01 | 0.01 |
| | (xiii) Roppen Transportation Services Private Limited, Hyderabad | 10 | 10 | 1.00 | INR | 0.05 | 0.05 |
| | (xiv) Roppen Transportation Services Private Limited, Hyderabad$ | 23,985 | 23,985 | 10.00 | INR | 125.84 | 119.73 |
| | (xv) Green Infra Wind Energy Generation Limited, Gurugram | 23,45,000 | 28,45,000 | 10.00 | INR | 2.35 | 2.85 |
| | (xvi) Eight Innovate Fund, Mumbai | 40,000 | 40,000 | 1,000.00 | INR | 5.38 | 4.00 |
| | (xvii) ARC Ride Limited, UK | 575 | 575 | 0.01 | GBP | 8.73 | 8.46 |
| | (xix) Atria Wind Power (Basavana Bagewadi), Bengaluru | 47,000 | - | 100.00 | INR | 0.91 | - |
| | (xx) Indian Foundation for Quality Management, Bengaluru^ | 2,50,00,000 | - | 10.00 | INR | 25.00 | - |
| | **Total value of Equity Instruments (a)** | | | | | **194.15** | **151.09** |





Notes to the Consolidated Financial Statements (Contd.)

| Sl. No. | Particulars | No. of shares / units: As at 31-03-2025 | No. of shares / units: As at 31-03-2024 | Face Value | Currency | Rupees in crores: As at 31-03-2025 | Rupees in crores: As at 31-03-2024 |
|---|---|---|---|---|---|---|---|
| **(b)** | **Investments in Preference Shares:** | | | | | | |
| | **Unquoted :** | | | | | | |
| | **Fair valued through OCI:** | | | | | | |
| | (i) Mottu Holdings Ltd, USA | 3,26,064 | 2,19,514 | 0.001 | USD | 119.00 | 73.63 |
| | (ii) Quadrant Esports Ltd, UK | 12,547 | 12,547 | 0.001 | Euro | 1.07 | 1.04 |
| | (iii) Pinnacle Engines Inc., USA (face value 0.01 cent) | 24,09,638 | 24,09,638 | 0.0001 | USD | - | - |
| | (iv) Axiom Research Labs Private Limited, Delhi | 82 | 82 | 10.00 | INR | - | - |
| | (v) Scienaptic Systems Inc., USA^ | 22,73,941 | - | 3.20 | USD | 61.91 | - |
| | (vi) Commeasure Pte Ltd, Singapore | 78,703 | - | 86.15 | SGD | 43.20 | - |
| | **Total value of Preference shares (b)** | | | | | **225.18** | **74.67** |
| **(c)** | **Investment in Debt Instruments (unquoted):** | | | | | | |
| | **Valued at Amortised Cost :** | | | | | | |
| | (i) Fabric IOT Private Limited, Bengaluru | | | | INR | - | 17.79 |
| | **Pension Funds / Government Securities:** | | | | | | |
| | (ii) ICICI Prudential Life Insurance Group Superannuation Fund, Mumbai | | | | INR | 6.95 | 6.63 |
| | (iii) Life Insurance Corporation Pension Policy, Mumbai | | | | INR | 22.37 | 20.82 |
| | (iv) Investment in Government Securities | | | | INR | - | 93.46 |
| | (v) Hyper Grocers Private Limited, Gwalior | 25 | 25.00 | 1,00,000.00 | INR | 0.25 | 0.25 |
| | (vi) Securities and Exchange Commission Bonds | | | | USD | 0.07 | 0.07 |
| | **Fair valued through Profit and Loss :** | | | | | | |
| | (vii) Fabric IOT Private Limited, Bengaluru | | | | INR | - | 45.00 |
| | (viii) DAT Bike, Singapore | | | | USD | 4.27 | 4.16 |
| | (ix) Zapata Group B.V, Netherlands | | | | Euro | 48.63 | 36.02 |
| | (x) Vianai Systems, Inc, USA | | | | USD | 8.54 | - |
| | (xi) Aegis Rider Ag, Switzerland | | | | USD | 17.10 | - |
| | **Total value of Debt instruments (c)** | | | | | **108.18** | **224.20** |
| **(d)** | **Other non-current Investments (Unquoted):** | | | | | | |
| | **Fair valued through OCI:** | | | | | | |
| | (i) Autotech Fund I L.P., USA | | | | USD | 37.43 | 32.79 |
| | **Total value of other non-current investments (d)** | | | | | **37.43** | **32.79** |
| | **Total (a) + (b) + (c) + (d)** | | | | | **564.94** | **482.75** |
| | Aggregate amount of quoted investments and market value thereof | | | | | 1.20 | 1.33 |
| | Aggregate amount of unquoted investments | | | | | 563.74 | 481.42 |
| | **Total** | | | | | **564.94** | **482.75** |

All Investments are fully paid up.

$ Preference shares in the nature of equity instruments

^ Moved from investment in Associates to Non current investments

# Notes to the Consolidated Financial Statements (Contd.)

## 4B Current Investments

| Sl. No. | Particulars | No. of shares / units | | Face Value | Currency | Rupees in crores | |
|---|---|---|---|---|---|---|---|
| | | As at 31-03-2025 | As at 31-03-2024 | | | As at 31-03-2025 | As at 31-03-2024 |
| (1) | (2) | (3) | (4) | (5) | (6) | (7) | (8) |
| **(a)** | **Investment in Equity Instruments Fair valued through Profit or Loss:** | | | | | | |
| | **Quoted :** | | | | | | |
| (i) | TVS Supply Chain Solutions Limited, Chennai | 1,92,72,200 | 1,05,62,200 | 1.00 | INR | 233.19 | 163.19 |
| **(b)** | **Investment in Debt Instruments (unquoted):** | | | | | | |
| | Valued at Amortised Cost : | | | | | | |
| (i) | Investment in Government securities | | | | | 282.12 | - |
| | **Total** | | | | | 515.31 | 163.19 |
| | Aggregate amount of quoted and non-qouted investments | | | | | 515.31 | 163.19 |
| | **Total** | | | | | **515.31** | **163.19** |

All investments are fully paid up.

## 5 Loans (Receivable from Financing Activity)

Rupees in crores

| Particulars | As at 31-03-2025 | | As at 31-03-2024 | |
|---|---|---|---|---|
| | Current | Non-current | Current | Non-current |
| **Secured:** | | | | |
| Automobile financing | | | | |
| Considered good | 12,078.39 | 9,145.69 | 10,438.49 | 9,801.72 |
| Considered doubtful | 480.56 | 214.06 | 423.30 | 233.50 |
| Less: Loss allowance | | | | |
| Provision for expected credit loss (Refer Note 35) | (369.76) | (296.95) | (331.45) | (347.99) |
| **Unsecured:** | | | | |
| Financing (Others) | | | | |
| Considered good | 2,776.00 | 2,211.82 | 2,757.32 | 2,447.16 |
| Considered doubtful | 65.65 | 23.00 | 59.54 | 21.71 |
| Less: Loss allowance | | | | |
| Provision for expected credit loss (Refer Note 35) | (119.34) | (92.26) | (147.43) | (103.12) |
| **Unsecured** | | | | |
| Trade advance and term loan | | | | |
| Considered good | 183.57 | 1.63 | 218.81 | 1.57 |
| Considered doubtful | 0.68 | - | 4.75 | - |
| Provision for expected credit loss (Refer Note 35) | (2.27) | - | (6.07) | - |
| | **15,093.48** | **11,206.99** | **13,417.26** | **12,054.55** |

## 6 Non-Current Assets - Other Financial Assets

Rupees in crores

| | As at 31-03-2025 | As at 31-03-2024 |
|---|---|---|
| Deposits | 127.42 | 68.89 |
| Loans given to employees | 4.82 | 4.46 |
| Claim receivable | 28.00 | 31.50 |
| Hedge asset | - | 90.67 |
| | **160.24** | **195.52** |





Notes to the Consolidated Financial Statements (Contd.)

## 7 Investments Accounted Using Equity Method

Rupees in crores

| | As at 31-03-2025 | As at 31-03-2024 |
|---|---|---|
| Ultraviolette Automotive Private Limited, Bengaluru | 7.29 | 7.29 |
| [14,850 (last year - 14,850) Equity shares] | | |
| Ultraviolette Automotive Private Limited, Bengaluru | 56.20 | 91.65 |
| [12,316 (last year - 12,316) Preference shares] | | |
| Predictronics Corp, USA | 17.37 | 17.85 |
| [24,827 (last year - 24,827) Equity shares] | | |
| Tagbox Pte Limited, Singapore^ | - | 0.98 |
| [Nil (last year - 2,43,243) Preference shares] | | |
| Scienaptic Systems Inc., USA # | - | 54.07 |
| [Nil (last year - 28,05,357) Equity shares] | | |
| Altizon Inc., USA | 22.59 | 23.27 |
| [8,06,429 (last year - 8,06,429) Equity shares] | | |
| DriveX Mobility Private Limited, Coimbatore* | - | 68.65 |
| [Nil (last year - 9,766) Equity shares] | | |
| Ion Mobility Pte Ltd^ | - | 121.81 |
| [Nil (last year - 49,64,524) Preference shares] | | |
| Killwatt, GmbH | 63.68 | 66.68 |
| [24,500 (last year - 24,500) Equity shares] | | |
| Indian Foundation for Quality Management, Bengaluru # | - | 25.00 |
| [Nil (last year - 2,50,00,000) Equity shares] | | |
| | **167.13** | **477.25** |

^ Ceased to be associate as on 31st March 2025

# Ceased to be associate as on 31st March 2025 and part of Non current investments

* Ceased to be an associate and become the subsidiary of the Company as on 31st March 2025

## 8 Deferred Tax Assets

Rupees in crores

| Particulars | As at 31-03-2025 | As at 31-03-2024 |
|---|---|---|
| The balance comprises temporary differences attributable to: | | |
| Deferred tax asset consists of : | | |
| - Depreciation | 6.68 | 4.88 |
| - tax on employee benefit expenses | 18.68 | 20.96 |
| - tax on expected credit losses provision | 244.94 | 228.12 |
| - tax on investment property | 14.72 | 14.72 |
| - tax on carried forward loss | 65.92 | 42.28 |
| - tax on others | 155.48 | 99.35 |
| **Total deferred tax assets (A)** | **506.42** | **410.31** |
| **Deferred tax liability on other item (B)** | **10.51** | **16.03** |
| **Net deferred tax assset (A)-(B)** | **495.91** | **394.28** |

# Notes to the Consolidated Financial Statements (Contd.)

**Movement in deferred tax :**

Rupees in crores

| Particulars | Depreciation | Others | Total |
|---|---|---|---|
| **As at 31-03-2023** | | | 305.73 |
| **Charged/(credited):** | | | |
| - to profit or loss | (0.04) | 83.13 | 83.09 |
| - to foreign currency translation | | 1.52 | 1.52 |
| - to other comprehensive income | - | 3.94 | 3.94 |
| **As at 31-03-2024** | | | 394.28 |
| **Charged/(credited):** | | | |
| - to profit or loss | (1.80) | 80.97 | 79.17 |
| - to subsidary incumbent deferred tax asset | - | 15.12 | 15.12 |
| - to foreign currency translation | | 2.17 | 2.17 |
| - to other comprehensive income | - | 5.17 | 5.17 |
| **As at 31-03-2025** | | | **495.91** |

## 9 Other Non-Current Assets

Rupees in crores

| Particulars | As at 31-03-2025 | As at 31-03-2024 |
|---|---|---|
| Capital advances | 215.67 | 126.39 |
| Advances other than capital advances: | | |
| Prepaid expenses | 5.71 | 4.05 |
| Deposits made | 13.62 | 18.34 |
| | **235.00** | **148.78** |

## 10 Inventories

Rupees in crores

| Particulars | As at 31-03-2025 | As at 31-03-2024 |
|---|---|---|
| Raw materials and components | 971.25 | 990.02 |
| Goods-in-transit - Raw materials and components | 132.47 | 48.16 |
| Work-in-progress | 50.80 | 64.23 |
| Finished goods | 680.28 | 532.60 |
| Stock-in-trade | 483.18 | 555.72 |
| Stores and spares | 98.60 | 57.67 |
| | **2,416.58** | **2,248.40** |

## 11 Trade Receivables

Rupees in crores

| | As at 31-03-2025 | As at 31-03-2024 |
|---|---|---|
| Secured, considered good | 21.37 | 14.13 |
| Unsecured, considered good * | 1,695.38 | 1,825.29 |
| Receivables which have significant increase in credit risk | 43.70 | 48.34 |
| | **1,760.45** | **1,887.76** |
| Less: Loss allowance | 43.70 | 48.34 |
| | **1,716.75** | **1,839.42** |

* Include balance with related parties [Refer Note 39(c)(i)].

# Notes to the Consolidated Financial Statements (Contd.)

**(i) Ageing for trade receivable as on 31.03.2025**

Rupees in crores

| 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 | 81.25 | 1,126.88 | 179.70 | 307.08 | 5.53 | 16.31 | 1,716.75 |
| (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 | 2.41 | 6.55 | 2.42 | 6.72 | 1.66 | 23.94 | 43.70 |
| (vi) Disputed Trade Receivables - credit impaired | - | - | - | - | - | - | - |
| **Total** | **83.66** | **1,133.43** | **182.12** | **313.80** | **7.19** | **40.25** | **1,760.45** |

**(ii) Ageing for trade receivable as on 31.03.2024**

Rupees in crores

| 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 | 160.57 | 1,045.97 | 548.07 | 65.16 | 4.24 | 12.16 | 1,836.17 |
| (ii) Undisputed Trade Receivables - which have significant increase in credit risk | - | 3.25 | - | - | - | - | 3.25 |
| (iii) Undisputed Trade Receivables - credit impaired | - | - | - | - | - | - | - |
| (iv) Disputed Trade Receivables - considered good | - | - | - | - | - | - | - |
| (v) Disputed Trade Receivables - which have significant increase in credit risk | - | - | 20.00 | 1.17 | 1.39 | 25.78 | 48.34 |
| (vi) Disputed Trade Receivables - credit impaired | - | - | - | - | - | - | - |
| **Total** | **160.57** | **1,049.22** | **568.07** | **66.33** | **5.63** | **37.94** | **1,887.76** |

## 12 Cash and Cash Equivalents

Rupees in crores

| Particulars | As at 31-03-2025 | As at 31-03-2024 |
|---|---|---|
| Balances with banks | 4,076.47 | 2,099.94 |
| Cash on hand | 2.90 | 5.86 |
| Cash equivalents: | | |
| Deposits with maturity of less than three month from the date of deposit | 35.63 | 250.00 |
| | **4,115.00** | **2,355.80** |
| Cash and cash equivalents for the purpose of cash flow statement | **4,115.00** | **2,355.80** |

## 13 Bank Balances Other Than Cash And Cash Equivalents

Rupees in crores

| Particulars | As at 31-03-2025 | As at 31-03-2024 |
|---|---|---|
| Earmarked balances with banks^ | 264.66 | 45.02 |
| Deposits with maturity of more than three month and less than one year from the date of deposit | 6.58 | 24.91 |
| | **271.24** | **69.93** |

^ Includes balances towards unpaid dividend

# Notes to the Consolidated Financial Statements (Contd.)

## 14 Other Financial Assets - (Current)

Rupees in crores

| Particulars | As at 31-03-2025 | As at 31-03-2024 |
|---|---|---|
| Unsecured, considered good : | | |
| - Employee advances | 21.85 | 18.65 |
| - Other bank balances (Bank deposit) | 2.09 | 2.09 |
| - Security deposits | 48.64 | 39.47 |
| - Claims receivable | 31.68 | 34.42 |
| - Loans and advances - Non Related Parties | 142.91 | 41.60 |
| - Interest accrued on Fixed deposit | 0.09 | - |
| - Receivable towards sale of fixed assets | 62.97 | 66.43 |
| - Hedge asset - receivable | 15.73 | - |
| | **325.96** | 202.66 |

## 15 Other Current Assets

Rupees in crores

| Particulars | As at 31-03-2025 | As at 31-03-2024 |
|---|---|---|
| Balances with tax authorities | 682.41 | 523.46 |
| Prepaid expense | 175.56 | 138.20 |
| Vendor advance* | 199.53 | 298.67 |
| Trade deposits | 5.06 | 70.71 |
| Incentive receivable from Government^ | 468.13 | 182.63 |
| Employee benefit assets (Refer Note 39) | 11.88 | 4.77 |
| Others | 19.75 | 3.96 |
| | **1,562.32** | **1,222.40** |
| Less: loss allowance | 32.39 | 22.94 |
| | **1,529.93** | **1,199.46** |

* Balances include balance with related parties [Refer Note 39(c)(i)].

^ Includes EV subsidy receivable of ₹ 210.96 crores (Previous Year ₹148.62 crores)

^ Includes PLI receivable of ₹ 214.35 crores (Previous Year Nil)

## 16 Equity Share Capital

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

| Particulars | As at 31-03-2025 | | As at 31-03-2024 | |
|---|---|---|---|---|
| | Number | Rupees in crores | Number | Rupees in crores |
| **Authorised:** | | | | |
| Equity shares of ₹1/- each | 50,00,00,000 | 50.00 | 50,00,00,000 | 50.00 |
| Issued, subscribed and fully paid up: | | | | |
| Equity shares of ₹1/- each | 47,50,87,114 | 47.51 | 47,50,87,114 | 47.51 |
| | **47,50,87,114** | **47.51** | **47,50,87,114** | **47.51** |

### (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 | Rupees in crores | Number | Rupees in crores |
| Shares outstanding at the beginning of the year | 47,50,87,114 | 47.51 | 47,50,87,114 | 47.51 |
| Shares issued during the year | - | - | - | - |
| Shares outstanding at the end of the year | **47,50,87,114** | **47.51** | **47,50,87,114** | **47.51** |





# Notes to the Consolidated Financial Statements (Contd.)

**(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 Holdings Limited, Chennai (Holding Company) | Equity | 23,87,82,786 | 50.26 | 23,87,82,786 | 50.26 |

### (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 | % of holding | No. of shares held | % of holding |
| ICICI Prudential Mutual Fund | Equity | 3,49,41,063 | 7.35 | 3,75,37,940 | 7.90 |

### (f) Shares held by Promoters at the end of the year 31.03.2025

| Promoter name | 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 | % change during the year |
| TVS Holdings Limited, Chennai (Holding Company) | Equity | 23,87,82,786 | 50.26 | 23,87,82,786 | 50.26 | - |

### Shares held by Promoters at the end of the year 31.03.2024

| 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 | % change during the year |
| TVS Holdings Limited, Chennai (Holding Company) | Equity | 23,87,82,786 | 50.26 | 23,87,82,786 | 50.26 | - |

## 17 Other Equity

Rupees in crores

| Particulars | As at 31-03-2025 | As at 31-03-2024 |
|---|---|---|
| General reserve | 876.24 | 876.24 |
| Capital reserve | 6.51 | 6.51 |
| Statutory reserve | 451.41 | 297.96 |
| Retained earnings | 7,106.24 | 5,529.37 |
| Other Reserves | 15.47 | 25.93 |
| | **8,455.87** | **6,736.00** |

# Notes to the Consolidated Financial Statements (Contd.)

## 18 Financial Liabilities - Borrowings (Non Current)

Rupees in crores

| Nature | Lenders | As at 31-03-2025 | As at 31-03-2024 | Status as at 31-03-2025 | | | |
|---|---|---|---|---|---|---|---|
| | | | | Interest Rate | Frequency | No. of Instalments Due | Maturity |
| **Secured Borrowings:** | | | | | | | |
| ECB Loan 1 | Bank | 300.30 | - | 7.8% | Bullet | 1 | Mar-2028 |
| ECB Loan 2 | Bank | - | 833.00 | - | - | - | - |
| Term Loan 1 | Bank | - | 47.56 | - | - | - | - |
| Term Loan 2 | Bank | 138.52 | 249.44 | SOFR + 2.60% p.a | Quarterly | 10 | Dec-2027 |
| Term Loan 3 | Bank | 13.64 | 175.58 | 5.60% | Monthly | 1 | Apr-2025 |
| Term Loan 4 | Bank | - | 62.49 | - | - | - | - |
| Term Loan 5 | Bank | - | 125.00 | - | - | - | - |
| Term Loan 6 | Bank | 81.61 | 324.30 | 6.35% | Monthly | 4 | Jul-2025 |
| Term Loan 7 | Bank | - | 200.00 | - | - | - | - |
| Term Loan 8 | Bank | 99.99 | 299.95 | 7.00% | Quarterly | 2 | Jul-2025 |
| Term Loan 9 | Bank | 125.69 | 291.18 | 7.25% | Quarterly | 3 | Jan-2026 |
| Term Loan 10 | Bank | 125.66 | 249.45 | 7.25% | Quarterly | 4 | Apr-2026 |
| Term Loan 11 | Bank | - | 83.34 | - | - | - | - |
| Term Loan 12 | Bank | 209.67 | 489.08 | 7.59% | Quarterly | 3 | Dec-2025 |
| Term Loan 13 | Bank | 27.19 | 59.33 | 7.60% | Monthly | 10 | Jan-2026 |
| Term Loan 14 | Bank | - | 41.67 | - | - | - | - |
| Term Loan 15 | Bank | 20.13 | 40.00 | 7.75% | Quarterly | 4 | Mar-2026 |
| Term Loan 16 | Bank | 29.39 | 58.38 | 7.75% | Monthly | 12 | Mar-2026 |
| Term Loan 17 | Bank | 39.99 | 119.97 | 8.00% | Quarterly | 2 | Sep-2025 |
| Term Loan 18 | Bank | 90.02 | 209.98 | 8.05% | Quarterly | 3 | Oct-2025 |
| Term Loan 19 | Bank | - | 62.53 | - | - | - | - |
| Term Loan 20 | Bank | 317.88 | 456.44 | 7.10% | Quarterly | 9 | Jun-2027 |
| Term Loan 21 | Bank | 105.89 | 151.61 | 7.10% | Quarterly | 9 | Jun-2027 |
| Term Loan 22 | Bank | 241.35 | 335.70 | 7.10% | Quarterly | 10 | Sep-2027 |
| Term Loan 23 | Bank | - | 749.18 | - | - | - | - |
| Term Loan 24 | Bank | 251.25 | - | 7.15% | Quarterly | 8 | Mar-2027 |
| Term Loan 25 | Bank | 62.84 | - | 7.25% | Quarterly | 8 | Mar-2027 |
| Term Loan 26 | Bank | 69.23 | 100.00 | 6.85% | Quarterly | 9 | Jun-2027 |
| Term Loan 27 | Bank | - | 374.60 | - | - | - | - |
| Term Loan 28 | Bank | - | 93.65 | - | - | - | - |
| Term Loan 29 | Bank | 278.05 | - | 6.39% | Quarterly | 9 | Jun-2027 |
| Term Loan 30 | Bank | 219.44 | - | 6.39% | Monthly | 19 | Jul-2026 |
| Term Loan 31 | Bank | - | 100.00 | - | - | - | - |
| Term Loan 32 | Bank | 72.33 | 100.63 | 7.10% | Quarterly | 10 | Sep-2027 |
| Term Loan 33 | Bank | 232.19 | - | 6.71% | Quarterly | 10 | Sep-2027 |
| Term Loan 34 | Bank | 149.42 | - | 6.71% | Monthly | 22 | Jan-2027 |
| Term Loan 35 | Bank | 255.44 | - | 6.89% | Quarterly | 11 | Dec-2027 |
| Term Loan 36 | Bank | 178.58 | - | 6.89% | Monthly | 25 | Apr-2027 |
| Term Loan 37 | Bank | 351.96 | - | 6.60% | Quarterly | 13 | May-2028 |
| Term Loan 38 | Bank | 146.00 | - | 6.60% | Monthly | 30 | Sep-2027 |
| Term Loan 39 | Bank | 76.92 | 99.22 | 7.45% | Monthly | 30 | Sep-2027 |
| Term Loan 40 | Bank | 153.85 | - | 7.45% | Monthly | 30 | Sep-2027 |
| Term Loan 41 | Bank | 76.92 | - | 7.45% | Monthly | 30 | Sep-2027 |
| Term Loan 42 | Bank | 337.91 | - | 7.45% | Monthly | 33 | Dec-2027 |
| Term Loan 43 | Bank | 150.66 | 249.98 | 7.52% | Quarterly | 6 | Jul-2026 |

# Notes to the Consolidated Financial Statements (Contd.)

Rupees in crores

| Nature | Lenders | As at 31-03-2025 | As at 31-03-2024 | Status as at 31-03-2025 | | | |
|---|---|---|---|---|---|---|---|
| | | | | Interest Rate | Frequency | No. of Instalments Due | Maturity |
| Term Loan 44 | Bank | 400.36 | 400.00 | 8.10% | Bullet | 1 | May-2026 |
| Term Loan 45 | Bank | 262.50 | 300.00 | 7.72% | Quarterly | 7 | Dec-2026 |
| Term Loan 46 | Bank | 175.56 | 249.98 | 7.65% | Quarterly | 7 | Oct-2026 |
| Term Loan 47 | Bank | 164.71 | - | 7.76% | Quarterly | 9 | May-2027 |
| Term Loan 48 | Bank | 411.92 | 499.95 | 8.25% | Quarterly | 9 | Apr-2027 |
| Term Loan 49 | Bank | 249.99 | 249.97 | 8.00% | Bullet | 1 | Sep-2025 |
| Term Loan 50 | Bank | 249.95 | 249.92 | 8.00% | Bullet | 1 | Jun-2026 |
| Term Loan 51 | Bank | 299.92 | - | 8.10% | Bullet | 1 | Sep-2027 |
| Term Loan 52 | Bank | 671.26 | 999.73 | 7.69% | Quarterly | 8 | Mar-2027 |
| Term Loan 53 | Bank | - | 299.73 | - | - | - | - |
| Term Loan 54 | Bank | 3,011.31 | - | 8.30% | Quarterly | 15 | Nov-2028 |
| Term Loan 55 | Bank | 75.00 | 124.97 | 7.87% | Half Yearly | 3 | Aug-2026 |
| Term Loan 56 | Bank | 206.27 | 281.22 | 8.35% | Quarterly | 11 | Dec-2027 |
| Term Loan 57 | Bank | 291.73 | - | 8.35% | Quarterly | 10 | Sep-2027 |
| Term Loan 58 | Bank | 124.95 | - | 8.35% | Quarterly | 10 | Sep-2027 |
| Term Loan 59 | Bank | - | 124.99 | - | - | - | - |
| Term Loan 60 | Bank | 33.30 | 49.96 | 8.30% | Quarterly | 8 | Mar-2027 |
| Term Loan 61 | Bank | 100.00 | - | 8.30% | Quarterly | 8 | Mar-2027 |
| Term Loan 62 | Bank | 532.92 | 746.10 | 7.74% | Quarterly | 10 | Oct-2027 |
| Term Loan 63 | Bank | 99.39 | - | 7.95% | Quarterly | 15 | Dec-2028 |
| Term Loan 64 | Bank | - | 299.90 | - | - | - | - |
| Term Loan 65 | Bank | 400.00 | 720.00 | 8.50% | Quarterly | 5 | Jun-2026 |
| Term Loan 66 | Bank | 120.03 | 199.84 | 8.50% | Quarterly | 6 | Jul-2026 |
| Term Loan 67 | Bank | 291.67 | 458.23 | 8.50% | Quarterly | 7 | Nov-2026 |
| Term Loan 68 | Bank | 416.68 | - | 8.50% | Quarterly | 10 | Sep-2027 |
| Term Loan 69 | Bank | 229.22 | - | 8.50% | Quarterly | 11 | Nov-2027 |
| Term Loan 70 | Bank | 229.22 | - | 8.50% | Quarterly | 11 | Dec-2027 |
| Term Loan 71 | Bank | - | 124.93 | - | - | - | - |
| Term Loan 72 | Bank | 31.46 | 156.25 | 7.84% | Quarterly | 1 | Apr-2025 |
| Term Loan 73 | Bank | 167.72 | 333.20 | 7.84% | Quarterly | 4 | Feb-2026 |
| Term Loan 74 | Bank | 120.89 | 299.95 | 8.40% | Quarterly | 2 | Sep-2025 |
| Term Loan 75 | Bank | 80.83 | 299.95 | 8.40% | Quarterly | 2 | Oct-2025 |
| Term Loan 76 | Bank | 181.37 | - | 8.40% | Quarterly | 9 | Jun-2027 |
| Term Loan 77 | Bank | 503.43 | - | 8.30% | Quarterly | 10 | Dec-2027 |
| Term Loan 78 | Bank | 150.01 | 349.94 | 8.30% | Quarterly | 3 | Dec-2025 |
| Term Loan 79 | Bank | 245.44 | - | 8.5% | Quarterly | 9 | Jun-2027 |
| Term Loan 80 | Bank | 272.79 | - | 8.5% | Quarterly | 10 | Jul-2027 |
| Term Loan 81 | Bank | 363.72 | - | 8.5% | Quarterly | 10 | Aug-2027 |
| Term Loan 82 | Bank | 500.02 | - | 8.1% | Quarterly | 11 | Dec-2027 |
| Term Loan 83 | Bank | 500.11 | - | 8.1% | Quarterly | 11 | Mar-2028 |
| Term Loan 84 | Others | 231.41 | 299.94 | 8.3% | Monthly | 33 | Dec-2027 |
| Term Loan 85 | Others | 334.87 | 499.84 | 8.1% | Quarterly | 9 | Mar-2027 |
| Term Loan 86 | Others | - | 40.00 | - | - | - | - |
| Term Loan 87 | Others | 376.78 | - | 7.8% | Quarterly | 9 | May-2027 |
| Soft Loan | State owned corporation - I | - | 3.33 | - | - | - | - |
| Soft Loan | State owned corporation -II | 10.11 | 9.68 | 0.1% | Specific period | 2 | Apr-2030 |

# Notes to the Consolidated Financial Statements (Contd.)

Rupees in crores

| Nature | Lenders | As at 31-03-2025 | As at 31-03-2024 | Status as at 31-03-2025 | | | |
|---|---|---|---|---|---|---|---|
| | | | | Interest Rate | Frequency | No. of Instalments Due | Maturity |
| Debentures | 8.15% Secured Non Convertible Debenture | - | 425.00 | - | - | - | - |
| Debentures | 8.30% Secured Non Convertible Debenture | 833.80 | 800.00 | 8.3% | Bullet | 2 | Sep-2025 |
| Debentures | 8.35% Secured Non Convertible Debenture | 516.10 | - | 8.4% | Bullet | 2 | Oct-2027 |
| Debentures | 8.25% Secured Non Convertible Debenture | 534.77 | - | 8.3% | Bullet | 2 | Dec-2027 |
| Debentures | 8.25% Secured Non Convertible Debenture | 502.95 | - | 8.3% | Bullet | 3 | Mar-2028 |
| Debentures | 8.15% Secured Non Convertible Debenture | 237.84 | 225.00 | 8.2% | Bullet | 1 | Jun-2026 |
| Unsecured Borrowings: | | | | | | | |
| Debentures | Non Convertible Debentures - I | 124.93 | 124.87 | Repo Rate plus Margin | End of Tenure | 1 | Mar-2026 |
| Term Loan 1 | Bank | 289.98 | 429.96 | 6.3% | Quarterly | 8 | Mar-2027 |
| Term Loan 2 | Bank | 14.83 | 17.49 | 2.1% | Quarterly | 3 | Apr-2026 |
| Term Loan 3 | Bank | 15.16 | - | SONIA + 2.8% | Bullet | 1 | Apr-2026 |
| Term Loan 4 | Bank | - | 20.35 | SONIA + Margin | Bullet | 1 | Apr-2024 |
| Term Loan 5 | Others | 11.62 | 14.73 | 0.8% | Annual | 7 | Nov-2031 |
| Term Loan 6 | Bank | 46.46 | 199.56 | Repo Rate plus Margin | Quarterly | 4 | Mar-2026 |
| Term Loan 7 | Bank | 104.17 | 187.38 | Repo Rate plus Margin | Quarterly | 6 | Jul-2026 |
| Term Loan 8 | Bank | 312.18 | 499.08 | Repo Rate plus Margin | Quarterly | 5 | May-2026 |
| Term Loan 9 | Bank | 300.00 | - | Repo Rate plus Margin | Quarterly | 12 | Mar-2028 |
| Term Loan 10 | Bank | 150.00 | - | Repo Rate plus Margin | Quarterly | 12 | Mar-2028 |
| Term Loan 11 | Bank | 150.00 | - | Repo Rate plus Margin | Quarterly | 20 | Mar-2030 |
| Term Loan 12 | Bank | 200.00 | - | Repo Rate plus Margin | Quarterly | 12 | Apr-2028 |
| Sales Tax Deferral | Others | 47.18 | 62.91 | Nil | Yearly | 3 | Jun-2027 |
| Sub Debt | Others | - | 99.90 | - | - | - | - |
| Sub Debt | Others | 154.27 | 168.42 | 9.4% | Bullet | 1 | Jun-2026 |
| Sub Debt | Others | 151.33 | 129.02 | 9.4% | Bullet | 1 | Aug-2026 |
| Sub Debt | Others | 101.90 | 99.00 | 8.9% | Bullet | 1 | Jun-2027 |
| Sub Debt | Others | 359.38 | 350.00 | 8.9% | Bullet | 1 | Jun-2027 |
| Sub Debt | Others | 102.22 | 100.00 | 10.0% | Bullet | 1 | Jul-2026 |





# Notes to the Consolidated Financial Statements (Contd.)

Rupees in crores

| Nature | Lenders | As at 31-03-2025 | As at 31-03-2024 | Status as at 31-03-2025 | | | |
|---|---|---|---|---|---|---|---|
| | | | | Interest Rate | Frequency | No. of Instalments Due | Maturity |
| Sub Debt | Others | 101.45 | 95.00 | 9.5% | Bullet | 1 | Jan-2028 |
| Sub Debt | Others | 324.00 | 305.00 | 9.5% | Bullet | 1 | Jan-2028 |
| Sub Debt | Others | 201.18 | 200.00 | 9.4% | Bullet | 1 | Aug-2028 |
| Sub Debt | Others | 512.29 | 500.38 | 9.3% | Bullet | 1 | Jun-2029 |
| Sub Debt | Others | 157.63 | - | 9.4% | Bullet | 1 | Apr-2030 |
| Perpetual Debt | Others | 103.57 | 99.91 | 11.5% | Bullet | 1 | Nov-2027 |
| Total non current borrowings | | 24,809.93 | 20,657.68 | | | | |
| Less: Current Maturities of non current borrowings | | 10,877.25 | 8,028.36 | | | | |
| **Total non current financial liabilities (borrowings)** | | **13,932.68** | **12,629.32** | | | | |

Details of securities created:

- Term Loan 2 received from bank of ₹138.52 Crores is to be secured by a charge over the subsidiary's plant and machinery. At 31st March 2025, the subsidiary is in the process of creating this charge against the security.
- Term Loan and ECB loan received from Banks and Other Parties of ₹ 18,000.10 Crores inclusive of Current and Non-Current Dues (As at 31st March 2024: ₹ 15,194.72 Crores) is fully secured by exclusive floating charge against hypothecation of receivables under the financing activity of the Company.
- Loan from State owned corporation - II viz., SIPCOT - First charge on the specific plant and equipment and also secured by equitable mortgage created by way of deposit of title deeds of land.
- Non Convertible Debentures of ₹ 2,625.46 Crores inclusive of Current and Non-Current Dues (As at 31st March 2024: ₹ 1,450 Crores) is fully secured by exclusive floating charge against hypothecation of receivables under the financing activity of the Company.

## 19 Provisions

Rupees in crores

| Particulars | As at 31-03-2025 | | As at 31-03-2024 | |
|---|---|---|---|---|
| | Current | Non-current | Current | Non-current |
| Provision for employee benefits: | | | | |
| (a) Pension | 59.38 | 160.48 | 67.05 | 126.60 |
| (b) Leave salary | 28.47 | 121.86 | 32.37 | 120.64 |
| (c) Gratuity | 1.11 | 2.49 | 0.17 | 0.86 |
| Others: | | | | |
| (a) Warranty | 129.31 | 37.73 | 67.05 | 22.08 |
| | **218.27** | **322.57** | **166.64** | **270.18** |

# Notes to the Consolidated Financial Statements (Contd.)

## 20 Deferred Tax Liabilities (Net)

Rupees in crores

| Particulars | As at 31-03-2025 | As at 31-03-2024 |
|---|---|---|
| **The balance comprises temporary differences attributable to:** | | |
| - Depreciation | 410.58 | 351.61 |
| - others | 18.60 | 19.49 |
| **Total deferred tax liability (A)** | **429.18** | **371.10** |
| **Deferred tax asset consists of :** | | |
| - tax on employee benefit expenses | 38.74 | 54.46 |
| - tax on warranty provision | 37.99 | 23.95 |
| - tax on others | 66.43 | 96.23 |
| **Total deferred tax assets (B)** | **143.16** | **174.64** |
| **Net deferred tax liability (B)-(A)** | **286.02** | **196.46** |

### Movement in deferred tax :

Rupees in crores

| Particulars | Depreciation | Others | Total |
|---|---|---|---|
| **As at 31-03-2023** | | | 208.37 |
| **Charged/(credited):** | | | |
| - to profit or loss | 35.10 | (40.80) | (5.70) |
| - to other comprehensive income | - | (6.21) | (6.21) |
| **As at 31-03-2024** | | | **196.46** |
| **Charged/(credited):** | | | |
| - to profit or loss | 58.97 | (22.91) | 36.06 |
| - to other comprehensive income | - | 5.68 | 5.68 |
| - to subsidary acquisition | - | 26.59 | 26.59 |
| - relating to earlier years | - | 21.23 | 21.23 |
| **As at 31-03-2025** | | | **286.02** |

## 21 Financial Liabilities - Borrowings (Current)

Rupees in crores

| Particulars | As at 31-03-2025 | As at 31-03-2024 |
|---|---|---|
| Borrowings repayable on demand from banks | | |
| Secured* | 1,909.73 | 3,618.07 |
| Unsecured | 33.03 | 486.18 |
| Short term loans: | | |
| From banks : | | |
| Secured | - | - |
| Unsecured | 863.07 | 524.69 |
| From others (unsecured) | - | - |
| Current Maturities of long term borrowings | 10,877.25 | 8,028.36 |
| | **13,683.08** | **12,657.30** |

* Secured short term borrowings from banks are related to subsidiaries and details of securities created are as follows:

a) Working capital loan and cash credit of ₹ 1,792.38 crores obtained are secured by hypothecation of receivables under the financing activity of the Subsidiary.

b) Cash credit and working capital loan of ₹ 117.35 crores obtained are secured by hypothecation of receivables and inventories of the Subsidiary, both present and future.





# Notes to the Consolidated Financial Statements (Contd.)

## 22 Trade Payables

Rupees in crores

| Particulars | As at 31-03-2025 | As at 31-03-2024 |
|---|---|---|
| Dues to Micro and Small Enterprises** | 45.51 | 62.38 |
| Dues to enterprises other than Micro and Small Enterprises# | 7,515.75 | 6,575.84 |
| | **7,561.26** | **6,638.22** |

**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. The entire closing balance represents the principal amount payable to these enterprises and there is no principal and interest, due thereon and remaining unpaid as at end of the year.

#Balances include balances due to related parties [Refer Note 41(c)(ii)].

### (i) Ageing for trade payable as on 31.03.2025

Rupees in crores

| 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) Micro and Small Enterprises (MSME) | 45.51 | - | - | - | - | 45.51 |
| (ii) Others | 3,698.24 | 1,910.24 | 34.82 | 19.52 | 26.56 | 5,689.28 |
| (iii) Disputed dues - MSME | - | - | - | - | - | - |
| (iv) Disputed dues - Others | - | - | - | - | - | - |
| **Total (i) to (iv)** | 3,743.75 | 1,910.14 | 34.82 | 19.52 | 26.56 | 5,734.79 |
| Accrued expenses | | | | | | 1,826.47 |
| **Total** | | | | | | **7,561.26** |

### (ii) Ageing for trade receivable as on 31.03.2024

Rupees in crores

| 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) Micro and Small Enterprises (MSME) | 62.38 | - | - | - | - | 62.38 |
| (ii) Others | 3,258.68 | 1,703.42 | 29.87 | 19.53 | 22.31 | 5,033.82 |
| (iii) Disputed dues - MSME | - | - | - | - | - | - |
| (iv) Disputed dues - Others | - | - | - | - | - | - |
| **Total (i) to (iv)** | 3,321.06 | 1,703.42 | 29.87 | 19.53 | 22.31 | 5,096.20 |
| Accrued expenses | | | | | | 1,542.02 |
| **Total** | | | | | | **6,638.22** |

## 23 Other Financial Liabilities

Rupees in crores

| Particulars | As at 31-03-2025 | As at 31-03-2024 |
|---|---|---|
| Interest accrued but not due on loans | 9.71 | 186.76 |
| Interest accrued and due on loans * | 0.88 | 0.44 |
| Trade deposits received | 47.83 | 170.71 |
| Unpaid dividends | 215.14 | 4.07 |
| (Not due for transfer to Investor Education and Protection Fund) | | |
| Payables against capital goods | 61.10 | 80.91 |
| Hedge liability (Net) | 14.57 | 15.29 |
| Others | 51.16 | 1.40 |
| | **400.39** | **459.58** |

* Subsidiary has made funds available with the banks and the same has been appropriated subsequently

# Notes to the Consolidated Financial Statements (Contd.)

## 24 Other Current Liabilities

Rupees in crores

| Particulars | As at 31-03-2025 | As at 31-03-2024 |
|---|---|---|
| Statutory dues | 237.54 | 275.01 |
| Employee related | 370.36 | 343.31 |
| Advance received from customers | 394.01 | 258.28 |
| Deferred income | 27.71 | 29.89 |
| | **1,029.62** | **906.49** |

## 25 Revenue from Operations

Rupees in crores

| Particulars | Year Ended 31-03-2025 | Year Ended 31-03-2024 |
|---|---|---|
| Revenue from Contract with Customers: | | |
| i. Sale of products | 36,794.88 | 32,590.99 |
| ii. Sale of services | 92.56 | 77.47 |
| Interest income of financial enterprise | 5,798.41 | 5,111.07 |
| Other operating revenue[#] | 1,403.16 | 999.29 |
| | **44,089.01** | **38,778.82** |

[#] Includes Government Grants of ₹ 488.48 crores (Last year ₹ 237.02 crores)

## 26 Other Income

Rupees in crores

| Particulars | Year Ended 31-03-2025 | Year Ended 31-03-2024 |
|---|---|---|
| Dividend income - from other investments designated as Fair Valued through OCI | - | 0.65 |
| Interest income | 27.16 | 22.10 |
| Profit on sale of investment (Net) | 1.02 | 89.47 |
| Profit on sale of property, plant and equipment (Net) | 9.15 | 3.38 |
| (Loss)/Gain on valuation of investments Fair Valued through profit and loss (Net) | (78.27) | (26.93) |
| Gain on disposal of associate | 95.14 | - |
| Other non-operating income | 15.36 | 17.15 |
| | **69.56** | **105.82** |





Notes to the Consolidated Financial Statements (Contd.)

## 27 Material Cost

Rupees in crores

| Particulars | | Year Ended 31-03-2025 | Year Ended 31-03-2024 |
|---|---|---|---|
| Cost of materials consumed | | | |
| Opening stock of raw materials and components | | 967.19 | 925.40 |
| Add: Purchases | | 25,972.50 | 23,623.69 |
| | | **26,939.69** | **24,549.09** |
| Less: Closing stock of raw materials and components | | 971.25 | 967.19 |
| | | **25,968.44** | **23,581.90** |
| Purchases of stock-in-trade | | **834.62** | **1,011.69** |
| Changes in inventories of finished goods, work-in-progress and stock-in-trade: | | | |
| Opening stock: | | | |
| Work-in-progress | | 54.64 | 53.99 |
| Stock-in-trade | | 532.60 | 295.35 |
| Finished goods | | 547.80 | 462.33 |
| | **(A)** | **1,135.04** | **811.67** |
| Closing stock: | | | |
| Work-in-progress | | 50.80 | 54.64 |
| Stock-in-trade | | 680.28 | 532.60 |
| Finished goods | | 483.18 | 547.80 |
| | **(B)** | **1,214.26** | **1,135.04** |
| | **(A)-(B)** | **(79.22)** | **(323.37)** |

## 28 Employee Benefits Expense

Rupees in crores

| Particulars | Year Ended 31-03-2025 | Year Ended 31-03-2024 |
|---|---|---|
| Salaries, wages and bonus | 3,071.09 | 2,830.93 |
| Employee Share-based payment expense | 33.08 | - |
| Contribution to provident and other funds | 248.05 | 216.07 |
| Staff welfare expenses | 228.66 | 250.72 |
| | **3,580.88** | **3,297.72** |

## 29 Finance Costs

Rupees in crores

| Particulars | Year Ended 31-03-2025 | Year Ended 31-03-2024 |
|---|---|---|
| Interest on borrowings | 2,042.71 | 1,845.35 |
| Other borrowing cost | 7.79 | 11.22 |
| Interest on lease liabilities | 40.45 | 60.54 |
| Exchange differences | 2.30 | (0.51) |
| | **2,093.25** | **1,916.60** |

## 30 Depreciation and Amortisation Expense

Rupees in crores

| Particulars | Year Ended 31-03-2025 | Year Ended 31-03-2024 |
|---|---|---|
| Depreciation on property, plant and equipment | 551.49 | 517.24 |
| Amortisation on right of use asset | 196.92 | 217.64 |
| Amortisation on intangible assets | 297.15 | 221.27 |
| | **1,045.56** | **956.15** |

# Notes to the Consolidated Financial Statements (Contd.)

## 31 Other Expenses

Rupees in crores

| Particulars | | Year Ended 31-03-2025 | Year Ended 31-03-2024 |
|---|---|---|---|
| (a) | Consumption of stores, spares and tools | 55.94 | 55.25 |
| (b) | Power and fuel | 118.63 | 104.53 |
| (c) | Repairs - buildings | 46.33 | 37.60 |
| (d) | Repairs - plant and equipment | 232.10 | 152.62 |
| (e) | Insurance | 63.08 | 47.58 |
| (f) | Rates and taxes (excluding taxes on income) | 42.27 | 14.75 |
| (g) | Audit fees | 4.35 | 3.31 |
| (h) | Cost audit fees | 0.08 | 0.08 |
| (i) | Packing and freight charges | 592.12 | 551.33 |
| (j) | Advertisement and publicity | 819.45 | 596.37 |
| (k) | Other marketing expenses | 794.12 | 590.95 |
| (l) | Foreign exchange loss (Net) | 12.65 | 7.85 |
| (m) | Loss allowance for expected credit losses relating to loans | 1,295.33 | 1,127.04 |
| (n) | Corporate social responsibility expenditure | 50.00 | 40.00 |
| (o) | Contributions to electoral trust/Bonds | 13.00 | 40.00 |
| (p) | Miscellaneous expenses (under this head there is no expenditure which is in excess of 1% of revenue from operations or ₹ 10 lakh, whichever is higher) | 2,996.12 | 2,363.60 |
| | | **7,135.57** | **5,732.86** |

## 32 Tax Expense and Reconciliation

(a) Tax expense

Rupees in crores

| Particulars | Year Ended 31-03-2025 | Year Ended 31-03-2024 |
|---|---|---|
| Current tax: | | |
| Current tax on profits for the year | 1,192.80 | 1,012.63 |
| Adjustments for current tax of prior periods | - | - |
| **(A)** | **1,192.80** | **1,012.63** |
| Deferred tax: | | |
| Decrease / (increase) in deferred tax assets | (80.83) | (107.50) |
| (Decrease) / increase in deferred tax liabilities | 36.06 | 19.25 |
| **(B)** | **(44.77)** | **(88.25)** |
| **(A + B)** | **1,148.03** | **924.38** |

(b) Reconciliation of tax expense and the accounting profit multiplied by India's tax rate

Rupees in crores

| Particulars | Year Ended 31-03-2025 | Year Ended 31-03-2024 |
|---|---|---|
| **Profit before income tax expense** | **3,527.84** | **2,702.92** |
| Tax expense at 25.168% (Previous year 25.168%) | 887.89 | 680.27 |
| Add/(Less): Taxes impact on | | |
| - Tax on income chargeable at lower rates | (32.97) | (39.40) |
| - Expenses not admissible for deduction | 37.93 | 34.64 |
| - Timing and Tax rate difference on subsidiaries losses | 279.72 | 234.49 |
| - Others | (24.54) | 14.39 |
| | **1,148.03** | **924.38** |





# Notes to the Consolidated Financial Statements (Contd.)

## 33 Fair Value Measurements

Rupees in crores

| Particulars | As at 31-03-2025 | | | As at 31-03-2024 | | |
|---|---|---|---|---|---|---|
| | FVTPL* | FVTOCI* | Amortised cost | FVTPL* | FVTOCI* | Amortised cost |
| Financial assets | | | | | | |
| Investments | | | | | | |
| - Equity instruments | 233.19 | 194.15 | - | 163.19 | 151.09 | - |
| - Preference shares | - | 225.18 | - | - | 74.67 | 12.70 |
| - Other non current investments | - | 37.43 | - | - | 32.79 | - |
| - Debt Instruments | 78.54 | - | 311.76 | 85.18 | - | 139.02 |
| Trade receivables | - | - | 1,716.75 | - | - | 1,839.42 |
| Loans (receivable from financing activity) | - | - | 26,300.47 | - | - | 25,471.81 |
| Fixed deposit with banks | - | - | 8.67 | - | - | 27.00 |
| Cash and cash equivalents | - | - | 4,115.00 | - | - | 2,355.80 |
| Earmarked balances with banks | - | - | 264.66 | - | - | 45.02 |
| Derivative financial asset | - | 15.73 | - | - | 90.67 | - |
| Other financial assets | - | - | 468.38 | - | - | 305.42 |
| **Total financial assets** | **311.73** | **472.49** | **33,185.69** | **248.37** | **349.22** | **30,196.19** |
| Financial liabilities | | | | | | |
| Borrowings | - | - | 27,615.76 | - | - | 25,286.62 |
| Trade payables | - | - | 7,561.26 | - | - | 6,638.22 |
| Derivative financial liability | - | 14.57 | - | - | 15.29 | - |
| Lease liability | - | - | 992.95 | - | - | 719.08 |
| Other financial liability | - | - | 385.82 | - | - | 444.29 |
| **Total financial liabilities** | **-** | **14.57** | **36,555.79** | **-** | **15.29** | **33,088.21** |

* FVTPL - Fair Valued Through Profit and Loss FVTOCI - Fair Valued 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 recognised and measured at fair value and that are measured at amortised cost, 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 Company 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

Rupees in crores

| As at 31-03-2025 | Notes | Level 1 | Level 2 | Level 3 | Total |
|---|---|---|---|---|---|
| Financial assets | | | | | |
| Financial Investments at FVTPL | 4 | 233.19 | - | 78.54 | 311.73 |
| Financial Investments at FVTOCI | 4 | 1.20 | 37.43 | 418.13 | 456.76 |
| Derivatives | 6,14 | - | 15.73 | - | 15.73 |
| | | **234.39** | **53.16** | **496.67** | **784.22** |
| Financial liabilities | | | | | |
| Derivatives | 23 | - | 14.57 | - | 14.57 |
| | | **-** | **14.57** | **-** | **14.57** |

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

Rupees in crores

| As at 31-03-2025 | Notes | Level 1 | Level 2 | Level 3 | Total |
|---|---|---|---|---|---|
| Financial assets | | | | | |
| Debt instruments | 4 | - | - | 311.76 | 311.76 |
| | | **-** | **-** | **311.76** | **311.76** |
| Financial liabilities | | | | | |
| Borrowings | 18,21 | - | - | 27,615.76 | 27,615.76 |
| | | **-** | **-** | **27,615.76** | **27,615.76** |

# Notes to the Consolidated Financial Statements (Contd.)

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

Rupees in crores

| As at 31-03-2024 | Notes | Level 1 | Level 2 | Level 3 | Total |
|---|---|---|---|---|---|
| Financial assets | | | | | |
| Financial Investments at FVTPL | 4 | 163.19 | - | 85.18 | 248.37 |
| Financial Investments at FVTOCI | 4 | 1.33 | 32.79 | 224.43 | 258.55 |
| Derivatives | 6,14 | - | 90.67 | - | 90.67 |
| | | **164.52** | **123.46** | **309.61** | **597.59** |
| Financial liabilities | | | | | |
| Derivatives | 23 | - | 15.29 | - | 15.29 |
| | | **-** | **15.29** | **-** | **15.29** |

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

Rupees in crores

| As at 31-03-2024 | Notes | Level 1 | Level 2 | Level 3 | Total |
|---|---|---|---|---|---|
| Financial assets | | | | | |
| Investments: | | | | | |
| Debt instruments | 4 | - | - | 139.02 | 139.02 |
| | | **-** | **-** | **139.02** | **139.02** |
| Financial liabilities | | | | | |
| Borrowings | 18,21 | - | - | 25,286.62 | 25,286.62 |
| | | **-** | **-** | **25,286.62** | **25,286.62** |

Level 1: Level 1 hierarchy includes financial instruments measured using quoted prices. This includes listed equity instruments 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 end of 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 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 are not based on observable market data, the instrument is included in level 3. This is the case for unlisted equity securities, preference shares and other non current investments included in level 3.

There are no transfers among three levels.

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

(ii) Valuation technique used to determine fair value (Level 2)

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 interest rate swaps is calculated as the present value of estimated cash flows based on observable yield curves.
- the fair value of forward exchange contract and principal only swap is determined using forward exchange rate at the balance sheet date.
- the fair value of the remaining financial instruments is determined using discounted cash flow analysis.



# Notes to the Consolidated Financial Statements (Contd.)

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

| Particulars | Unlisted Equity Shares | Preference shares | Debt instruments | Total |
|---|---|---|---|---|
| As at 31-03-2023 | 407.40 | 16.33 | 49.12 | 472.85 |
| Additions / (deletions) | 4.50 | 94.36 | - | 98.86 |
| Investment in associate - accounted using equity method | (76.58) | - | - | (76.58) |
| Reclassified from Level 3 to Level 1 | (191.92) | - | - | (191.92) |
| Gains/(losses) recognised in other comprehensive income | 6.40 | - | - | 6.40 |
| **As at 31-03-2024** | **149.80** | **110.69** | **49.12** | **309.61** |
| Additions / (deletions) | 22.99 | 114.49 | 29.42 | 166.90 |
| Gains/(losses) recognised in other comprehensive income | 20.16 | - | - | 20.16 |
| **As at 31-03-2025** | **192.95** | **225.18** | **78.54** | **496.67** |

Rupees in crores

| Particulars | Fair value as at 31-03-2025 | Fair value as at 31-03-2024 | Significant unobservable input | Probability weighted range for the year ended 31-03-2025 | Probability weighted range for the year ended 31-03-2024 |
|---|---|---|---|---|---|
| Preference Shares | 225.18 | 74.67 | a) Earnings growth rate | 1-3% | 1-3% |
| | | | b) Risk adjusted discount rate | 8% | 8% |
| Debt Instruments | 78.54 | 85.18 | a) Earnings growth rate | 1-3% | 1-3% |
| | | | b) Risk adjusted discount rate | 8% | 8% |
| Unquoted Equity shares* | 192.95 | 149.76 | a) Earnings growth rate | 1-3% | 1-3% |
| | | | b) Risk adjusted discount rate | 8% | 8% |

* Sensitivity is not significant.

(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. Earnings growth factor of preference shares are based on cash flow projections of future earnings of the Company and unlisted equity securities are estimated based on market information for similar types of companies. Risk adjustments have been derived based on the market risk premium adjusted for companies relevant financial data.

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

Rupees in crores

| Particulars | 31-03-2025 | | 31-03-2024 | |
|---|---|---|---|---|
| | Carrying amount | Fair value | Carrying amount | Fair value |
| Financial assets | | | | |
| Investments: | | | | |
| Debt instruments | 311.76 | 311.76 | 139.02 | 139.02 |
| | **311.76** | **311.76** | **139.02** | **139.02** |
| Financial liabilities | | | | |
| Borrowings | 27,615.76 | 27,615.76 | 25,286.62 | 25,286.62 |
| | **27,615.76** | **27,615.76** | **25,286.62** | **25,286.62** |

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

The fair values for preference shares and other debt instruments were calculated based on cash flows discounted using a current lending rate, which approximates the carrying value. 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 values of non-current borrowings are based on discounted cash flows using a current borrowing rate, which approximates the carrying value. They are classified as level 3 fair values in the fair value hierarchy due to the inclusion of unobservable inputs including own credit risk.

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

# Notes to the Consolidated Financial Statements (Contd.)

## 34 Financial Risk Management

The Group's activities exposes 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 manages the risk and the impact of hedge accounting in the financial statements.

| Risk | Exposure arising from | Risk Parameters and Mitigation |
|---|---|---|
| Credit risk | Cash, Cash equivalents and Trade receivables | Credit risk primarily arises from cash and cash equivalents, trade receivables and investments carried at amortised cost. 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 forward-looking information (more specifically described below). 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, when they fall due. This definition of default is determined by considering the business environment in which entity operates and other macro-economic factors. |
| | a. Cash and Cash Equivalents | Surplus cash is deposited only with banks / financial institutions with a high external credit rating. |
| | b. Domestic Trade Receivables | Domestic sales to the Dealers are based on advance payments received through banking channels or through inventory funding facilities availed by them from the banks. The Company extends limited credit to the dealers and such extension of credit is based on dealers' credit worthiness, ability to repay and past track record. The Company has extensive reporting and review system to constantly monitor the outstandings. |
| | c. Export Trade Receivables | The Company's export business is mostly based on Letters of credit. Export receivables are also covered through Insurance with ECGC Limited. |
| Liquidity risk | INR denominated borrowings [other than soft loans given by Govt. Authorities] | 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. The Company works out a detailed annual operating plans to assess the fund requirements - both short term and long term. Detailed month wise cash flow forecast is also carried out along with required sensitivities. Based on these factors adequate working capital credit limits are organised in advance. Company has pre-approved credit lines with various banks and these are constantly reviewed and approved by the Board. For long term fund requirements, Company targets various options such as rupee term loan, external commercial borrowing, debentures etc. The Company obtains a credit rating for the various borrowing facilities on annual basis. Company constantly monitors the free cash flow from operations to ensure that the borrowing is minimized. |
| Market risk | (i) Foreign exchange | The Company operates internationally and is exposed to foreign exchange risk arising from foreign currency transactions. 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 has a forex management policy which is duly approved by the Board. The objective of the hedges when taken is to minimise the volatility of the INR cash flows of highly probable forecast transactions. |
| | a. Export trade receivables and Import Payables | The company has a forex management policy duly approved by the Board. The Company's policy is to hedge most of its net currency exposure. Company reviews the forex exposure on a regular basis and also reports its adherence to the Board on a quarterly basis. The recording and reporting requirements are strictly adhered. |
| | b. Foreign currency denominated borrowings | The Company has hedged its borrowings by covering the principal repayments. |
| | (ii) Interest rate Foreign currency denominated borrowings | 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. Company's policy is to maintain most of its borrowings at fixed rate using interest rate swaps to achieve this when necessary. The Company's fixed rate borrowings are carried at amortised cost. They are therefore not subject to interest rate risk as defined in Ind AS 107, since neither the carrying amount nor the future cash flows will fluctuate because of a change in market interest rates. |





# Notes to the Consolidated Financial Statements (Contd.)

### (A) Credit risk (except Loans from financing activity covered under Note: 35)

Basis of recognition of expected credit loss provision

| Rating | Category | Description of category | Investments | Loans and deposits | Trade receivables |
|---|---|---|---|---|---|
| 1 | High Quality assets, negligible credit risk | Assets where the counter-party has strong capacity to meet the obligations and where the risk of default is negligible or nil. | 12 month expected credit losses | 12 month expected credit losses | Life time expected credit losses (simplified approach) |
| 2 | Quality assets, low credit risk | Assets where there is low risk of default and where the counter-party has sufficient capacity to meet the obligations and where there has been low frequency of defaults in the past | | | |
| 3 | Standard Assets, moderate credit risk | Assets where the probability of default is considered moderate and where the counter-party's capacity to meet the obligations is not strong. | | | |
| 4 | Substandard Assets, relatively high credit risk | Assets where there has been a significant increase in credit risk since initial recognition. | Life time expected credit losses | | |
| 5 | Low quality assets, very high credit risk | Assets where there is a high probability of default. Also includes assets where the credit risk of counter-party has increased significantly though payments may not be more than 180 days past due. | | | |
| 6 | Doubtful assets, credit impaired | Assets are written off when there is no reasonable expectation of recovery, such as a debtor declaring bankruptcy or failing to engage in a repayment plan with the Company. Where loans or receivables have been written off, the Company continues to engage in enforcement activity to attempt to recover the receivable due. Where recoveries are made, these are recognised in profit or loss. | Asset is written off | | |

**As at 31-03-2025**

a) Expected credit loss for investments, loans and other financial assets

Rupees in crores

| Particulars | Internal rating | Asset/Asset group | Gross carrying amount | Expected probability of default | Expected credit loss | Carrying amount net of impairment provision |
|---|---|---|---|---|---|---|
| Loss allowance measured at 12 month expected credit loss | 2 | Investments at amortised cost | 311.76 | 0% | - | 311.76 |
| | 1 | Other financial assets | 468.38 | 0% | - | 468.38 |

b) Expected credit loss for trade receivables under simplified approach

Rupees in crores

| Particulars | 0 to 180 days past due | More than 180 days past due | Total |
|---|---|---|---|
| Gross carrying amount | 1,208.13 | 552.32 | 1,760.45 |
| Expected loss rate | 1% | 6% | 2% |
| Expected credit losses | 8.96 | 34.74 | 43.70 |
| Carrying amount of trade receivables | 1,199.17 | 517.58 | 1,716.75 |

**As at 31-03-2024**

a) Expected credit loss for investments, loans and other financial assets

Rupees in crores

| Particulars | Internal rating | Assets/Asset group | Gross carrying amount | Expected probability of default | Expected credit loss | Carrying amount net of impairment provision |
|---|---|---|---|---|---|---|
| Loss allowance measured at 12 month expected credit loss | 2 | Investments at amortised cost | 139.02 | 0% | - | 139.02 |
| | 1 | Other financial assets | 305.42 | 0% | - | 305.42 |

# Notes to the Consolidated Financial Statements (Contd.)

b) Expected credit loss for trade receivables under simplified approach

Rupees in crores

| Particulars | 0 to 180 days past due | More than 180 days past due | Total |
|---|---|---|---|
| Gross carrying amount | 1,243.54 | 644.22 | 1,887.76 |
| Expected loss rate | - | 8% | 3% |
| Expected credit losses | - | 48.34 | 48.34 |
| Carrying amount of trade receivables | 1,243.54 | 595.88 | 1,839.42 |

Reconciliation of loss allowance provision - Trade receivables

| | |
|---|---|
| Loss allowance 01-04-2023 | 49.49 |
| Changes in loss allowance | (1.15) |
| Loss allowance 31-03-2024 | 48.34 |
| Changes in loss allowance | (4.64) |
| Loss allowance 31-03-2025 | 43.70 |

## (B) Liquidity risk

### (i) Financing arrangements

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

Rupees in crores

| Particulars | As at 31-03-2025 | As at 31-03-2024 |
|---|---|---|
| Floating rate | | |
| - Expiring within one year (bank overdraft and other facilities) | 7,227.63 | 6,016.41 |
| - Expiring beyond one year (bank loans) | - | 43.63 |

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 except for one subsidiary in USD and have an average maturity ranging from 30 to 180 days.

### (ii) 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.

**As at 31-03-2025**

Rupees in crores

| Contractual Maturities of Financial Liabilities | Less than 3 months | 3 months to 6 months | 6 months to 1 year | 1 year to 5 years | More than 5 years | Total |
|---|---|---|---|---|---|---|
| Borrowings | 3,009.21 | 3,718.42 | 8,275.19 | 15,083.29 | 154.73 | 30,240.84 |
| Lease Liabilities | 61.50 | 63.09 | 116.53 | 755.19 | 36.80 | 1,033.11 |
| Trade payables | 7,561.26 | - | - | - | - | 7,561.26 |
| Other financial liabilities | 385.82 | - | - | - | - | 385.82 |
| Derivatives | 14.57 | - | - | - | - | 14.57 |

**As at 31-03-2024**

Rupees in crores

| Contractual Maturities of Financial Liabilities | Less than 3 months | 3 months to 6 months | 6 months to 1 year | 1 year to 5 years | More than 5 years | Total |
|---|---|---|---|---|---|---|
| Borrowings | 2,563.72 | 2,402.25 | 7,691.33 | 12,094.42 | 536.61 | 25,288.33 |
| Lease Liabilities | 54.93 | 54.25 | 106.22 | 545.25 | 58.95 | 819.60 |
| Trade payables | 6,638.22 | - | - | - | - | 6,638.22 |
| Other financial liabilities | 444.29 | - | - | - | - | 444.29 |
| Derivatives | 15.29 | - | - | - | - | 15.29 |

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.





Notes to the Consolidated Financial Statements (Contd.)

## (C) Market risk

### i) Foreign exchange risk

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

Rupees in crores

| Particulars | As at 31-03-2025 | | As at 31-03-2024 | |
|---|---|---|---|---|
| Exposure in foreign currency | USD | EUR | USD | EUR |
| **Financial assets** | | | | |
| Trade receivables | 1,278.36 | 56.39 | 1,544.44 | 87.45 |
| Investments | 248.32 | 49.70 | 146.67 | 8.46 |
| Derivative assets | | | | |
| Foreign exchange forward contracts | | | | |
| Sell foreign currency | (711.31) | (40.45) | (888.20) | (87.45) |
| **Financial liabilities** | | | | |
| Foreign currency loan | 629.36 | - | 1,123.61 | - |
| Trade payables | 372.22 | 17.67 | 135.70 | 15.25 |
| Derivative liabilities | | | | |
| Foreign exchange forward contracts | | | | |
| Buy foreign currency | - | - | 8.46 | - |
| Principal swap | | | | |
| Buy foreign currency | 300.13 | - | (833.00) | - |

**Sensitivity**

The sensitivity of profit or loss to changes in the exchange rates arises mainly from foreign currency denominated financial instruments and the impact on other components of equity arises from foreign forward exchange contracts designated as cash flow hedges.

Rupees in crores

| Particulars | Impact on profit after tax* | | Impact on other components of equity* | |
|---|---|---|---|---|
| | As at 31-03-2025 | As at 31-03-2024 | As at 31-03-2025 | As at 31-03-2024 |
| **USD sensitivity** | | | | |
| INR/USD increases by 10% | 37.03 | 60.04 | (45.46) | (56.84) |
| INR/USD decreases by 10% | (37.03) | (60.04) | 45.46 | 56.84 |
| SGD/USD increases by 10% | 2.72 | 11.72 | 11.91 | 4.85 |
| SGD/USD decreases by 10% | (2.72) | (11.72) | (11.91) | (4.85) |
| IDR/USD increases by 10% | 1.89 | 13.54 | - | - |
| IDR/USD decreases by 10% | (1.89) | (13.54) | - | - |
| **EURO sensitivity** | | | | |
| INR/EURO increases by 10% | 2.61 | 4.95 | (2.73) | (5.76) |
| INR/EURO decreases by 10% | (2.61) | (4.95) | 2.73 | 5.76 |
| SGD/EURO increases by 10% | 3.28 | - | 0.07 | 0.56 |
| SGD/EURO decreases by 10% | (3.28) | - | (0.07) | (0.56) |

* Holding all other variables constant.

### ii) Interest rate risk

Domestic INR borrowings are based on fixed rate of interest. Normally for short term borrowings the marginal cost of lending rate of the bank is followed. Whenever, Company resorts to short term borrowing through Commercial Paper the rate of interest is fixed in advance. In respect of foreign currency borrowings for longer period the interest rates are covered through Interest Rate Swaps (IRS).

# Notes to the Consolidated Financial Statements (Contd.)

The Amount disclosed in the table are the contractual undiscounted cash flows.

Rupees in crores

| Particulars | As at 31-03-2025 | As at 31-03-2024 |
|---|---|---|
| Variable rate borrowings | 19,548.53 | 15,522.78 |
| Fixed rate borrowings | 8,074.13 | 9,765.53 |

Rupees in crores

| | Impact on profit after tax | |
|---|---|---|
| Sensitivity | As at 31-03-2025 | As at 31-03-2024 |
| Increase in interest rates by 100 bps | (131.87) | (102.14) |
| Decrease in interest rates by 100 bps | 131.87 | 102.14 |

### iii) Price risk

The company's exposure to equity securities price risk arises from investments held by the Company and classified in the balance sheet either as fair value through OCI or at fair value through profit or loss. To manage its price risk from investments in equity securities, the Company diversifies its portfolio. The impact of the changes in price risk is not material.

## (D) Impact of hedging activities

### i) Disclosure of effects of hedge accounting on financial position

**a) Disclosure of effects of hedge accounting on financial position as at 31-03-2025**

Rupees in crores

| Type of hedge and risks | Nominal value | | Carrying amount of hedging instrument | | Maturity Date | Changes in fair value of hedging instrument | Changes in the value of hedged item used as the basis for recognising hedge effectiveness |
|---|---|---|---|---|---|---|---|
| | Assets | Liabilities | Assets | Liabilities | | | |
| Cash flow hedge | | | | | | | |
| Foreign exchange forward contracts | 751.76 | - | 15.73 | 14.57 | Apr'25 to Dec'25 | 1.16 | (1.16) |
| Foreign currency loan | | | | | | | - |
| Principal swap | - | 300.13 | - | - | Apr'25 to Dec'25 | - | - |
| Interest rate swap | - | 300.13 | - | - | | - | - |

**b) Disclosure of effects of hedge accounting on financial position as at 31-03-2024**

Rupees in crores

| Type of hedge and risks | Nominal value | | Carrying amount of hedging instrument | | Maturity date | Changes in fair value of hedging instrument | Changes in the value of hedged item used as the basis for recognising hedge effectiveness |
|---|---|---|---|---|---|---|---|
| | Assets | Liabilities | Assets | Liabilities | | | |
| Cash flow hedge: | | | | | | | |
| Foreign exchange forward contracts, PCFC | 975.65 | (8.46) | - | 15.29 | Apr'24 to Dec'24 | (15.29) | 15.29 |
| Foreign currency loan | | | | | | | |
| Principal swap | - | 833.00 | 90.67 | - | June'24 to Dec'24 | 90.67 | (90.67) |
| Interest rate swap | - | 833.00 | - | 13.98 | | - | - |





Notes to the Consolidated Financial Statements (Contd.)

### ii) Disclosure of effects of hedge accounting on financial performance :

**a) for the year ended 31-03-2025:**

Rupees in crores

| Type of hedge | Change in the value of hedging instrument recognised in other comprehensive income | Hedge ineffectiveness recognised in profit and loss | Amount reclassified from cash flow hedging reserve to profit or loss | Line item affected in statement of profit and loss because of the reclassification |
|---|---|---|---|---|
| Cash flow hedge : | | | | |
| Foreign exchange risk/ POS/ IRS | (7.24) | - | (3.77) | Revenue and Borrowing cost |

**b) for the year ended 31-03-2024:**

Rupees in crores

| Type of hedge | Change in the value of hedging instrument recognised in other comprehensive income | Hedge ineffectiveness recognised in profit and loss | Amount reclassified from cash flow hedging reserve to profit or loss | Line item affected in statement of profit and loss because of the reclassification |
|---|---|---|---|---|
| Cash flow hedge : | | | | |
| Foreign exchange risk/ POS/ IRS | (17.32) | - | (1.35) | Revenue and Borrowing cost |

## 35 Financial Risk Management Relating to Loan Receivable from Financing Activity

## (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 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 gross carrying amount.

Rupees in crores

| Particulars | March 31, 2025 | March 31, 2024 |
|---|---|---|
| Gross Carrying value of Loans | | |
| Stage-1 (Less than 30 Days) | 25,068.40 | 24,359.13 |
| Stage-2 (30-90 Days)# | 1,329.68 | 1,305.94 |
| Stage-3 (More than 90 Days)* | 782.97 | 742.80 |
| **Total Gross Carrying value on Reporting Date** | **27,181.05** | **26,407.87** |

#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 5 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 Expected Credit Loss (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.

# Notes to the Consolidated Financial Statements (Contd.)

### 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 categorises loan assets into stages based on the Days Past Due status:

- Stage 1: 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 financial services business 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 financial services business 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 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 financial services business considers both quantitative and qualitative information and analysis based on the business historical experience, including forward-looking information. The financial services business 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 March 27, 2020 and April 17, 2020 relating to 'COVID-19 – Regulatory Package', the Group has offered moratorium upto six months on the payment of installments falling due between March 1, 2020 and August 31, 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 Company. 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.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 August 6, 2020 and RBI/2 021- 22/31/DOR.STR. REC.11 /21.04.048/2021-22 dated 5 May 2021 in Stage 2 irrespective of days past due status on the reporting date.

Group's assessments of impairment loss allowance on its loans are subject to a number of management judgements and estimates. Since the Group's impairment loss allowance estimates are inherently uncertain, actual results may differ from these estimates.





# Notes to the Consolidated Financial Statements (Contd.)

### Definition of default

The Company considers a financial instrument is in defaulted when the borrower becomes 90 days past due on its contractual payments. The financial services business 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:

Rupees in crores

| | Stage 1 | Stage 2 | Stage 3 | Grand Total |
|---|---|---|---|---|
| Gross Balance as at March 31, 2025 | 25,068.40 | 1,329.68 | 782.97 | 27,181.05 |
| Expected Credit Loss | 210.70 | 244.71 | 425.17 | 880.58 |
| Expected Credit Loss Rate | 0.84% | 18.40% | 54.30% | 3.24% |
| Net of Impairment Provision | 24,857.70 | 1,084.97 | 357.80 | 26,300.47 |

Rupees in crores

| | Stage 1 | Stage 2 | Stage 3 | Grand Total |
|---|---|---|---|---|
| Gross Balance as at March 31, 2024 | 24,359.13 | 1,305.94 | 742.80 | 26,407.87 |
| Expected Credit Loss | 289.49 | 253.53 | 393.04 | 936.06 |
| Expected Credit Loss Rate | 1.19% | 19.41% | 52.91% | 3.54% |
| Net of Impairment Provision | 24,069.64 | 1,052.41 | 349.76 | 25,471.81 |

### Reconciliation of Expected Credit Loss

Rupees in crores

| Particulars | Stage-1 | Stage-2 | Stage-3 | Grand Total |
|---|---|---|---|---|
| **Balance as at April 01, 2023** | **264.75** | **138.78** | **306.54** | **710.07** |
| Transfer from Stage 1 | (15.17) | 8.74 | 18.25 | 11.82 |
| Transfer from Stage 2 | 13.19 | (55.32) | 41.91 | (0.22) |
| Transfer from Stage 3 | 8.78 | 4.45 | (13.17) | 0.06 |
| Loans that have derecognised during the period | (39.36) | (48.01) | (113.34) | (200.71) |
| New Loans originated during the year | 114.54 | 59.15 | 49.21 | 222.90 |
| Net Remeasurement of Loss Allowance | (57.24) | 145.74 | 103.64 | 192.14 |
| **Balance as at March 31, 2024** | **289.49** | **253.53** | **393.04** | **936.06** |
| Transfer from Stage 1 | (19.07) | 8.66 | 10.42 | 0.01 |
| Transfer from Stage 2 | 13.19 | (117.15) | 103.96 | - |
| Transfer from Stage 3 | 5.27 | 2.57 | (7.84) | - |
| Loan that have derecognised during the period | (51.64) | (67.96) | (104.94) | (224.54) |
| New Loans originated during the year | 91.52 | 47.32 | 50.74 | 189.58 |
| Net Remeasurement of Loss Allowance | (118.06) | 117.74 | (20.21) | (20.53) |
| **Balance as at March 31, 2025** | **210.70** | **244.71** | **425.17** | **880.58** |

### Concentration of Credit Risk

The business manages concentration of risk primarily by geoghraphical region. The following details show the geographical concentrations of the loans at the year end:

Rupees in crores

| Particulars | As at 31-03-2025 | As at 31-03-2024 |
|---|---|---|
| Carrying value | | |
| Concentration by geographical region in India | | |
| South | 11,175.32 | 10,637.99 |
| West | 6,927.68 | 7,256.11 |
| East | 4,736.87 | 4,252.84 |
| North | 4,341.18 | 4,260.93 |
| **Total Loans as at reporting period** | **27,181.05** | **26,407.87** |

# Notes to the Consolidated Financial Statements (Contd.)

## 36 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 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 group's strategy is to maintain an optimum gearing ratio. The gearing ratios were as follows:

Rupees in crores

| Particulars | As at 31-03-2025 | As at 31-03-2024 |
|---|---|---|
| Net debt | 23,500.76 | 22,930.82 |
| Total equity | 8,503.38 | 6,783.51 |
| **Net debt to equity ratio** | **2.76** | **3.38** |

The company also monitors Interest coverage ratio :

Company's earnings before interest and taxes (EBIT) divided by Interest

The Company's strategy is to maintain an optimum interest coverage ratio. The Interest coverage ratio are as follows:

Rupees in crores

| Particulars | As at 31-03-2025 | As at 31-03-2024 |
|---|---|---|
| EBIT (before exceptional item) | 2,708.76 | 2,211.35 |
| Interest | 185.87 | 210.00 |
| **Interest coverage ratio (times)** | **14.57** | **10.53** |

### (b) Dividends

Rupees in crores

| Particulars | As at 31-03-2025 | As at 31-03-2024 |
|---|---|---|
| (i) Equity shares | | |
| Interim dividends for the year ended 31-03-2025 of ₹ 10.00 (31-03-2024 of ₹ 8.00) per fully paid share | 475.09 | 380.07 |
| (iii) Dividends not recognised at the end of the reporting period | - | - |

## 37 Business Combination

On 1st October 2015, our Subsidiary Sundaram Auto Components Limited (SACL) acquired an automobile seat manufacturing business at Nalagarh, Himachal Pradesh to expand its business

On 7th September 2017, the Company acquired 16,20,000 (81%) equity shares of M/s. TVS Motor Services Limited, Chennai. This would further strengthen the retail financing for the customers of the Company through its subsidiaries.

On 16th September 2021, 91,20,858 (80%) equity shares of The GO Corporation (The GO AG) and on 27th January 2022, 1,14,658 (75%) equity shares of Swiss E-Mobility Group (Holding) AG (SEMG) were acquired.

During the year ended March 31, 2022, our subsidiary TVS Motor (Singapore) Pte. Ltd. acquired majority stake in two E-Mobility companies in Europe to establish its presence in e-personal mobility space.

On 1st April 2022, 70 (70%) equity shares of EBCO Limited, UK were acquired. Further on 12th April 2022, (100%) equity shares of Alexand'Ro Edouard'O Passion Vélo Sàrl ("Passion Vélo"), Germany were acquired through its subsidiary Swiss E-Mobility Group (Holding) AG (SEMG).





Notes to the Consolidated Financial Statements (Contd.)

During the year ended March 31, 2023, our subsidiary TVS Motor (Singapore) Pte. Ltd. acquired majority stake in two E-Mobility companies in Europe to further strengthen its presence in e-personal mobility space.

On 23rd December 2024, the Company has acquired further stake of 39.11% in the equity share capital in DriveX Mobility Private Limited, Coimbatore (DriveX) and thereby the Company's holding in DriveX has been increased to 87.38%; consequent to this acquisition, DriveX has become the subsidiary of the Company.

Details of the purchase consideration and goodwill are follows:

Rupees in crores

| Particulars | Business acquired by SACL | TVS Motor Services | GO AG | SEMG | EBCO | Passion Velo | Drive-X | Total |
|---|---|---|---|---|---|---|---|---|
| Consideration transferred | 9.00 | 1.62 | 131.46 | 488.60 | 11.64 | 23.96 | 97.69 | 763.97 |
| Non-controlling interest in the acquired entity | - | 136.05 | (1.12) | 55.52 | (1.32) | - | 0.38 | 189.50 |
| Acquisition date fair value of previously held equity interest | - | 0.38 | - | - | - | - | 120.55 | 120.93 |
| Less : Net identifiable assets acquired | 6.80 | (48.06) | 71.23 | 222.07 | (4.40) | 11.1 | 82.04 | 340.78 |
| **Goodwill on consolidation** | **2.20** | **186.11** | **59.11** | **322.05** | **14.72** | **12.86** | **136.58** | **733.63** |
| Less: Derecognition of Goodwill upon sale of seat manufacturing business | (2.20) | - | - | - | - | - | - | (2.20) |
| **Total goodwill recognised in books** | | | | | | | | **731.43** |

The goodwill is attributable to the expected synergies on acquisition of the financial services business and e-personal mobility business.

Goodwill is tested for impairment on an annual basis and whenever there is an indication that goodwill may be impaired, relying on a number of factors including operating results, business plans and future cash flows. For the purpose of impairment testing, goodwill acquired in a business is allocated to the Group's cash generating units (CGU) or groups of CGUs expected to benefit from the synergies arising from the business combination.

Total impairment loss of a CGU is allocated first to reduce the carrying amount of goodwill allocated to the CGU and then to the other assets of the CGU pro-rate on the basis of carrying amount of each asset in CGU. An impairment loss on goodwill is recognized in net profit in the Consolidated Statement of Profit and Loss and is not reversed in the subsequent period.

Company assessed impairment of goodwill based on the expected earnings growth of the acquired business.

## 38 Discontinued Operations- Ind AS 105

During the year 2024-25, the Sundaram Auto Components Ltd (subsidiary) 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 subsidiary company completed the sale and transferred its Moulding business as outlined in the Business Transfer agreement and recognized pre-tax gain of ₹ 0.98 Cr for the period ending 31st March 2025. This gain has been reported under discontinued operations.

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

Rupees in crores

| 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 |

# Notes to the Consolidated Financial Statements (Contd.)

Rupees in crores

| Particulars | As at 31st March 2025 | As at 31st March 2024 |
|---|---|---|
| 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** | **338.97** | **400.95** |
| Trade payables | 109.30 | 99.41 |
| Other liabilities and provision | 32.76 | 155.43 |
| **Total liability** | **142.06** | **254.84** |
| **Net assets** | **196.90** | **146.11** |

| Particulars | As at 31st March 2025 | As at 31st March 2024 |
|---|---|---|
| **3 Financial performance related to Discontinued operations** | | |
| Revenue and other Income | 744.64 | 764.31 |
| Less: Expenses | 722.16 | 729.03 |
| **Profit before tax** | **22.48** | **35.28** |
| Exceptional items (net) | - | - |
| **Profit before tax** | **22.48** | **35.28** |
| 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** | **29.91** | **24.94** |

| Particulars | As at 31st March 2025 | As at 31st March 2024 |
|---|---|---|
| **5 Cash flow disclosure with respect to Discontinued operartions** | | |
| **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** | **34.36** | **6.99** |

## 39 Employee Benefit Obligations

Defined benefit plans as per actuarial valuation

Rupees in crores

| Particulars | Funded Plan | | | Unfunded Plans |
|---|---|---|---|---|
| | Gratuity | | | Pension |
| | Present value of obligation | Fair value of plan assets | Net amount | Present value of obligation |
| **As at 01-04-2023** | 227.44 | (234.51) | (7.07) | 156.32 |
| Balance from Incumbent subsidiary: | - | - | - | - |
| Current service cost | 42.30 | - | 42.30 | - |
| Interest expense/(income) | 17.53 | (17.04) | 0.49 | 11.87 |
| **Total amount recognised in profit or loss** | **59.82** | **(17.04)** | **42.79** | **11.87** |
| **Remeasurements** | | | | |





# Notes to the Consolidated Financial Statements (Contd.)

Rupees in crores

| Particulars | Funded Plan | | | Unfunded Plans |
|---|---|---|---|---|
| | Gratuity | | | Pension |
| | Present value of obligation | Fair value of plan assets | Net amount | Present value of obligation |
| Return on plan assets, excluding amounts included in interest expense/(income) | - | 6.84 | 6.84 | - |
| (Gain)/loss from change in financial assumptions | 4.61 | - | 4.61 | 1.34 |
| Experience (gains)/losses | (0.41) | - | (0.41) | 16.63 |
| **Total amount recognised in other comprehensive income** | **4.20** | **6.84** | **11.04** | **17.97** |
| Employer contributions | - | (50.48) | (50.48) | - |
| Benefit payments | (18.62) | 18.62 | - | (4.72) |
| **As at 31-03-2024** | **272.84** | **(276.57)** | **(3.73)** | **181.44** |
| Current service cost | 52.03 | - | 52.03 | 0.30 |
| Interest expense/(income) | 19.13 | (18.49) | 0.64 | 12.70 |
| **Total amount recognised in profit or loss** | **71.16** | **(18.49)** | **52.67** | **13.00** |
| **Remeasurements** | | | | |
| Return on plan assets, excluding amounts included in interest expense/(income) | - | (5.31) | (5.31) | - |
| (Gain)/loss from change in financial/ demographic assumptions | 7.14 | - | 7.14 | 11.94 |
| Experience (gains)/losses | (9.42) | - | (9.42) | 0.27 |
| **Total amount recognised in other comprehensive income** | **(2.28)** | **(5.31)** | **(7.59)** | **12.21** |
| Employer contributions | - | (43.19) | (43.19) | - |
| Benefit payments | (28.72) | 28.72 | - | (6.62) |
| Transfer of asset and liabilities on account of slump sale | 7.16 | 6.69 | 0.47 | - |
| **As at 31-03-2025** | **305.84** | **(308.15)** | **(2.31)** | **200.03** |

Certain Companies in the group has an obligation towards gratuity, a defined benefit retirement plan covering eligible employees and have created an Employees' Group Gratuity Fund which has taken a Group Gratuity Assurance Scheme with the Life Insurance Corporation of India. Company's contributions are based on actuarial valuation arrived at the end of each year and charged to Statement of Profit and Loss.

The significant actuarial assumptions were as follows:

| Particulars | As at 31-03-2025 | As at 31-03-2024 |
|---|---|---|
| Discount rate (Gratuity) | 6.34% to 6.67% | 6.95% to 7.0% |
| Discount rate (Pension) | 6.34% to 6.44% | 6.95% to 7.0% |
| Salary growth rate | 5.5% to 6% | 5.5% to 6% |
| Pre-retirment Mortality rate | IALM (2006-08) Ultimate | |
| Post retirment Mortality rate | LIC Ann (1996-98) | |

Assumptions regarding future mortality for pension 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 age 58.

### (i) Sensitivity analysis

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

Rupees in crores

| Particulars | Impact on defined benefit obligation - Gratuity | | | | | |
|---|---|---|---|---|---|---|
| | Change in assumption | | Increase in assumption | | Decrease in assumption | |
| | Year ended | | | | | |
| | 31-03-2025 | 31-03-2024 | 31-03-2025 | 31-03-2024 | 31-03-2025 | 31-03-2024 |
| Discount rate | 0.50% | 0.50% | 294.47 | 262.44 | 318.02 | 283.24 |
| Salary growth rate | 0.50% | 0.50% | 318.07 | 283.33 | 294.32 | 262.27 |
| Mortality | 5.00% | 5.00% | 305.85 | 272.51 | 305.78 | 272.42 |

# Notes to the Consolidated Financial Statements (Contd.)

Rupees in crores

| Particulars | Impact on defined benefit obligation - Pension | | | | | |
|---|---|---|---|---|---|---|
| | Change in assumption | | Increase in assumption | | Decrease in assumption | |
| | Year ended | | | | | |
| | 31-03-2025 | 31-03-2024 | 31-03-2025 | 31-03-2024 | 31-03-2025 | 31-03-2024 |
| Discount rate | 1.00% | 1.00% | 181.54 | 164.38 | 221.88 | 201.63 |
| Salary growth rate | 1.00% | 1.00% | 222.98 | 202.73 | 180.41 | 163.27 |
| Mortality | 5.00% | 5.00% | 198.19 | 179.95 | 201.97 | 183.02 |

The above sensitivity analysis is 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.

### (ii) 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 underperform this yield, this will create a deficit.

Changes in bond: A decrease in bond yields will increase plan liabilities, although this will be partially offset by an yield 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 obligations are 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.

### (iii) Defined contribution plans

The Company's contribution to defined contribution plan i.e., provident fund of ₹ 102 crores (previous year ₹ 86.15 crores) has been recognised in the Statement of Profit and Loss.

## 40 Employee Stock Option Plan

### (A) Parent (TVS Motor Company) Employee Stock Option Plan

The Parent Company introduced TVS Motor Company Employee Stock Option Plan to provide equity-based incentives to the eligible employees of the Parent Company. The plan is administered by the Nomination and Remuneration Committee of the Parent Company through a Trust.

A maximum of 11,87,717 options may be granted under the Plan. Each option granted under the plan entitles the holder to one equity share of the Parent Company at an exercise price, which is approved by the Nomination and Remuneration Committee (NRC).

As per the plan, NRC grants options to the employees of the Parent Company. The vesting period of the option is one to ten years from the date of grant. Options granted under the Scheme can be exercised within a period of four years from the date of vesting.

Accordingly, NRC granted 3,51,000 options under the Plan and the Trust acquired shares from secondary market for the purpose of implementation of the Plan.

The movement in options are as below:

| Particulars | For the year ended 31st March 2025 | For the year ended 31st March 2024 |
|---|---|---|
| Outstanding at the beginning of the year | - | - |
| Options granted during the year | 3,51,000 | - |
| Options forfeited during the year | - | - |
| Options exercised during the year | - | - |
| Outstanding at the end of the year | 3,51,000 | - |
| Options exercisable at the end of the year | - | - |





Notes to the Consolidated Financial Statements (Contd.)

**Fair value measurement**

The fair value at grant date is determined using the Black-Scholes Model which takes into account the exercise price, the term of the option, the share price at grant date and expected price volatility of the underlying share, the expected dividend yield and the risk free interest rate for the term of the option.

The key inputs used in Black-Scholes Model for calculating fair value of options under the scheme as on the date of grant are as follows:

The weighted average remaining contractual life of the options outstanding as of 31st March 2025 was 4 months.

The fair value of the options is estimated on the date of grant using the Black-Scholes Model with the following assumptions:

| Particulars | For the year ended 31st March 2025 | For the year ended 31st March 2024 |
|---|---|---|
| No of options granted | 3,51,000 | - |
| Dividend yield (%) | 0.39% | - |
| Implied volatility factor (%) | 24.66% | - |
| Risk free rate (%) | 7.04% | - |
| Expected life of options (years) | 1.12 | - |
| Weighted average fair value of options per share (₹) | 1263.66 | - |
| Weighted average share price (₹) | **1858.95** | **-** |

### (B) Subsidiary - TVS Credit Services Limited Employee Stock Option Plan

The Employee Stock Options Scheme titled "ESOP 2024" or "Plan" was approved by the shareholders of the TVS Credit Services 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 TVS Credit Services 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 | Weighted average fair value of the options at the grant date |
|---|---|---|---|---|---|---|
| ESOP 2024 | 1,55,400 | 12th November 2024 | 1,55,400 | 1461 days | ₹ 440 | ₹ 178.45 |

**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 Volatality* | Option life (years) | Dividend yield (%) | Risk-free interest rate (%) |
|---|---|---|---|---|---|---|---|
| 12th November 2024 | ₹ 178.45 | ₹ 461.54 | ₹ 440 | 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 crores as employee benefits expense (note no. 28) on the aforementioned employee stock option plan (Previous year: Nil)

# Notes to the Consolidated Financial Statements (Contd.)

### 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 (₹ per share) | No of options | Weighted average fair value of the options at the grant date (₹ 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 | As at 31st March 2024 |
|---|---|---|
| Weighted average remaining contractual life of options outstanding as at year end | 1,321 | - |

## 41 Related Party Disclosure

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

**Holding company:**

TVS Holdings Limited, Chennai

**Subsidiaries:**

Sundaram Auto Components Limited, Chennai
TVS Motor Services Limited, Chennai
TVS Credit Services Limited, Chennai
TVS Digital Limited , Chennai (Formerly known as TVS Housing Limited) (Upto 15.09.2024)
TVS Electric Mobility Ltd, Chennai
DriveX Mobility Private Limited, Coimbatore (w.e.f 23.12.2024)
Harita ARC Services Private Limited, Chennai
Harita Two Wheeler Mall Private Limited, Chennai
TVS Housing Finance Private Limited, Chennai
TVS Motor (Singapore) Pte. Limited, Singapore (TVSM Singapore)
PT TVS Motor Company Indonesia, Jakarta
TVS Motor Company (Europe) B.V., Amsterdam
TVS Motor Company DMCC (from 27.06.2024)
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
Swiss E-Mobility Group (Schweiz) AG Switzerland, Zurich
Colag E-Mobility GmBH, Germany, Nuremberg
Alexand'Ro Edouard'O Passion Vélo Sàrl, Switzerland
Swiss E-mobility Group (österreich) Gmbh, Austria

**Associate company:**

Ultraviolette Automotive Private Limited, Bengaluru
Indian Foundation for Quality Management, Bengaluru [Upto 10.03.2025]
DriveX Mobility Private Limited, Coimbatore (Upto 22.12.2024)





Notes to the Consolidated Financial Statements (Contd.)

### (ii) Other related parties and their relationship where transaction exists

**Fellow Subsidiaries:**

TVS Emerald Limited (Formerly known as Emerald Haven Realty Ltd), Chennai (name change w.e.f 27.09.2024) - (up to 31.12.2024)
Emerald Haven Development Limited, Chennai - (up to 31.12.2024)
TVS Digital Limited (formerly known as TVS Housing Limited) (w.e.f 16.09.2024)

**Associate / Branches /Joint venture of holding / subsidiary / fellow subsidiary company:**

Predictronics Corp, USA
TVS Training & Services Limited, Chennai
TVS Motor (Singapore) Pte. Ltd, Italy Branch
TVS Motor (Singapore) Pte. Ltd, Philippines Branch
TVS Motor (Singapore) Pte. Ltd, Australia Branch

### (iii) Enterprises under Common control:

Sundaram-Clayton Limited, Chennai (Formerly known as Sundaram Clayton DCD Limited)
TVS Emerald Limited (Formerly known as Emerald Haven Realty Ltd), Chennai (name change w.e.f 27.09.2024) (Enterprises in which one of the promoter group holding control w.e.f 01.01.2025)
Emerald Haven Development Limited, Chennai - (Subsidiary of TVS Emerald Limited)

### (iv) Enterprises in which directors are interested:

Dua Associates, Delhi (upto 13.07.2024)
Dua Consulting Private Limited, Delhi (upto 13.07.2024)
McCann-Erickson (India) Private Limited, Delhi (upto 13.07.2024)
Trichur Sundaram Santhanam & Family Private Limited, Chennai
T.V Sundram Iyengar & Sons Private Limited, Madurai
TVS Organics Private Limited
TVS Automobile Solutions Private Limited
TVS Cheema Scholarship Foundation
Veeyes Charities Foundation

**Key Management personnel**

**Executive Directors:**

Mr. Venu Srinivasan, Chairman Emeritus & Managing Director
Mr. Sudarshan Venu, Managing Director
Mr. K N Radhakrishnan, Director & Chief Executive Officer

**Non-executive Directors:**

*Independent Directors:*

Mr. Shailesh Haribhakti
Dr. Deepali Pant Joshi
Mr. Vijay Sankar
Mr. B Sriram
Mr. C R Dua (Upto 13.07.2024)
Mr. H K Singh (Upto 13.07.2024)
Mr. Kuok Meng Xiong (Upto 06.08.2024)

*Non-Independent Directors:*

Prof Sir Ralf Dieter Speth
Dr. Lakshmi Venu (Upto 06.08.2024)

*Chief Financial Officer*

Mr. K. Gopala Desikan

*Company Secretary*

Mr. K S Srinivasan

*Post Employment benefit plans:*

TVS Motor Company Employees' Gratuity Fund
TVS Motor Company Employees' Provident Fund

**Others:**

Srinivasan Services Trust
TVSM Employees Stock Option Trust

# Notes to the Consolidated Financial Statements (Contd.)

## (b) Transactions with related parties: (Transactions from the date of becoming/ upto the date of ceasing to be related party)

Rupees in crores

| | | As at / Year Ended 31-03-2025 | As at / Year Ended 31-03-2024 |
|---|---|---|---|
| **(i)** | **Purchase of goods (Including sales reversal)** | | |
| | **- Holding company** | | |
| | TVS Holdings Limited, Chennai | - | 126.75 |
| | **- Associate / joint venture** | | |
| | Ultraviolette Automotive Private Limited, Bengaluru | 0.85 | 0.67 |
| | **- Enterprises under Common control** | | |
| | Sundaram-Clayton Limited, Chennai | 426.83 | 255.24 |
| | **- Enterprises in which directors are interested** | | |
| | TVS Organics Private Limited | 0.90 | 0.69 |
| | Adwaith Lakshmi Industries Private Limited | - | 0.01 |
| **(ii)** | **Sale of goods** | | |
| | **- Holding company** | | |
| | TVS Holdings Limited, Chennai | 113.76 | 471.96 |
| | **- Associate Companies** | | |
| | DriveX Mobility Private Limited, Coimbatore | 0.21 | 0.06 |
| | **- Associate / Branches /Joint venture of holding / subsidiary / fellow subsidiary company:** | | |
| | TVS Motor (Singapore) Pte. Ltd, Italy Branch | 14.23 | - |
| | TVS Motor (Singapore) Pte. Ltd, Philippines Branch | 0.60 | - |
| | **- Enterprises under Common control** | | |
| | Sundaram-Clayton Limited, Chennai | 20.49 | 9.60 |
| **(iii)** | **Purchase of assets** | | |
| | **- Holding company** | | |
| | TVS Holdings Limited, Chennai | 7.42 | 39.00 |
| | **- Enterprises under Common control** | | |
| | Sundaram-Clayton Limited, Chennai | 108.00 | - |
| | **- Enterprises in which directors are interested** | | |
| | Trichur Sundaram Santhanam & Family Private Limited, Chennai | 1.87 | - |
| | **- Key Management Perssonel** | 18.71 | - |
| **(iv)** | **Sale of assets** | | |
| | **- Associate company** | | |
| | Emerald Haven Realty Limited, Chennai | - | 2.58 |
| | **- Enterprises under Common control** | | |
| | Sundaram-Clayton Limited, Chennai | - | 0.29 |
| | **- Enterprises in which directors are interested** | | |
| | Trichur Sundaram Santhanam & Family Private Limited, Chennai | 0.35 | - |
| **(v)** | **Rendering of services** | | |
| | **- Holding company** | | |
| | TVS Holdings Limited, Chennai | - | 2.72 |
| | **- Fellow Subsidiary companies** | | |
| | TVS Emerald Limited | 0.12 | 1.34 |
| | **- Enterprises under Common control** | | |
| | Sundaram-Clayton Limited, Chennai | 9.96 | 6.74 |
| **(vi)** | **Availing of services (includes sub-contract charges paid)** | | |
| | **- Holding company** | | |
| | TVS Holdings Limited, Chennai | 170.90 | 139.93 |
| | **- Fellow Subsidiary companies** | | |
| | TVS Digital Limited (w.e.f 16.09.2024) | 12.53 | - |





Notes to the Consolidated Financial Statements (Contd.)

Rupees in crores

| | | As at / Year Ended 31-03-2025 | As at / Year Ended 31-03-2024 |
|---|---|---|---|
| | **- Associate / joint venture of holding / subsidiary / fellow subsidiary company** | | |
| | TVS Training & Services Limited, Chennai | 0.03 | - |
| | TVS Motor (Singapore) Pte. Ltd, Philippines Branch | 0.01 | - |
| | **- Enterprises under Common control** | | |
| | Sundaram-Clayton Limited, Chennai | 5.66 | 4.81 |
| | **- Enterprises in which directors are interested** | | |
| | Dua Associates, Delhi (Upto 13.07.2024) | 0.06 | 0.35 |
| | Dua Consulting Private Limited, Delhi (Upto 13.07.2024) | 1.12 | 4.57 |
| | McCann-Erickson (India) Private Limited, Delhi (Upto 13.07.2024) | 0.90 | 3.59 |
| | Trichur Sundaram Santhanam & Family Private Limited, Chennai | 0.16 | 0.65 |
| | TVS Automobile Solutions Private Limited | 0.17 | - |
| **(vii)** | **Investments made/(Redemptions) during the year** | | |
| | **- Fellow Subsidiary companies** | | |
| | TVS Digital Limited (w.e.f 16.09.2024) | (3.05) | - |
| | **- Associate / Joint venture** | | |
| | Indian Foundation for Quality Management, Bengaluru | - | 25.00 |
| | Killwatt GmbH, Germany | - | 71.50 |
| | ION Mobility Ltd., Singapore | - | 45.38 |
| **(viii)** | **Remuneration to key managerial personnel:** | | |
| | Short-term employee benefits | 89.51 | 68.21 |
| | Post-employment benefits | 1.12 | 0.65 |
| **(ix)** | **Contributions to post employment benefit plans:** | | |
| | TVS Motor Company Employees' Gratuity Fund | 30.37 | 98.51 |
| | TVS Motor Company Employees' Provident Fund | 142.75 | 114.30 |
| | (Including Employee and Employer Contributions) | | |
| **(x)** | **Dividend paid to** | | |
| | **- Holding company** | | |
| | TVS Holdings Limited, Chennai | 238.78 | 191.03 |
| **(xi)** | **Donations Made** | | |
| | **- Enterprises in which directors are interested** | | |
| | TVS Cheema Scholarship Foundation | 39.98 | - |
| | Veeyes Charities Foundation | 7.00 | 8.30 |
| **(xii)** | **Others** | | |
| | Srinivasan Services Trust - CSR contribution | 50.00 | 40.00 |
| | TVSM Employees Stock Option Trust - Purchase of Shares | 95.27 | - |
| **(c)** | **Balances with related parties:** | | |
| **(i)** | **Trade receivables / Other current assets** | | |
| | **- Holding company** | | |
| | TVS Holdings Limited, Chennai | 2.39 | 74.23 |
| | **- Associates** | | |
| | Ultraviolette Automotive Private Limited, Bengaluru | 0.02 | 0.18 |
| | **- Associate / Branches /Joint venture of holding / subsidiary / fellow subsidiary company:** | | |
| | TVS Motor (Singapore) Pte. Ltd, Italy Branch | 4.61 | - |
| | TVS Motor (Singapore) Pte. Ltd, Philippines Branch | 0.59 | - |
| | TVS Training & Services Limited, Chennai | 0.12 | - |
| | **- Fellow Subsidiary companies** | | |
| | TVS Digital Limited (w.e.f 16.09.2024) | 1.36 | - |
| | **- Enterprises under Common control** | | |
| | Sundaram-Clayton Limited, Chennai | 4.15 | 1.25 |

# Notes to the Consolidated Financial Statements (Contd.)

Rupees in crores

| | | As at / Year Ended 31-03-2025 | As at / Year Ended 31-03-2024 |
|---|---|---|---|
| | TVS Emerald Limited | 14.09 | 11.91 |
| | Emerald Haven Development Limited, Chennai (w.e.f 01.01.2025) | 0.16 | - |
| - | **Enterprises in which directors are interested** | | |
| | Trichur Sundaram Santhanam & Family Private Limited, Chennai | 0.21 | 0.52 |
| | McCann-Erickson (India) Private Limited, Delhi | - | 0.02 |
| | TVS Cheema Scholarship Foundation | 0.48 | - |
| **(ii)** | **Trade payables** | | |
| - | **Holding company** | | |
| | TVS Holdings Limited, Chennai | 4.47 | 7.89 |
| - | **Associate / joint venture of holding / ultimate holding / subsidiary / fellow subsidiary company** | | |
| | Predictronics Corporation, USA | - | 0.07 |
| | DriveX Mobility Private Limited | - | 0.04 |
| - | **Fellow Subsidiary companies** | | |
| | TVS Digital Limited (w.e.f 16.09.2024) | 1.17 | - |
| - | **Enterprises under Common control** | | |
| | Sundaram-Clayton Limited, Chennai | 2.97 | 0.27 |
| - | **Enterprises in which directors are interested** | | |
| | Dua Consulting Private Limited, Delhi (upto 13.07.2024) | - | 0.32 |
| | T.V Sundram Iyengar & Sons Private Limited, Madurai | 0.03 | 0.07 |
| | TVS Organics Private Limited | - | 0.03 |

## 42 Earnings Per Share

Rupees in crores

| Particulars | As at / Year Ended 31-03-2025 | As at / Year Ended 31-03-2024 |
|---|---|---|
| Profit after tax from Continuing Operations | 2,205.65 | 1,661.41 |
| Profit after tax from Discontinued Operations | 29.91 | 24.96 |
| Number of equity shares | 47,50,87,114 | 47,50,87,114 |
| Face value of the share (in rupees) | 1.00 | 1.00 |
| Weighted average number of equity shares | 47,50,87,114 | 47,50,87,114 |
| Basic and diluted earnings per share for continuing operations (in rupees) | 46.42 | 34.97 |
| Basic and diluted earnings per share for discontinued operations (in rupees) | 0.63 | 0.53 |
| Basic and diluted earnings per share for Continuing and discontinued operations (in rupees) | 47.05 | 35.50 |

## 43 Warranty Provision

Rupees in crores

| Particulars | As at / Year Ended 31-03-2025 | As at / Year Ended 31-03-2024 |
|---|---|---|
| Opening balance | 89.13 | 55.11 |
| Add: Provision for the year (Net) | 167.04 | 89.13 |
| | **256.17** | **144.24** |
| Less: Payments / debits (Net) | 89.13 | 55.11 |
| **Closing balance** | **167.04** | **89.13** |

# Notes to the Consolidated Financial Statements (Contd.)

## 44 Contingent Liabilities and Commitments not Provided for

Rupees in crores

| | | As at / Year Ended 31-03-2025 | As at / Year Ended 31-03-2024 |
|---|---|---|---|
| (a) | Claims against the company not acknowledged as debts: | | |
| (i) | Excise | 23.90 | 23.89 |
| (ii) | Service tax | 7.17 | 8.08 |
| (iii) | Sales tax | - | 2.00 |
| (iv) | Income tax | 48.07 | 54.99 |
| (v) | GST | 55.03 | 16.28 |
| (vi) | Legal cases filed by borrowers against the Company | 13.15 | 6.15 |
| | 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. | | |
| (b) | Other money for which the company is contingently liable: | | |
| (i) | On bills discounted with banks | 330.98 | 250.99 |
| (c) | Commitments: | | |
| (i) | Estimated amount of contracts remaining to be executed on capital account | | |
| | and not provided for | 343.18 | 252.41 |
| (ii) | On Investments | - | 1.88 |
| (iii) | Undrawn loans sanctioned to customers by finanacial enterprises | 41.29 | 63.47 |
| (iv) | Estimated Indemnity amount on account of tax paid due to interpretational difference in GST tax rate | 15.94 | 15.94 |
| | | **878.71** | **696.08** |

## 45 Company as A Lessee

The company has taken land, warehouses and sales offices across the country on lease for lease period ranging from 6-99 years. Company also has other assets on leases, the lease term here ranges from 2-9 Years.

Wherever the lease includes extension option and it is reasonably certain to exercise that option, the same is considered for computing the lease term. In other cases, the term is limited to initial lease period. Lease term includes non-cancellable period and expected lease period.

Payment made towards short term leases during the year is ₹ 125.48 Cr (Previous year: ₹ 121.76 Cr)

Payment made towards low value asset leases during the year is Nil (Previous year: Nil)

Payment relating to leases are disclosed in Cash flow statement

Income from sub-leasing of Right of use asset ₹ 0.39 Cr (Previous year: ₹ Nil)

# Notes to the Consolidated Financial Statements (Contd.)

## 46 Additional Regulatory Disclosures as per Schedule III of Companies Act, 2013

(i) As per the Group's accounting policy, Property, Plant and Equipment (including Right of Use Assets) and intangible assets are carried at historical cost (less accumulated depreciation & impairment, if any), hence the revaluation related disclosures required as per Additional Regulatory Information of Schedule III (revised) to the Companies Act, is not applicable /do not apply

(ii) The Group 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.

(iii) No proceedings have been initiated or pending against any Company in the Group for holding any Benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and the rules made thereunder.

(iv) The Group has sanctioned facilities from banks on the basis of security of current assets. The periodic returns filed by the Company with such banks are in agreement with the books of accounts of the Company.

(v) All the Companies in the Group has adhered to debt repayment and interest service obligations on time. "Wilful defaulter" related disclosures required as per Additional Regulatory Information of Schedule III (revised) to the Companies Act, is not applicable /do not apply

(vi) There are no transactions with the companies whose names were struck off under section 248 of The Companies Act, 2013 or section 560 of Companies Act, 1956 during the year ended 31 March 2025.

(vii) The Group 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.

(viii) The Group has not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall:

(a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company (ultimate beneficiaries) or

(b) provide any guarantee, security or the like to or on behalf of the ultimate beneficiary

(ix) The Group has not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the 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 Group has not operated in any crypto currency or Virtual Currency transactions

(xi) During the year no Company in the Group 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.





# Notes to the Consolidated Financial Statements (Contd.)

## 47A Segment Information

The Company identified operations from which significant risks and rewards are derived in two verticals viz (a) Automotive Vehicles & Parts and related investments and (b) Investment held in Financial services The same is reflected in the below segmental reporting.

### For the Year Ended 31-03-2025

Rupees in crores

| Particulars | Business Segment | | | |
|---|---|---|---|---|
| | Automotive vehicles & parts | Financial Services | Others | Total |
| Revenue | | | | |
| External sales - domestic | 28,254.33 | 6,618.37 | - | 34,872.70 |
| - exports | 9,216.31 | - | - | 9,216.31 |
| Other income | 128.89 | (59.33) | - | 69.56 |
| Inter segment sales | 102.84 | - | - | 102.84 |
| Total revenue | 37,702.37 | 6,559.04 | - | 44,261.41 |
| Less: Inter segment sales | 102.84 | - | - | 102.84 |
| Net revenue | 37,599.53 | 6,559.04 | - | 44,158.57 |
| Segment-wise results before interest and tax | 2,849.85 | 959.55 | - | 3,809.40 |
| Less: interest | 229.93 | - | - | 229.93 |
| Profit before tax from continuing operations | 2,619.92 | 959.55 | - | 3,579.47 |
| Less: Tax expenses from continuing operations | 896.99 | 258.46 | - | 1,155.45 |
| Profit after tax from continuing operations | 1,722.93 | 701.09 | - | 2,424.02 |
| Share of profit of Associates | (74.12) | - | - | (74.12) |
| Profit / Loss for the period from continuing operations | 1,648.81 | 701.09 | - | 2,349.90 |
| Profit before tax from discontinued operations | 22.49 | - | - | 22.49 |
| Less: Tax expenses from discontinued operations | (7.42) | - | - | (7.42) |
| Profit after tax from discontinued operations | 29.91 | - | - | 29.91 |
| Profit / Loss for the period | 1,678.72 | 701.09 | - | 2,379.81 |
| Segment assets | 16,262.27 | 31,674.64 | - | 47,936.91 |
| Segment liabilities | 12,362.01 | 26,132.63 | - | 38,494.64 |
| Segment depreciation / amortisation | 999.36 | 46.20 | - | 1,045.56 |

# Notes to the Consolidated Financial Statements (Contd.)

**For The Year ended 31-03-2024**

Rupees in crores

| Particulars | Business Segment | | | |
|---|---|---|---|---|
| | Automotive vehicles & parts | Financial Services | Others | Total |
| Revenue | | | | |
| External sales - domestic | 24,962.36 | 5,784.40 | 0.05 | 30,746.81 |
| - exports | 8,032.94 | - | - | 8,032.94 |
| Other Income | 103.55 | 1.34 | - | 104.89 |
| Inter segment sales | 89.91 | 6.10 | - | 96.01 |
| Total sales | 33,188.76 | 5,791.84 | 0.05 | 38,980.65 |
| Less: Inter segment sales | 89.91 | 6.10 | - | 96.01 |
| Net revenue | 33,098.85 | 5,785.74 | 0.05 | 38,884.64 |
| Segment-wise results before interest and tax | 2,216.04 | 758.10 | 0.03 | 2,974.17 |
| Less: interest | 259.75 | 3.33 | - | 263.08 |
| Profit before tax from continuing operations | 1,956.29 | 754.77 | 0.03 | 2,711.09 |
| Less: Tax expenses from continuing operations | 723.71 | 190.32 | 0.01 | 914.04 |
| Profit after tax from continuing operations | 1,232.58 | 564.45 | 0.02 | 1,797.05 |
| Share of profit of Associates | (43.47) | - | - | (43.47) |
| Profit / Loss for the period from continuing operations | 1,189.11 | 564.45 | 0.02 | 1,753.58 |
| Profit before tax from discontinued operations | 35.30 | - | - | 35.30 |
| Less: Tax expenses from discontinued operations | 10.34 | - | - | 10.34 |
| Profit after tax from discontinued operations | 24.96 | - | - | 24.96 |
| Profit / Loss for the period | 1,214.07 | 564.45 | 0.02 | 1,778.54 |
| Segment assets | 13,536.68 | 28,683.78 | - | 42,220.46 |
| Segment liabilities | 10,432.03 | 24,277.32 | - | 34,709.35 |
| Segment depreciation / amortisation | 928.76 | 27.39 | - | 956.15 |

## 47B Revenue From Contract With Customers:

Rupees in crores

| Particulars | | Year Ended 31-03-2025 | Year Ended 31-03-2024 |
|---|---|---|---|
| (a) | Geographical market | | |
| (i) | Domestic | 33,710.80 | 29,963.52 |
| (ii) | Exports | 8,975.05 | 7,816.01 |
| | | **42,685.85** | **37,779.53** |
| (b) | Revenue recognized that was inlcuded in the contract liabilities at the beginning of the period. (Payment is 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). | 265.58 | 338.00 |
| (c) | Reconciliation of revenue with contract price: | | |
| (i) | Contract price | 44,117.96 | 39,011.64 |
| (ii) | Adjustments : | | |
| | Incentive schemes | 829.73 | 705.62 |
| | Transport cost | 602.38 | 526.49 |
| | Revenue from sale of products/services | **42,685.85** | **37,779.53** |





# Notes to the Consolidated Financial Statements (Contd.)

## 48 Additional Information on Net Assets and Share of Profits and Other Comprehensive Income for the year ended 31-03-2025

Rupees in crores

| Name of the entity | Net Assets (Total Assets - Total Liabilities) | | Share in profit or (loss) | | Share in other comprehensive income | | Share in total comprehensive income | |
|---|---|---|---|---|---|---|---|---|
| | As % of consolidated net assets | Amount ₹ in crores | As % of consolidated profit or loss | Amount ₹ in crores | As % of consolidated other comprehensive income | Amount ₹ in crores | As % of consolidated total comprehensive income | Amount ₹ in crores |
| 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 |
| **Parent** | | | | | | | | |
| TVS Motor Company Limited, Chennai | 8.24% | 778.48 | 113.17% | 2,693.25 | 69.08% | 32.62 | 112.31% | 2,725.87 |
| **Subsidiaries - Indian** | | | | | | | | |
| Sundaram Auto Components Limited, Chennai* | 0.69% | 65.13 | -0.26% | (6.19) | -0.40% | (0.19) | -0.26% | (6.38) |
| Sundaram Auto Components Limited, Chennai^ | 0.00% | - | 1.26% | 29.91 | 0.00% | - | 1.23% | 29.91 |
| TVS Credit Service Limited, Chennai | 42.40% | 4,003.17 | 26.18% | 623.05 | -25.90% | (12.23) | 25.17% | 610.82 |
| TVS Motor Service Limited, Chennai | 3.52% | 332.04 | -0.15% | (3.61) | 0.00% | - | -0.15% | (3.61) |
| TVS Digital Limited, Chennai (Formerly known as TVS Housing Limited, Chennai) (up to 15.09.2024) | 0.00% | - | 0.00% | (0.05) | 0.00% | - | 0.00% | (0.05) |
| TVS Electric Mobility ltd, chennai | 0.01% | 1.00 | 0.00% | - | 0.00% | - | 0.00% | - |
| Drivex Mobility private limited, Coimbatore (from 23.12.2024) | 2.60% | 245.39 | -0.45% | (10.82) | 0.00% | - | -0.45% | (10.82) |
| **Subsidiaries - Foreign** | | | | | | | | |
| TVS Motor (Singapore) Pte Limited, Singapore | 7.43% | 701.35 | -6.87% | (163.39) | 16.62% | 7.85 | -6.41% | (155.54) |
| TVS Motor Company Europe B.V. Amsterdam | 0.00% | (0.02) | -0.06% | (1.54) | 0.13% | 0.06 | -0.06% | (1.48) |
| PT. TVS Motor Company Indonesia, Jakarta | 6.15% | 580.82 | 0.82% | 19.54 | -14.59% | (6.89) | 0.52% | 12.65 |
| The Norton Motorcycle Co.Limited, UK | 4.56% | 430.58 | -16.26% | (387.07) | 17.87% | 8.44 | -15.60% | (378.63) |
| TVS Digital Pte Limited, Singapore | 1.15% | 108.56 | -1.89% | (44.89) | 22.22% | 10.49 | -1.42% | (34.40) |
| The GO AG, Zurich | 1.26% | 119.19 | -2.66% | (63.38) | -3.41% | (1.61) | -2.68% | (64.99) |
| Swiss E-Mobility Group (Holding) AG,Nuremberg | 4.44% | 418.90 | -14.83% | (352.98) | 11.20% | 5.29 | -14.33% | (347.69) |
| Celerity Motor GmbH, Germany | 0.48% | 45.02 | 0.01% | 0.24 | 11.52% | 5.44 | 0.23% | 5.68 |
| EBCO Limited, UK | 0.15% | 13.81 | -0.72% | (17.18) | -5.17% | (2.44) | -0.81% | (19.62) |
| TVS Motor company DMCC, Dubai | 4.69% | 443.07 | -0.22% | (5.21) | 6.86% | 3.24 | -0.08% | (1.97) |
| Non-controlling Interest in all subsidiaries | 9.94% | 938.89 | 6.06% | 144.25 | -6.04% | (2.85) | 5.83% | 141.40 |
| **Associates - Indian** | | | | | | | | |
| (Investment as per the equity method) | | | | | | | | |
| Ultraviolette Automotive Private Limited, Bengaluru | 0.67% | 63.49 | -1.49% | (35.45) | | | -1.46% | (35.45) |
| Drivex Mobility Private Limited, Coimbatore (up to 22.12.2024) | 0.53% | 49.77 | -0.79% | (18.88) | | | -0.78% | (18.88) |
| Indian Foundation for Quality Management, Bengaluru (up to 10.03.2025) | 0.00% | 0.00 | 0.00% | - | | | 0.00% | - |

# Notes to the Consolidated Financial Statements (Contd.)

Rupees in crores

| Name of the entity | Net Assets (Total Assets - Total Liabilities) | | Share in profit or (loss) | | Share in other comprehensive income | | Share in total comprehensive income | |
|---|---|---|---|---|---|---|---|---|
| | As % of consolidated net assets | Amount ₹ in crores | As % of consolidated profit or loss | Amount ₹ in crores | As % of consolidated other comprehensive income | Amount ₹ in crores | As % of consolidated total comprehensive income | Amount ₹ in crores |
| **Associates - Foreign** | | | | | | | | |
| Predictronics Corp, USA | 0.18% | 17.37 | -0.02% | (0.48) | | | -0.02% | (0.48) |
| Tag Box Pte limited, Singapore (up to 19.06.2024) | 0.00% | 0.00 | 0.00% | - | | | 0.00% | - |
| Scienaptics Systems Inc., USA | 0.00% | 0.00 | -0.02% | (0.55) | | | -0.02% | (0.55) |
| Altizon Inc, USA | 0.24% | 22.59 | -0.03% | (0.68) | | | -0.03% | (0.68) |
| Killwatt GmbH | 0.67% | 63.68 | -0.13% | (3.00) | | | -0.12% | (3.00) |
| ION Mobility (up to 31.03.2025) | 0.00% | 0.00 | -0.63% | (15.08) | | | -0.62% | (15.08) |
| **Total** | **1.00** | **9,442.27** | **1.00** | **2,379.81** | **100.00%** | **47.22** | **100.00%** | **2,427.03** |

* Continuing operations
^ Discontinued operations

## 49 Previous Year's Figures have been regrouped wherever necessary to conform to the Current Year's classification.

**PROF SIR RALF DIETER SPETH**
Chairman
DIN: 03318908

**SUDARSHAN VENU**
Managing Director
DIN: 03601690

**K N RADHAKRISHNAN**
Director & Chief Executive Officer
DIN: 02599393

As per our report annexed
For **Sundaram & Srinivasan**
Chartered Accountants
Firm Regn. No.004207S

**K GOPALA DESIKAN**
Chief Financial Officer

**K S SRINIVASAN**
Company Secretary

**S USHA**
Partner
Membership No.:211785

Place : Chennai
Date : 28th April 2025





Notes to the Consolidated Financial Statements (Contd.)

## Annexure

### Form AOC-I

**Statement containing salient features of the financial statement of subsidiaries / associate companies.**
(Pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of Companies (Accounts) Rules, 2014)

**Part A - Subsidiaries**

Information in respect of each subsidiary

Rupees in crores

| S.No | Particulars | Indian Subsidiaries | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|
| | | Sundaram Auto Components Limited | TVS Motor Services Limited | TVS Two-Wheeler Mall Private Limited | TVS Credit Services Limited | Harita ARC Private Limited | TVS Housing Finance Private Limited | TVS Electric Mobility Ltd | Drive-X |
| | | (1) | (2) | (4) | (3) | (5) | (6) | (7) | (8) |
| 1. | Date on which subsidiary was acquired | 01-04-2003 | 07-09-2017 | 07-09-2017 | 07-09-2017 | 07-09-2017 | 08-09-2017 | 13-12-2021 | 23-12-2024 |
| 2. | Reporting period | 01-04-2024 to 31-03-2025 | | | | | | | |
| 3. | Reporting currency | Indian Rupees | | | | | | | |
| | Closing Exchange rate | Not applicable | | | | | | | |
| 4. | Share capital | 11.94 | 149.63 | ^ | 254.65 | ^ | 12.00 | 1.00 | 0.02 |
| 5. | Reserves & Surplus | 57.32 | 15.52 | (0.02) | 4693.27 | (0.02) | 4.30 | - | 36.95 |
| 6. | Total assets | 97.66 | 224.70 | - | 31052.46 | - | 16.57 | 1.00 | 88.81 |
| 7. | Total Liabilities | 28.40 | 59.55 | 0.02 | 26104.54 | 0.02 | 0.27 | - | 51.84 |
| 8. | Investments | 0.48 | 30.96 | - | 299.75 | - | - | - | - |
| 9. | Turnover from Continuing operations | 0.97 | 0.09 | - | 6630.04 | - | 1.08 | - | 15.28 |
| 10. | Turnover from Discontinued operations | 744.64 | - | - | - | - | - | - | - |
| 11. | Profit before taxation from Continuing operations | (6.99) | (3.61) | - | 1025.44 | - | 1.08 | - | (21.66) |
| 12. | Profit before taxation from Discontinued operations | 22.48 | - | - | - | - | - | - | - |
| 13. | Provision for taxation from Continuing operations | (0.69) | - | - | 258.19 | - | 0.27 | - | (14.48) |
| 14. | Provision for taxation from Discontinued operations | (7.42) | - | - | - | - | - | - | - |
| 15. | Profit after taxation from Continuing operations | (6.30) | (3.61) | - | 767.25 | - | 0.81 | - | (7.18) |
| 16. | Profit after taxation from Discontinued operations | 29.91 | - | - | - | - | - | - | - |
| 17. | Proposed Dividend | - | - | - | - | - | - | - | - |
| 18. | % of shareholding | 100 | 100 | 100 | 81.12 | 81.12 | 81.12 | 100 | 89.40 |

^Share capital of ₹ 25,000.

# Notes to the Consolidated Financial Statements (Contd.)

Rupees in crores

| S.No | Particulars | Foreign Subsidiaries | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|
| | | TVS Motor Company (Europe) B.V.* | PT TVS Motor Company Indonesia | TVS Motor (Singapore) Pte. Ltd | The Norton Motorcycle Co. Limited | TVS Digital Pte Limited | The GO Corporation* | Swiss E-Mobility Group (Holding) AG * | Celerity Motor Gmbh* | EBCO Ltd | TVSM DMCC* |
| | | (9) | (10) | (11) | (12) | (13) | (14) | (15) | (16) | (17) | (18) |
| 1. | Date on which subsidiary was acquired | 21-07-2005 | 05-09-2005 | 21-10-2005 | 03-04-2020 | 24-05-2021 | 16-09-2021 | 27-01-2022 | 06-12-2022 | 01-04-2022 | 27-06-2024 |
| 2. | Reporting period | 01-04-2024 to 31-03-2025 | | | | | | | | | |
| 3. | Reporting currency | USD | IDR | SGD | GBP | SGD | CHF | CHF | EUR | GBP | AED |
| | Closing Exchange rate | ₹ 85.48/USD | ₹ 0.52/ IDR 100 | ₹ 63.71/SGD | ₹ 110.70/ GBP | ₹ 63.71/SGD | ₹ 96.84/CHF | ₹ 96.84/CHF | ₹ 92.09/EUR | ₹ 110.70/ GBP | ₹ 23.27/AED |
| 4. | Share capital | 126.52 | 906.08 | 5308.10 | 1607.82 | 138.78 | 2.63 | 2.40 | 0.22 | 0.02 | 210.78 |
| 5. | Reserves & Surplus | (129.71) | (619.41) | (550.05) | (1225.70) | (205.35) | 4.85 | 72.73 | (17.62) | (1.81) | (1.97) |
| 6. | Total assets | 0.10 | 1087.42 | 5427.36 | 787.63 | 182.24 | 85.51 | 679.84 | 47.58 | 19.39 | 443.14 |
| 7. | Total Liabilities | 3.29 | 800.75 | 669.31 | 405.51 | 248.81 | 78.03 | 604.71 | 64.98 | 21.18 | 234.33 |
| 8. | Investments | - | - | 3581.72 | - | - | - | - | - | - | - |
| 9. | Turnover | - | 914.52 | 254.73 | 41.54 | 8.93 | 21.94 | 506.40 | 28.92 | 12.35 | 0.16 |
| 10. | Profit before taxation | (1.54) | 21.37 | (377.88) | (395.57) | (69.25) | (53.74) | (324.75) | 0.24 | (17.18) | (5.21) |
| 11. | Provision for taxation | - | 1.83 | (1.30) | (8.50) | - | 0.03 | 6.35 | - | - | - |
| 12. | Profit after taxation | (1.54) | 19.54 | (376.58) | (387.07) | (69.25) | (53.77) | (331.10) | 0.24 | (17.18) | (5.21) |
| 13. | Proposed Dividend | - | - | - | - | - | - | - | - | - | - |
| 14. | % of shareholding | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 |

* Unaudited financial statement.

1. The GO AG, Switzerland includes the consolidation of its subsidiary viz, EGO Movement Stuttgart, GmbH, Germany.
2. Swiss E-Mobility Group (Holding) AG include the consolidation of its subsidiaries viz, Swiss E-Mobility Group (Schweiz) AG, Zurich, Switzerland, Colag E-Mobility GmBH, Nuremberg, Germany and Alexand'Ro Edouard'O Passion Vélo Sàrl ("Passion Vélo"), Germany.

**Notes:**

1. Subsidiaries which are yet to commence operations: (1) TVS Two Wheeler Mall Private Ltd, (2) Harita ARC Private Ltd, (3) TVS Electric Mobility Ltd.
2. Subsidiaries which have been sold during the year - TVS Digital Limited (Formerly known as TVS Housing Limited)



# Notes to the Consolidated Financial Statements (Contd.)

## Part B – Associates

Statement pursuant to Section 129 (3) of the Companies Act, 2013 related to Associate Companies

Rupees in crores

| S.No | Name of Associate | Ultraviolette Automotive Private Limited* | Predictronics Corp* | Altizon Inc* | Kilwatt Gmbh* |
|---|---|---|---|---|---|
| 1. | Latest audited Balance Sheet Date | 31-03-2024 | 31-12-2023 | ** | ** |
| 2. | Date on which the Associate was acquired | 09-08-2018 | 17-08-2019 | 01-02-2021 | 04-04-2023 |
| 3. | Shares of Associate held by the company on the year end | | | | |
| | (i) No. of shares | 27,166 | 24,827 | 8,06,429 | 24,500 |
| | (ii) Amount of investment in Associates/Joint Venture | 121.00 | 22.36 | 25.34 | 71.50 |
| | (iii) Extent of holding % | 30.83 | 23.49 | 20.00 | 49.00 |
| 4. | Description of how there is significant influence. | Holding more than 20% of share capital | Subsidiary holding more than or equal to 20% of share capital | | |
| 5. | Reason why the associate/ joint venture is not consolidated | | Not applicable | | |
| 6. | Net worth attributable to Shareholding as per latest audited Balance Sheet | 112.98 | 0.35 | 0.46 | 31.98 |
| 7. | Profit / (Loss) for the year: | | | | |
| | (i) Considered in consolidation | (35.45) | (0.48) | (0.68) | (3.00) |
| | (ii) Not considered in consolidation | | Not Applicable | | |

* Unaudited financial statements up to 31-03-2025 has been consolidated.
** Audit of financial statements are not mandated by the regulations of the respective country in which the Company is incorporated.

**Notes:**

1. Associates which have been liquidated or sold during the year – Tag box Pte Limited.
2. TVS Motor (Singapore) Pte Limited, a wholly owned subsidiary, has divested its stake in ION Mobility Pte. Ltd., and thereby it ceased to be an associate of the Company and that of its wholly owned subsidiary.
3. Indian Foundation for Quality Management (IFQM) ceased to be an Associate of the Company as the Company's shareholding had reduced below 20% upon further allotment of shares to other Investors.
4. The Company has acquired further stake of 39.11% in the equity share capital in DriveX Mobility Private Limited, Coimbatore (Drive-X) and thereby the Company's holding in Drive-X has been increased to 87.38%; consequent to this acquisition, Drive-X has ceased to be an associate and become the subsidiary of the Company.
5. TVS Digital Pte Ltd, Singapore, a step down wholly owned subsidiary of the Company has redeemed part of its stake held in Scienaptic Systems Inc., (Scienaptic) and thereby Scienaptic ceased to be an associate of the Company and that of its step down wholly owned subsidiary.

**PROF SIR RALF DIETER SPETH**
Chairman
DIN: 03318908

**SUDARSHAN VENU**
Managing Director
DIN: 03601690

**K N RADHAKRISHNAN**
Director & Chief Executive Officer
DIN: 02599393

As per our report annexed
For **Sundaram & Srinivasan**
Chartered Accountants
Firm Regn. No.004207S

Place : Chennai
Date : 28th April 2025

**K GOPALA DESIKAN**
Chief Financial Officer

**K S SRINIVASAN**
Company Secretary

**S USHA**
Partner
Membership No.:211785

# Independent Auditors' Report

for the year ended 31st March 2024

**To the members of TVS Motor Company Limited**

## Report on the Audit of the Standalone Financial Statements

### Opinion

We have audited the Standalone financial statements of TVS Motor Company Limited ("the Company"), which comprise the balance sheet as at 31st March 2024, 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 Standalone financial statements, including a summary of 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 ("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, 2024, 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 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 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 on the standalone financial statements.

### Key Audit Matters

Key audit matters are those matters that, in our professional judgment, 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:

### Key Audit Matter Principal Audit Procedures

| Key Audit matter | Principal Audit Procedure |
|---|---|
| **1. Government Grants**<br>Government has announced various Grants to manufacturers of automobiles. The company in turn is availing the said grants on fulfilling the conditions attached to that.<br>The recognition of Government grants is considered to be key audit matter because of significance of amount of grants and management judgements involved in fulfilling the conditions to receive the grant.<br>The management periodically reviews, during the year, compliance of relevant conditions attached to each grant whether there is a reasonable assurance that the grants will be received, in order to determine the timing and amounts of grants to be recognized in the financial statements. | Determined the appropriateness of the accounting policy for government grants as per the relevant accounting standard;<br>Examined the Company's key internal financial controls over recognition of government grants with regard to its design and implementation. Tested the operating effectiveness of such controls for the transactions selected.<br>Verified documents, on sample basis, submitted to the various government authorities relating to the grants received and receivable and checked the compliance of conditions attached to the respective grants.<br>Considered the basis of management's judgement towards fulfilment of conditions attached to the grants and evaluated the reasonable assurance that grants will be received.<br>Reviewed the appropriateness of the disclosures made in accordance with the relevant accounting standards. |
| **2. Investments**<br>The Company has significant investments in its subsidiaries and associates.<br>Management reviews regularly whether there are any indicators of impairment of the investments by reference to the requirements under Ind AS 36 "Impairment of Assets".<br>For investments where impairment indicators exist, significant judgments are required to determine the key assumptions used in the valuation model and methodology, such as revenue growth, discount rates, etc.<br>Considering, the impairment assessment which involves significant assumptions and judgement of the management and the same has been considered as key audit matter. | Obtained and read the valuation report used by the management for determining the fair value ('recoverable amount') of its material investments.<br>Considered the independence, competence and objectivity of the management specialist involved in determination of valuation.<br>Tested the fair value of the investment as mentioned in the valuation report to the carrying value in books.<br>Made inquiries with management to understand key drivers of the cash flow forecasts, discount rates, etc.<br>Assessed the disclosures made in the financial statements regarding such investments to comply with the requirements of Standards. |
| **3. Evaluation of Uncertain Direct tax and Indirect Tax positions:**<br>The Company has material uncertain tax positions, including matters under dispute relating Excise, Customs Duty, Value Added Tax (Indirect Taxes) and Income Tax (Direct Tax).<br>These matters involve significant judgment to determine the possible outcome of these disputes | We obtained details of demands relating to Direct Tax and indirect tax, as on 31st March 2024.<br>We considered legal precedence and other rulings, obtained external opinions and discussed with company's internal legal team in evaluating management's position on these uncertain tax positions.<br>Satisfied ourselves that it is not probable that an outflow of economic benefits will be required and disclosed such obligation as a contingent liability |

### 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 the Management Discussion and analysis, Board's Report including annexures to Board's Report, Business Responsibility and Sustainability 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 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 are 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, 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 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 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, 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 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 judgement 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 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 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 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 auditors' 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 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.

   c. The Standalone Balance Sheet, the Standalone Statement of Profit and Loss (including Other Comprehensive Income), the Standalone Statement of Changes in Equity and the Standalone Statement of Cash Flows dealt with by this Report are in agreement with the books of accounts.;

   d. In our opinion, the aforesaid Standalone financial statements comply with the 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 2024 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March 2024 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. The remuneration paid by the Company to its Directors is in accordance with the provisions of Section 197 of the Act and the same is not in excess of the limit laid down under 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 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 the impact of pending litigations on its financial position in its standalone financial statements - Refer Note No. 40 (a) to the standalone financial statements.

      ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses - refer Note 30 (D) to the Standalone financial statements.

      iii. There has been no delay in transferring amounts, required to be transferred to the Investor Education and Protection Fund by the Company.

      iv. a. 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 42 (xii), 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. 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 42 (xiii)), 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 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 (a) and (b) above, contain any material misstatement.

      v. The dividends declared and paid by the Company during the year are in accordance with section 123 of the Companies Act 2013.

      vi. Based on our examination, which included test checks, the Company has used accounting software for maintaining its books of account for the financial year ended March 31, 2024 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 the audit trail feature being tampered with.

      As proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 is applicable from April 1, 2023, reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014 on preservation of audit trail as per the statutory requirements for record retention is not applicable for the financial year ended March 31, 2024.

For **Sundaram and Srinivasan**
Chartered Accountants
Firm Registration No. 004207S

**S. USHA**
Partner
Place: Chennai
Membership No.: 211785
Date: 8th May 2024
UDIN: 24211785BKCSLO3839

# Annexure A

to Independent Auditors' Report - 31st March 2024

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 Motor Company Limited on the Standalone Financial Statements for the year ended 31 March 2024, we report that:

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 3 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.

e. According to the information and explanations 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 Benami Transactions (Prohibition) Act, 1988 and rules made thereunder.

ii. a. As informed to us, 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. The discrepancies arising out of such physical verification did not exceed 10% or more in aggregate for each class of inventory and they have been properly dealt with in the books of accounts.

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 and statements filed by the Company with such banks are in agreement with the books of accounts of the Company.

iii. a. (A) The Company had provided guarantee to its Subsidiaries in earlier years.

(B) The balance outstanding as on 31st March 2024 is ₹ 83.41 crores.

No guarantee was provided during the year.

b. According to the information and explanations given to us and the records of the Company examined by us, the investments made, and guarantee provided are not prejudicial to the Company's interest.

c. The company has not provided loans, advances in the nature of loans, and security to Companies, Firms, Limited Liability Partnerships or any other parties. Therefore, the requirement to report under clauses (iii) (d) to (f) of para 3 of the Order are not applicable to the Company.

iv. In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of sections 185 and 186 of the Act, in respect of Investments made and Guarantee provided .

v. According to the information and explanations 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 Act and the rules made thereunder, to the extent applicable. Therefore, the clause (v) of para 3 of the order is not applicable to the Company.

vi. According to the information and explanations given to us, the Central Government has prescribed the maintenance of cost records under Section 148(1) of the Act in respect of products manufactured by the Company.

We have broadly reviewed the books of accounts maintained by the Company pursuant to the rules made by the Central Government for the maintenance of cost records u/s 148 (1) of the Act and are of the opinion that, prima facie, the prescribed accounts and records have been made and maintained. However, we have not made detailed examination of the records with a view to determine whether they are accurate or complete.

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, duty of excise and Cess and other material statutory dues as applicable to the Company with the appropriate authorities.

b. According to the information and explanations given to us and the records of the Company examined by us, details of disputed taxes not deposited are as follows:

Rupees in Crores

| Name of the Statute / (Nature of dues) | Period of dues | Amount in ₹ | Forum where dispute is pending |
|---|---|---|---|
| Central Excise Act, 1944 (Cenvat / Excise Duty) | 1999-00 to 2004-05, 2011-12 and 2015-16 | 23.61 | Central Excise and Service Tax Appellate Tribunal, Chennai/ Bangalore |
| Finance Act, 1994 (Service Tax) | 2002-2014 | 0.91 | Central Excise and Service Tax Appellate Tribunal, Chennai / Bangalore |
| Sales Tax / VAT Laws (Sales Tax) | 1998 to 2016 | 0.26 | Sales Tax Appellate Tribunal - Madhya Pradesh & Jharkand |
| | | 0.79 | Assessing officer - Tamilnadu, Jharkhand & Delhi |
| | | 0.37 | Assistant/Joint Commissioner (Appeals) - Bihar, Madhya Pradesh, Uttar Pradesh and West Bengal |
| Goods and Service Tax Act | 2017-18 to 2020-21 | 7.21 | Commissioner (Appeals) - GST - Telangana, Rajasthan, Madhya pradesh, Delhi, Chattisgarh, Bihar & Andhra pradesh |
| Income Tax | AY 2016-17 | 3.58 | Commissioner of Income Tax (Appeals) |

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.

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,

a. the Company has not defaulted in repayment of loans or other borrowings or in the payment of interest thereon to any lender.

b. the Company is not declared wilful defaulter by any bank or financial institution or any Lender.

c. the term loans were applied for the purpose for which the loans were obtained.

d. the Company has not utilized funds raised on short-term basis for long-term purposes.

e. the Company has not taken funds from any entities and persons on account of or to meet the obligations of its subsidiaries or associates.

f. the Company has not raised loans during the year on the pledge of securities held in its subsidiaries or associate companies.

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 by way of initial public offer or further public offer (including debt instruments) during the year.

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 or fully or partially or optionally convertible debentures during the year.

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 Standalone 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 fraud by the Company or no material fraud 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 in Form ADT - 4 as prescribed under Rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government.

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 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 Standalone financial statements as required by the applicable accounting standards.

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 the directors during the year 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,

a. 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.

b. The Company has not conducted any Non-Banking Financial or Housing Finance activities, accordingly, reporting under clause 3(xvi)(b) of the order is not applicable

c. 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 (xvi)(c) of the Order is not applicable to the Company.

d. The Group does not have more than one Core Investment Company, as defined under Core Investment Companies (Reserve Bank) Directions 2016.

xvii. According to the information and explanations given to us and on an overall examination of the standalone financial statements of the Company, the Company has not incurred cash losses in the current year and in the immediately preceding financial year.

xviii. There has been no resignation of the statutory auditors during the year.

xix. According to the information and explanations given to us and on the basis of the financial ratios disclosed in note no. 32 to the Standalone financial statements, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the Standalone 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. 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 proviso to sub section 5 of Section 135 of the Act.

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 Companies Act.

xxi. On the basis of review of Companies (Auditor's Report) Order (CARO) reports of the Companies incorporated in India and included in the consolidated financial statement, we report that there are no qualifications or adverse remarks by the respective auditors in their CARO reports.

For **Sundaram and Srinivasan**
Chartered Accountants
Firm Registration No. 004207S

**S. USHA**
Partner
Place: Chennai
Membership No.: 211785
Date: 8th May 2024
UDIN: 24211785BKCSLO3839

# Annexure B

to the Independent Auditors' Report - 31st March 2024

[Referred to in paragraph 2(f) of our "Report on Other legal and Regulatory Requirements" section of our report of even date]

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

1. We have audited the internal financial controls over financial reporting of TVS Motor Company Limited ("the Company") as of March 31, 2024 in conjunction with our audit of the Ind AS Standalone financial statements of the Company for the year ended on that date.

## Management's Responsibility for Internal Financial Controls

2. The Company's management 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 (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.

## Auditors' Responsibility

3. Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting 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, 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 over financial reporting 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 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 judgment, including the assessment of the risks of material misstatement of the Standalone 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 system over financial reporting.

## Meaning of Internal Financial Controls over Financial Reporting

6. 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 Standalone 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 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 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 Standalone financial statements.

## Inherent Limitations of Internal Financial Controls over Financial Reporting

7. 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

8. In our opinion, the Company has, in all material respects, an adequate internal financial Control system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2024, 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 Control over Financial Reporting issued by the Institute of Chartered Accountants of India.

For **Sundaram and Srinivasan**
Chartered Accountants
Firm Registration No. 004207S

**S. USHA**
Partner
Place: Chennai
Membership No.: 211785
Date: 8th May 2024
UDIN: 24211785BKCSLO3839

# Balance Sheet

as at 31st March 2024

Rupees in crores

| | Notes | As at 31-03-2024 | As at 31-03-2023 |
|---|---|---|---|
| **ASSETS** | | | |
| **Non-current assets** | | | |
| Property, plant and equipment | 2 | 3,442.18 | 3,260.17 |
| Capital work-in-progress | 2 | 329.73 | 274.12 |
| Other intangible assets | 2 | 329.67 | 335.72 |
| Intangible assets under development | 2 | 600.41 | 353.61 |
| Financial assets | | | |
| i. Investments | 3 | 6,828.07 | 5,491.95 |
| ii. Other financial assets | 4 | 152.69 | 482.54 |
| Non-Current tax assets (Net) | | 22.34 | 26.72 |
| Other non-current assets | 5 | 139.33 | 83.01 |
| | | **11,844.42** | **10,307.84** |
| **Current assets** | | | |
| Inventories | 6 | 1,370.80 | 1,236.36 |
| Financial assets | | | |
| i. Investments | 3 | 163.19 | 191.92 |
| ii. Trade receivables | 7 | 1,302.14 | 979.29 |
| iii. Cash and cash equivalents | 8 | 485.83 | 234.35 |
| iv. Bank balances other than (iii) above | 9 | 45.13 | 7.61 |
| v. Other financial assets | 10 | 77.25 | 62.83 |
| Other current assets | 11 | 773.48 | 972.19 |
| | | **4,217.82** | **3,684.55** |
| **Total assets** | | **16,062.24** | **13,992.39** |
| **EQUITY AND LIABILITIES** | | | |
| **Equity** | | | |
| Equity share capital | 12 | 47.51 | 47.51 |
| Other equity | 13 | 7,683.53 | 6,000.34 |
| | | **7,731.04** | **6,047.85** |
| **Liabilities** | | | |
| **Non-current liabilities** | | | |
| Financial liabilities | | | |
| i. Borrowings | 14 | 986.91 | 1,211.54 |
| ii. Lease liabilities | | 313.07 | 313.24 |
| Provisions | 15 | 205.87 | 175.88 |
| Deferred tax liabilities (Net) | 16 | 187.05 | 198.20 |
| Other Non current liabilities | | 31.50 | 37.13 |
| | | **1,724.40** | **1,935.99** |
| **Current liabilities** | | | |
| **Financial liabilities** | | | |
| i. Borrowings | 17 | 526.53 | 1,033.04 |
| ii. Lease liabilities | | 137.11 | 105.54 |
| iii. Trade payables | 18 | | |
| a. Total outstanding dues of micro and small enterprises | | 34.80 | 45.42 |
| b. Total outstanding dues of other than (iii) (a) above | | 5,077.37 | 4,085.14 |
| iv. Other financial liabilities | 19 | 126.95 | 121.65 |
| Other current liabilities | 20 | 526.63 | 513.29 |
| Provisions | 15 | 143.60 | 98.54 |
| Current Tax Liabilities (net) | | 33.81 | 5.93 |
| | | **6,606.80** | **6,008.55** |
| **Total liabilities** | | **8,331.20** | **7,944.54** |
| **Total equity and liabilities** | | **16,062.24** | **13,992.39** |
| Material accounting policies | 1 | | |

See the accompanying notes to the financial statements

**PROF. SIR RALF DIETER SPETH**
Chairman
DIN: 03318908

**SUDARSHAN VENU**
Managing Director
DIN: 03601690

**K.N. RADHAKRISHNAN**
Director & Chief Executive Officer
DIN: 02599393

As per our report annexed
For **Sundaram & Srinivasan**
Chartered Accountants
Firm Regn. No.004207S

Place: Chennai
Date: 8th May 2024

**K. GOPALA DESIKAN**
Chief Financial Officer

**K.S.SRINIVASAN**
Company Secretary

**S USHA**
Partner
Membership No.:211785

# Statement of Profit and Loss

for the period ended 31st March 2024

Rupees in crores

| | | Notes | Year Ended 31-03-2024 | Year Ended 31-03-2023 |
|---|---|---|---|---|
| I | Revenue from operations | 21 | 31,776.37 | 26,378.09 |
| II | Other income | 22 | 148.53 | 100.57 |
| **III** | **Total income (I + II)** | | **31,924.90** | **26,478.66** |
| IV | Expenses: | | | |
| | Cost of materials consumed | 23 | 23,244.16 | 19,612.59 |
| | Purchase of stock-in-trade | 23 | 389.37 | 378.00 |
| | Changes in inventories of finished goods, stock-in-trade and work-in-progress | 23 | (204.56) | 5.21 |
| | Employee benefits expense | 24 | 1,595.87 | 1,345.09 |
| | Finance costs | 25 | 181.63 | 140.66 |
| | Depreciation and amortisation expense | 26 | 700.35 | 631.23 |
| | Other expenses | 27 | 3,237.42 | 2,362.51 |
| | **Total expenses** | | **29,144.24** | **24,475.29** |
| **V** | **Profit before exceptional items and tax (III - IV)** | | **2,780.66** | **2,003.37** |
| VI | Exceptional items | | - | - |
| **VII** | **Profit before tax (V + VI)** | | **2,780.66** | **2,003.37** |
| VIII | Tax expense / (credit) | 28 | | |
| | i. Current tax | | 702.08 | 503.65 |
| | ii. Deferred tax | | (4.42) | 8.69 |
| | **Total Tax expense (i+ii)** | | **697.66** | **512.34** |
| **IX** | **Profit for the year (VII - VIII)** | | **2,083.00** | **1,491.03** |
| X | Other comprehensive income | | | |
| | A. Items that will not be reclassified to profit or loss: | | | |
| | Remeasurements of post employment benefit obligations | | (20.48) | (26.39) |
| | Fair value changes of equity instruments | | 0.84 | (13.66) |
| | Income tax relating to the above items | | 5.02 | 9.37 |
| | B. Items that will be reclassified to profit or loss: | | | |
| | Fair value changes on cash flow hedges | | (6.84) | 4.01 |
| | Income tax relating to the above item | | 1.72 | (1.01) |
| | **Other comprehensive income for the year, net of tax** | | **(19.74)** | **(27.68)** |
| **XI** | **Total comprehensive income for the year (IX + X)** | | **2,063.26** | **1,463.35** |
| XII | Earnings per equity share (Face value of ₹ 1/- each) | | | |
| | Basic & Diluted earnings per share (in rupees) | 36 | 43.84 | 31.38 |
| | Material accounting policies | 1 | | |

See the accompanying notes to the financial statements

**PROF. SIR RALF DIETER SPETH**
Chairman
DIN: 03318908

**SUDARSHAN VENU**
Managing Director
DIN: 03601690

**K.N. RADHAKRISHNAN**
Director & Chief Executive Officer
DIN: 02599393

As per our report annexed
For **Sundaram & Srinivasan**
Chartered Accountants
Firm Regn. No.004207S

Place: Chennai
Date: 8th May 2024

**K. GOPALA DESIKAN**
Chief Financial Officer

**K.S.SRINIVASAN**
Company Secretary

**S USHA**
Partner
Membership No.:211785

# Statement of Changes in Equity

## a Equity Share Capital

| | Rupees in crores |
|---|---|
| **As at 01-04-2022** | 47.51 |
| Changes in Equity Share capital due to prior period errors | - |
| Restated balance as at 01-04-2022 | 47.51 |
| Changes in equity share capital during the year | - |
| **As at 31-03-2023** | **47.51** |
| Changes in Equity Share capital due to prior period errors | - |
| Restated balance as at 01-04-2023 | 47.51 |
| Changes in equity share capital during the year | - |
| **As at 31-03-2024** | **47.51** |

## b Other Equity

Rupees in crores

| Particulars | Reserves & Surplus | | | Other Reserves | | Total |
|---|---|---|---|---|---|---|
| | General reserve | Capital reserve | Retained earnings | Equity Instruments Fair Valued through Other Comprehensive Income (FVTOCI) | Hedging reserve | |
| **Balance as at 01-04-2022** | 865.64 | 6.43 | 3,891.46 | 12.65 | (1.65) | 4,774.53 |
| Add: Profit for the year 2022-23 | - | - | 1,491.03 | - | - | 1,491.03 |
| Add: Other comprehensive income for the year 2022-23 | - | - | (19.75) | (10.93) | - | (30.68) |
| Less: Reclassification to profit or loss, net of tax | - | - | - | - | (1.65) | (1.65) |
| Less: Change in fair value of hedging instruments, net of tax | - | - | - | - | (1.35) | (1.35) |
| Less: Distribution to shareholders: | | | | | | |
| 2022-23 Interim dividend paid | - | - | 237.54 | - | - | 237.54 |
| **Balance as at 31-03-2023** | **865.64** | **6.43** | **5,125.20** | **1.72** | **1.35** | **6,000.34** |
| Add: Profit for the period ended 31-03-2024 | - | - | 2,083.00 | - | - | 2,083.00 |
| Add: Other comprehensive income for the year 2023-24 | - | - | (15.33) | 0.71 | - | (14.62) |
| Less: Reclassification to profit or loss, net of tax | - | - | - | - | 1.35 | 1.35 |
| Less: Change in fair value of hedging instruments, net of tax | - | - | - | - | 3.77 | 3.77 |
| Less: Distribution to shareholders: | | | | | | |
| 2023-24 Interim dividend paid | - | - | 380.07 | - | - | 380.07 |
| **Balance as at 31-03-2024** | **865.64** | **6.43** | **6,812.80** | **2.43** | **(3.77)** | **7,683.53** |

### Nature and purpose of Other Reserves

1. General reserve is available for distribution to shareholders.
2. Capital reserve

| | | Rupees in crores |
|---|---|---|
| i. | On Shares forfeited (₹ 55,200/-) | - |
| ii. | On surplus arising out of amalgamation | 6.43 |
| | | **6.43** |

3. Hedging Reserve - Refer Note No. 30 (D)

   It represents the effective portion of the fair value of forward/option contracts designated as cashflow hedge

4. FVTOCI reserve

   The Company has elected to recognise changes in the fair value of certain investments in equity securities in other comprehensive income. These changes are accumulated within the FVTOCI reserve within equity.

See the accompanying notes to the financial statements

| | | | |
|---|---|---|---|
| **PROF. SIR RALF DIETER SPETH** | **SUDARSHAN VENU** | **K.N. RADHAKRISHNAN** | As per our report annexed |
| Chairman | Managing Director | Director & Chief Executive Officer | For **Sundaram & Srinivasan** |
| DIN: 03318908 | DIN: 03601690 | DIN: 02599393 | Chartered Accountants |
| | | | Firm Regn. No.004207S |
| | | | **S USHA** |
| Place: Chennai | **K. GOPALA DESIKAN** | **K.S.SRINIVASAN** | Partner |
| Date: 8th May 2024 | Chief Financial Officer | Company Secretary | Membership No.:211785 |

# Cash Flow Statement

for the year ended 31st March 2024

Rupees in crores

| | | Year ended 31-03-2024 | | Year ended 31-03-2023 | |
|---|---|---|---|---|---|
| **A.** | **Cash flow from operating activities:** | | | | |
| | Profit before tax | | 2,780.66 | | 2,003.37 |
| | Add: | | | | |
| | Depreciation and amortisation for the year | 700.35 | | 631.23 | |
| | (Profit) / loss on sale of property, plant and equipment (Net) | (2.63) | | (2.82) | |
| | (Profit) on sale of investments (Net) | (145.39) | | (22.01) | |
| | Loss / (Gain) on valuation of investment (Net) | 26.93 | | (61.69) | |
| | (Gain) on lease preclosure (Net) | (4.75) | | (0.01) | |
| | Unrealised exchange loss / (Gain) (Net) | 10.82 | | 0.63 | |
| | Dividend income | (2.61) | | (2.25) | |
| | Interest income | (18.88) | | (6.21) | |
| | Finance cost | 181.63 | | 140.66 | |
| | Provisions | 52.98 | | 2.60 | |
| | | | 798.45 | | 680.13 |
| | Operating profit before working capital changes | | **3,579.11** | | 2,683.50 |
| | Adjustments for: | | | | |
| | Trade receivables | (329.85) | | (11.01) | |
| | Inventories | (134.44) | | (113.68) | |
| | Other current assets | 198.71 | | (248.24) | |
| | Other financial assets | (24.68) | | (23.23) | |
| | Trade payables | 977.79 | | 104.82 | |
| | Other financial liabilities | 5.14 | | (3.72) | |
| | Other current liabilities | 15.46 | | 79.64 | |
| | Other non - current assets | (53.76) | | 7.39 | |
| | | | 654.37 | | (208.03) |
| | Cash generated from operations | | **4,233.48** | | **2,475.47** |
| | Direct taxes paid (Net of refunds) | | (616.19) | | (482.61) |
| | **Net cash from operating activities** | (A) | **3,617.29** | | **1,992.86** |
| **B.** | **Cash flow from investing activities:** | | | | |
| | Purchase of property, plant and equipment, intangible assets, including capital advances | (1,088.81) | | (1,015.56) | |
| | Proceeds from sale of property, plant and equipment | 33.31 | | 18.74 | |
| | Share application money paid | (121.19) | | (445.41) | |
| | Investments in subsidiaries/Associates | (1,338.15) | | (745.48) | |
| | Purchase of Other investments | (31.65) | | (131.26) | |
| | Sale of Investments in subsidiaries/Associates | 576.82 | | - | |
| | Sale / redemption of investments | 54.06 | | - | |
| | Interest received | 17.37 | | 4.92 | |
| | Dividends received | 1.98 | | 2.25 | |
| | | | (1,896.26) | | (2,311.80) |
| | **Net cash used in investing activities** | (B) | **(1,896.26)** | | **(2,311.80)** |

Rupees in crores

| | | Year ended 31-03-2024 | | Year ended 31-03-2023 | |
|---|---|---|---|---|---|
| **C.** | **Cash flow from financing activities:** | | | | |
| | Borrowings: | | | | |
| | Non-current borrowings availed | (289.49) | | 347.59 | |
| | Current borrowings availed / (Repaid) | (440.00) | | 310.00 | |
| | Other bank balances | (39.47) | | 65.03 | |
| | Finance cost paid | (213.73) | | (137.10) | |
| | Repayment of lease liabilities | (106.79) | | (69.17) | |
| | Dividend paid | (380.07) | | (291.81) | |
| | | | (1,469.55) | | 224.54 |
| | **Net cash from financing activities** | (C) | **(1,469.55)** | | **224.54** |
| | **Total (A+B+C)** | | **251.48** | | **(94.40)** |
| | Cash and cash equivalents at the beginning of the year | | 234.35 | | 328.75 |
| | Cash and cash equivalents at the end of the year (Refer Note No 8) | | 485.83 | | 234.35 |
| **D.** | **Net decrease in cash and cash equivalents** | | **251.48** | | **(94.40)** |

Note: The above statement of cash flow is prepared using indirect method.

## Change in liability arising from financing activities:

| Particulars | As at 01-04-2023 | Cash flow | Foreign exchange movement | Amortisation | As at 31-03-2024 |
|---|---|---|---|---|---|
| Non-current borrowings (Including current maturities) | 1,804.58 | (289.49) | (3.25) | 1.60 | 1,513.44 |
| Current borrowings | 440.00 | (440.00) | - | - | - |

## Non-cash investing activities:

| Particulars | 2023-24 | 2022-23 |
|---|---|---|
| Acquisition of right-of-use assets | 160.55 | 125.85 |
| Acquisition of investment | - | 45.00 |

**PROF. SIR RALF DIETER SPETH**
Chairman
DIN: 03318908

**SUDARSHAN VENU**
Managing Director
DIN: 03601690

**K.N. RADHAKRISHNAN**
Director & Chief Executive Officer
DIN: 02599393

As per our report annexed
For **Sundaram & Srinivasan**
Chartered Accountants
Firm Regn. No.004207S

**S USHA**
Partner
Membership No.:211785

Place: Chennai
Date: 8th May 2024

**K. GOPALA DESIKAN**
Chief Financial Officer

**K.S.SRINIVASAN**
Company Secretary

# Notes to the Financial Statements

## 1. Material Accounting Policies

The accounting policies mentioned herein are relating to the standalone financial statements of the Company.

### a) Brief description of the Company

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

The Company manufactures two wheelers, three wheelers, parts and accessories thereof. The Company has manufacturing plants located at Hosur in Tamil Nadu, Mysuru in Karnataka and Nalagarh in Himachal Pradesh.

### b) Basis of preparation

The financial statements comply in all material aspects with Indian Accounting Standards (Ind AS) notified under Companies (Indian Accounting Standards) Rules, 2015 (as amended) read with Section 133 of the Companies Act, 2013 ("the Act"), 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 2024 have been approved and authorized for issue by the board of directors at its meeting on 8th May 2024.

### 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 are 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

The areas involving critical estimates or judgments are:

i) Estimation of fair value of unlisted securities - Refer Note 29

ii) Defined benefit obligation - Refer Note 33

iii) Estimation of useful life of Property, Plant and Equipment – Refer Note 1(f) and 1(g)

iv) Estimation and evaluation of provisions and contingencies relating to tax litigations – Refer Note 40(a).

### e) Revenue recognition

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

**Sale of products**

The Company earns revenue primarily from sale of automotive vehicles, parts and accessories.

Payment for the sale is made as per the credit terms in the agreements with the customers. The credit period is generally short term, thus there is no significant financing component.

The Company's contracts with customers do not provide for any right to returns, refunds or similar obligations. The Company's obligation to repair or replace faulty products under standard warranty terms is recognised as a provision. (Refer Note 37)

Revenue is recognised when the performance obligations are satisfied and the control of the goods is transferred, being when the goods are delivered as per the relevant terms of the contract at which point in time the Company has a right to payment for the goods, customer has possession and legal title to the goods, customer bears significant risk and rewards of ownership and the customer has accepted the goods or the Company has objective evidence that all criteria for acceptance have been satisfied.

**Sale of services**

The Company also earns revenue from providing Technical / IT services and Royalty on usage of Company's technical knowhow.

In respect of Technical / IT service, the revenue is recognised on a time proportion basis as the customer simultaneously receives and consumes the benefits as the obligations are performed. Payment for the services provided are received as per the credit terms agreed with the customers. The credit period is generally short term, and thus there is no significant financing component.

In respect of Royalty, the performance obligation is, to provide the right-to-use the Company's technical knowhow by the customers, for which usage-based royalty is charged. Payment for the services provided is received as per the credit terms as agreed with the customers. The credit period is generally short term, and thus there is no significant financing component.

**Warranty Obligations:**

The Company provides warranties for products sold as per terms of the contract with ultimate customers. These warranties are considered as assurance type warranties and are accounted for under Ind AS 37- Provisions, Contingent Liabilities and Contingent Assets.

**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

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. Freehold Land is carried at historical cost. All other items of Property, Plant and Equipment are stated at cost of acquisition or construction less accumulated depreciation /amortisation, and impairment if any. Cost includes purchase price, taxes and duties, labour cost and directly attributable overheads incurred up to the date the asset is ready for its intended use net of cost reimbursed if any. However, cost excludes Goods and Services Tax to the extent credit of the tax is availed of.

Such assets are classified to the appropriate categories of property, plant and equipment when completed and ready for its intended use. Property, plant and equipment not ready for the intended use, on the date of Balance sheet, are disclosed as "Capital work-in progress".

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 separate asset is derecognised when replaced. All other repairs and maintenance are charged to Profit and Loss during the reporting period in which they are incurred.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised as profit or loss with in other income /expenses.

### g) Depreciation and amortisation

i) Depreciation on property, plant and equipment is charged over the estimated useful life of the asset or part of the asset (after considering the required number of shifts in use) 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.

ii) 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 | 5 to 61 |
| Plant and machinery | 5 to 29 |
| Electrical equipment | 15 |
| Furniture and fixtures | 10 |
| Computers and information systems | 3 to 4 |
| Material handling equipment | 5 |
| Mobile phone | 2 |
| Vehicles | 3 to 6 |

iii) Tools and dies are generally depreciated based on quantity of components manufactured, subject to a maximum of 5 years. Tools and dies used for low volume models are depreciated over a period of 9 years.

iv) Residual values and useful lives are reviewed, and adjusted, if appropriate, for each reporting period.

v) On property, plant and equipment added / disposed of during the year, depreciation is charged on pro-rata basis from the date of addition / till the date of disposal.

vi) Depreciation in respect of tangible assets costing less than ₹ 5,000/- is provided at 100%.

# Notes to the Financial Statements (Contd.)

## h) Intangible assets

**Intangible assets acquired separately:**

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, viz., 2-3 years in the case of software and 6 to 10 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) 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 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. 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. 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.

## j) Foreign currency translation

**(i) Functional and presentation currency**

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 rupee (INR) and all values are rounded off to nearest crores except otherwise indicated.

**(ii) Transactions and balances**

Transactions in foreign currencies are recorded at the exchange rates prevailing on the date of transaction.

i) Foreign currency monetary assets and liabilities such as cash, receivables, payables, etc., are translated at year end exchange rates.

ii) Non-monetary items denominated in foreign currency such as investments, Property, Plant and Equipment, etc., are valued at the exchange rate prevailing on the date of transaction. Non-monetary investments measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined. The gain or loss arising on account of such translation is recognized in OCI or Profit and Loss in line with the designation of the respective item.

iii) Exchange differences arising on settlement of transactions and translation of monetary items are recognised as income or expense in the year in which they arise.

## k) Hedge accounting

Derivatives are initially recognised at fair value on the date when a derivative contract is entered into and are subsequently remeasured 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 recognised assets or liabilities or a firm commitment (fair value hedges)
- hedges of a particular risk associated with the cash flows of recognised assets and liabilities and highly probable forecast transactions (cash flow hedges), or
- hedges of a net investment in a foreign operation (net investment hedges).

# Notes to the Financial Statements (Contd.)

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 29. Movements in the hedging reserve in shareholders' equity are shown in Note 30 (D). 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 and loss.

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 recognised in the cash flow hedging reserve within equity.

Amounts accumulated in equity are reclassified to profit and loss in the periods when the hedged item affects profit and 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 and loss.

## l) Inventories

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

i) Cost of raw materials, components, stores and spares are ascertained on a moving average basis.

ii) Cost of finished goods and work-in-progress comprise of direct materials, direct labour and an appropriate proportion of variable and fixed overhead, the latter being allocated on the basis of normal operating capacity. Costs are assigned to individual items of inventory on the basis of weighted average costs. Costs of purchased inventory includes cost of purchase and other cost incurred in bringing the inventories to the current location 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 and supplies held for use in production of inventories are not written down if the finished products in which they will be used are expected to be sold at or above cost.

iii) Provision for slow and Obsolete inventory:

The company has a policy for identifying slow/ non-moving inventory. Based on the policy value inventory is provided for obsolescence based on ageing.

## m) 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 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 at the present value of the expected future payments to be made in respect of services provided by employee upto the end of

# Notes to the Financial Statements (Contd.)

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 charged to Profit and Loss account.

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 for its eligible employees, pension plan for its eligible senior managers; and

b) Defined contribution plans such as provident fund.

**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- at the end of each reporting period 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.

Remeasurement 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 (net-off deferred tax). 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 profit and loss as past service cost.

**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 an irrevocable trust set up by the Company. 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.

**iv) Bonus plans:**

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

## n) 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. 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 income tax is provided in full, using the balance sheet 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 and or loss. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantively 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 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 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 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 as deferred tax assets.

## o) 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 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.

In case of waiver of duty under EPCG license, such grant is considered as revenue grant and recognized in statement of profit and loss on positive evidence of completion of export obligation as approved by the Regulatory Authorities.

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.

## p) Dividends

Dividends are recognised in profit and 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.

## q) Provisions and contingent liabilities

**i) Provision:**

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. 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 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 recognised 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.

# Notes to the Financial Statements (Contd.)

**iii) Warranty:**

Provision is made for estimated warranty claims in respect of vehicles sold which are still under warranty at the end of the reporting period. These claims are expected to be settled from the next financial year. Management estimates the provision based on historical warranty claim information; and any recent trends that may suggest future claims could differ from historic and the dues which are payable within 12 Months is classified as current and others are non-current.

## r) Segment reporting

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

## s) 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 buildings, 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 company's incremental borrowing rate is used, being the rate that the Company 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 Company 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 and loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the lease liability for each period. The carrying amount of lease liability is reduced by net lease payments (i.e. lease payments net off finance cost).

Variable lease payments that depend on sales are recognised in profit and 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 and 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.

# Notes to the Financial Statements (Contd.)

## t) 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, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities in the balance sheet.

## u) Trade receivables

Trade receivables are measured at their transaction price on initial recognition, unless it contains a significant financing component or pricing adjustments embedded in the contract in which cases, it is recognised at fair value. Trade receivables are held with the objective of collecting the contractual cash flows and therefore are subsequently measured at amortised cost less allowance for expected credit loss.

## v) Contract liabilities

A contract liability is the obligation to transfer goods to a customer for which the Company has received consideration (or an amount of consideration is due) from the customer. If a customer pays consideration before the Company transfers goods or services to the customer, a contract liability is recognised when the consideration is received. Contract liabilities are recognised as revenue when the Company performs under the contract.

## w) 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 Fair Value Through Other Comprehensive Income (FVOCI), or Fair Value Through Profit or Loss (FVTPL)), 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 transaction cost (in the case of a financial asset not at FVTPL) 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 and 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 three 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 instrument that is subsequently measured at amortised cost and is not part of a hedging relationship is recognised in profit and loss when the asset is de-recognised or impaired. Interest income from these financial assets is included in other income using the effective interest rate method.

**Fair value through other comprehensive income (FVOCI):**

Assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at FVOCI. Movements in the carrying amount are taken through OCI, except for the recognition of impairment gains or losses, interest income and foreign exchange gains and losses which are recognised in profit and loss.

**Fair Value through profit or loss:**

Assets that do not meet the criteria for amortised cost or FVOCI are measured at FVTPL. A gain or loss on a debt investment that is subsequently measured at FVTPL and is not part of a hedging relationship is recognised in profit and loss and presented in the statement of profit and loss 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 / associates) 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

# Notes to the Financial Statements (Contd.)

reclassification of fair value gains and losses to profit and loss.

Impairment losses (and reversal of impairment losses) on equity investments measured at FVOCI are not reported separately.

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

**Investment in subsidiaries / associates:**

Investment in subsidiaries / associates 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 FVOCI debt instruments. The impairment methodology 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) Derecognition of financial assets**

A financial asset is derecognised only when:

a) the Company has transferred the rights to receive cash flows from the financial asset or

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

Where the entity has transferred a financial 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.

**Interest Income:**

Interest income from debt instruments is recognised using the effective interest rate method. The effective interest rate is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the gross carrying value of a financial asset. 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.

## x) Financial Liabilities:

Financial liabilities that are not held-for-trading and are not designated as at FVTPL are measured at amortised cost at the end of subsequent accounting periods. The carrying amounts of financial liabilities that are subsequently measured at amortised cost are determined based on the effective interest method. Interest expense that is not capitalised as part of costs of an asset is included under 'Finance costs'.

The effective interest method is a method of calculating the amortised 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.

All financial liabilities are subsequently measured at amortised cost using the effective interest method or at FVTPL.

The Company derecognizes financial liabilities when, and only when, the Company's obligations are discharged, cancelled or have expired.

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 and 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.

# Notes to the Financial Statements (Contd.)

## y) Borrowing costs

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.

## z) 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 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 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.

## aa) Earnings Per Share (EPS):

Basic earnings per share is computed by dividing the 'profit attributable to ordinary equity shareholders' by the weighted average number of equity shares outstanding during the year/period. Diluted earnings per share is computed by dividing the profit after tax as adjusted for dividend, interest and other charges to expense or income relating to the dilutive potential equity shares, by the weighted average number of equity shares considered for deriving basic earnings per share and the weighted average number of equity shares which could have been issued on the conversion of all dilutive potential equity shares.

## ab) 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, 2024, MCA has not notified any new standards or amendments to the existing standards applicable to the Company.

# Notes to the Financial Statements (Contd.)

## 2 Property, Plant & Equipment and Other Intangible Assets - 31st March 2024

Rupees In crores

| Description | Property, Plant & Equipment | | | | | | | | Other Intangible | | |
|---|---|---|---|---|---|---|---|---|---|---|---|
| | Land | Buildings | Plant & equipment | Furniture & fixtures | Vehicles | Office equipment | Right of Use Asset | Total | Software | Design Development | Total |
| Cost of assets | | | | | | | | | | | |
| Gross carrying value as at 01-04-2023 | 397.56 | 959.46 | 4,867.15 | 111.28 | 52.22 | 227.09 | 579.77 | 7,194.53 | 177.35 | 616.04 | 793.39 |
| Additions | 56.21 | 101.96 | 380.45 | 43.27 | 13.74 | 42.32 | 160.55 | 798.50 | 21.79 | 105.05 | 126.84 |
| **Sub-total** | **453.77** | **1,061.42** | **5,247.60** | **154.55** | **65.96** | **269.41** | **740.32** | **7,993.03** | **199.14** | **721.09** | **920.23** |
| Sales / deletion | - | 3.90 | 132.97 | 0.01 | 5.93 | 3.99 | 40.13 | 186.93 | - | - | - |
| **Total** | **453.77** | **1,057.52** | **5,114.63** | **154.54** | **60.03** | **265.42** | **700.19** | **7,806.10** | **199.14** | **721.09** | **920.23** |
| Depreciation / Amortisation | | | | | | | | | | | |
| Upto 31-03-2023 | - | 313.66 | 3,149.17 | 76.41 | 32.77 | 166.29 | 196.06 | 3,934.36 | 133.42 | 324.25 | 457.67 |
| For the year | - | 38.49 | 350.66 | 12.15 | 9.00 | 32.68 | 124.48 | 567.46 | 36.59 | 96.30 | 132.89 |
| **Sub-total** | **-** | **352.15** | **3,499.83** | **88.56** | **41.77** | **198.97** | **320.54** | **4,501.82** | **170.01** | **420.55** | **590.56** |
| Withdrawn on assets sold / deleted | - | 2.93 | 103.75 | - | 4.70 | 3.99 | 22.53 | 137.90 | - | - | - |
| **Total** | **-** | **349.22** | **3,396.08** | **88.56** | **37.07** | **194.98** | **298.01** | **4,363.92** | **170.01** | **420.55** | 590.56 |
| Carrying value | | | | | | | | | | | |
| As at 31-03-2024 | 453.77 | 708.30 | 1,718.55 | 65.98 | 22.96 | 70.44 | 402.18 | 3,442.18 | 29.13 | 300.54 | 329.67 |

a) Cost of buildings includes ₹ 11.42 crores pertaining to buildings constructed on leasehold lands.

b) Land includes lease hold land of ₹ 0.51 crores, whose ownership is transferrable at the end of the lease term.

c) Borrowing cost capitalised during the year - 1.78 crores

### Capital work-in-progress (at cost) as at 31-03-2024

| | Rupees in crores |
|---|---|
| (a) Building | 58.44 |
| (b) Plant & equipment | 271.29 |
| **Total** | **329.73** |

### Ageing of Capital work-in-progress as at 31-03-2024:

| Particulars | Amount in Capital work-in-progress for a period of | | | | |
|---|---|---|---|---|---|
| | <1 Year | 1-2 years | 2-3 years | More than 3 years | Total |
| Projects in progress | 219.43 | 33.17 | 61.97 | 15.16 | 329.73 |

### Intangible assets under development (at cost) as at 31-03-2024

Ageing of Intangible assets under development as at 31-03-2024

| Particulars | Amount in Intangible assets under development for a period of | | | | |
|---|---|---|---|---|---|
| | <1 Year | 1-2 years | 2-3 years | More than 3 years | Total |
| Projects in progress | 345.38 | 168.61 | 64.86 | 21.56 | 600.41 |

Capital work-in-progress and Intangible asset under development:

There is no Capital work in progress and Intangible asset under development whose completion is overdue or has exceeded its cost compared to its original plan.

# Notes to the Financial Statements (Contd.)

## 2 Property, Plant & Equipment and Other Intangible Assets - 31st March 2023

Rupees In crores

| Description | Property, Plant & Equipment | | | | | | | | Other Intangible | | |
|---|---|---|---|---|---|---|---|---|---|---|---|
| | Land | Buildings | Plant & equipment | Furniture & fixtures | Vehicles | Office equipment | Right of Use Asset | Total | Software | Design Development | Total |
| Cost of assets | | | | | | | | | | | |
| Gross carrying value as at 01-04-2022 | 226.17 | 870.30 | 4,600.48 | 95.08 | 40.01 | 197.20 | 453.96 | 6,483.20 | 156.18 | 567.06 | 723.24 |
| Additions | 171.39 | 90.27 | 391.70 | 16.86 | 13.78 | 36.18 | 125.85 | 846.03 | 40.96 | 50.44 | 91.40 |
| **Sub-total** | **397.56** | **960.57** | **4,992.18** | **111.94** | **53.79** | **233.38** | **579.81** | **7,329.23** | **197.14** | **617.50** | **814.64** |
| Sales / deletion | - | 1.11 | 125.03 | 0.66 | 1.57 | 6.29 | 0.04 | 134.70 | 19.79 | 1.46 | 21.25 |
| **Total** | **397.56** | **959.46** | **4,867.15** | **111.28** | **52.22** | **227.09** | **579.77** | **7,194.53** | **177.35** | **616.04** | **793.39** |
| Depreciation / Amortisation | | | | | | | | | | | |
| Upto 31-03-2022 | - | 278.05 | 2,908.92 | 68.62 | 27.21 | 145.61 | 114.99 | 3,543.40 | 119.89 | 236.53 | 356.42 |
| For the year | - | 35.86 | 350.04 | 8.17 | 6.85 | 26.74 | 81.07 | 508.73 | 33.32 | 89.18 | 122.50 |
| **Sub-total** | **-** | **313.91** | **3,258.96** | **76.79** | **34.06** | **172.35** | **196.06** | **4,052.13** | **153.21** | **325.71** | **478.92** |
| Withdrawn on assets sold / deleted | - | 0.25 | 109.79 | 0.38 | 1.29 | 6.06 | - | 117.77 | 19.79 | 1.46 | 21.25 |
| **Total** | **-** | **313.66** | **3,149.17** | **76.41** | **32.77** | **166.29** | **196.06** | **3,934.36** | **133.42** | **324.25** | **457.67** |
| Carrying value | | | | | | | | | | | |
| As at 31-03-2023 | 397.56 | 645.80 | 1,717.98 | 34.87 | 19.45 | 60.80 | 383.71 | 3,260.17 | 43.93 | 291.79 | 335.72 |

a) Cost of buildings includes ₹ 35.11 crores pertaining to buildings constructed on leasehold lands.

b) Land includes lease hold land of ₹ 0.51 crores, whose ownership is transferrable at the end of the lease term.

c) Borrowing cost capitalised during the year - Nil

### Capital work-in-progress (at cost) as at 31-03-2023

| | Rupees in crores |
|---|---|
| (a) Building | 62.37 |
| (b) Plant & equipment | 211.75 |
| **Total** | **274.12** |

### Ageing of Capital work-in-progress as at 31-03-2023

| Particulars | Amount in Capital work-in-progress for a period of | | | | |
|---|---|---|---|---|---|
| | <1 Year | 1-2 years | 2-3 years | More than 3 years | Total |
| Projects in progress | 153.06 | 83.82 | 20.58 | 16.66 | 274.12 |

### Intangible assets under development (at cost) as at 31-03-2023

Ageing of Intangible assets under development as at 31-03-2023

| Particulars | Amount in Intangible assets under development for a period of | | | | |
|---|---|---|---|---|---|
| | <1 Year | 1-2 years | 2-3 years | More than 3 years | Total |
| Projects in progress | 216.68 | 109.39 | 22.93 | 4.61 | 353.61 |

Capital work-in-progress and Intangible asset under development:

There is no Capital work in progress and Intangible asset under development whose completion is overdue or has exceeded its cost compared to its original plan.

# Notes to the Financial Statements (Contd.)

## 3 Investments

### 3A Non Current Investments

| Sl. No. | Particulars | Subsidiary / Associate | No. of shares / units | | Face Value | Currency | Rupees in crores | |
|---|---|---|---|---|---|---|---|---|
| | | | As at 31-03-2024 | As at 31-03-2023 | | | As at 31-03-2024 | As at 31-03-2023 |
| (1) | (2) | (3) | (4) | (5) | (6) | (7) | (8) | (9) |
| **(a)** | **Investment in Equity Instruments:** | | | | | | | |
| | **Fair valued through OCI:** | | | | | | | |
| | **Quoted:** | | | | | | | |
| | (i) Ucal Fuel Systems Limited, Chennai | | 91,760 | 91,760 | 10.00 | INR | 1.33 | 1.00 |
| | **Unquoted:** | | | | | | | |
| | (ii) Green Infra BTV Limited, New Delhi | | 32,50,000 | 32,50,000 | 10.00 | INR | 1.89 | 1.75 |
| | (iii) TVS Lanka (Private) Limited, Colombo | | 50,00,000 | 50,00,000 | 10.00 | LKR | 4.48 | 4.38 |
| | (iv) Green Infra Wind Power Projects Limited, New Delhi | | 1,11,600 | 1,11,600 | 10.00 | INR | 0.08 | 0.08 |
| | (v) Green Infra Wind Power Generation Limited, New Delhi | | 2,16,000 | 2,16,000 | 10.00 | INR | 0.18 | 0.17 |
| | (vi) Condivision Solutions Pvt. Limited, Bengaluru | | 6,760 | 6,760 | 10.00 | INR | - | - |
| | (vii) Mulanur Renewable Energy Pvt. Limited, Chennai | | 15,000 | 15,000 | 10.00 | INR | 0.02 | 0.02 |
| | (viii) Atria Wind Power Bijapur 1 Limited, Bengaluru | | 1,01,217 | 1,01,217 | 10.00 | INR | 2.00 | 2.00 |
| | (ix) Altizon Systems Private Limited, Pune | | 10 | 10 | 10.00 | INR | 0.01 | 0.01 |
| | (x) Roppen Transportation Services Private Limited, Hyderabad | | 10 | 10 | 1.00 | INR | 0.05 | 0.05 |
| | (xi) Roppen Transportation Services Private Limited, Hyderabad$ | | 23,985 | 23,985 | 10.00 | INR | 119.73 | 113.93 |
| | (xii) Green Infra Wind Energy Generation Limited, Gurugram | | 28,45,000 | 23,45,000 | 10.00 | INR | 2.85 | 2.35 |
| | **Valued at Cost (Unquoted):** | | | | | | | |
| | (i) Sundaram Auto Components Limited, Chennai | Subsidiary | 1,19,37,422 | 4,45,69,000 | 10.00 | INR | 108.46 | 336.20 |
| | (ii) TVS Motor Company (Europe) B.V., Amsterdam | Subsidiary | 2,25,301 | 2,25,301 | 100.00 | EUR | 1.80 | 1.80 |
| | (iii) TVS Motor (Singapore) Pte. Limited, Singapore | Subsidiary | 67,16,85,616 | 42,01,55,810 | 1.00 | SGD | 3,576.68 | 2,021.12 |
| | (iv) PT.TVS Motor Company Indonesia, Jakarta | Subsidiary | 85,97,000 | 85,97,000 | 97,400.00 | IDR | 389.06 | 389.06 |
| | (v) TVS Digital Limited, Chennai (Formerly known as TVS Housing Limited) | Subsidiary | 30,50,000 | 50,000 | 10.00 | INR | 3.05 | 0.05 |
| | (vi) TVS Motor Services Limited, Chennai | Subsidiary | 14,96,33,814 | 14,96,33,814 | 10.00 | INR | 148.68 | 148.68 |
| | (vii) TVS Credit Services Limited, Chennai | Subsidiary | 19,54,24,754 | 19,54,24,754 | 10.00 | INR | 1,960.99 | 1,960.99 |
| | (viii) TVS Credit Services Limited, Chennai$ | Subsidiary | 31,69,773 | - | 10.00 | INR | 100.00 | - |
| | (ix) TVS Electric Mobility Limited, Chennai | Subsidiary | 10,00,000 | 10,00,000 | 10.00 | INR | 1.00 | 1.00 |
| | (x) Emerald Haven Realty Limited, Chennai | Associate | - | 11,12,19,512 | 10.00 | INR | - | 111.22 |
| | (xi) Ultraviolette Automotive Private Limited, Bengaluru | Associate | 14,850 | 14,850 | 10.00 | INR | 11.00 | 11.00 |
| | (xii) Ultraviolette Automotive Private Limited, Bengaluru$ | Associate | 12,316 | 12,316 | * | INR | 110.00 | 110.00 |
| | (xiii) Tagbox Solutions Private Limited, Bengaluru | Associate | - | 45,710 | 1.00 | INR | - | 1.19 |
| | (xiv) Tagbox Solutions Private Limited, Bengaluru$ | Associate | - | 3,83,983 | 16.00 | INR | - | 9.99 |
| | (xv) DriveX Mobility Pvt Ltd., Coimbatore | Associate | 9,766 | 9,766 | 10.00 | INR | 87.17 | 87.17 |
| | (xvi) Indian Foundation for Quality Management, Bengaluru | Associate | 2,50,00,000 | - | 10.00 | INR | 25.00 | - |
| | **Total value of Equity Instruments (a)** | | | | | | **6,655.51** | **5,315.21** |
| **(b)** | **Investments in Preference Shares (Unquoted):** | | | | | | | |
| | **Fair valued through OCI:** | | | | | | | |
| | (i) Axiom Research Labs Private Limited, Delhi | | 82 | 82 | 10.00 | INR | - | - |
| | (ii) Pinnacle Engines Inc., USA (face value 0.01 cent) | | 24,09,638 | 24,09,638 | 0.0001 | USD | - | - |
| | **Fair valued through Profit and Loss:** | | | | | | | |
| | (iii) TVS Motor Services Limited, Chennai | Subsidiary | 5,00,00,000 | 5,00,00,000 | 10.00 | INR | 50.00 | 50.00 |
| | **Total value of Preference shares (b)** | | | | | | **50.00** | **50.00** |
| **(c)** | **Investment in Debt Instruments (unquoted):** | | | | | | | |
| | **Valued at Amortised Cost:** | | | | | | | |
| | (i) Fabric IOT Private Limited, Bengaluru | | | | | INR | 17.79 | 16.28 |
| | **Pension Funds / Government Securities** | | | | | | | |
| | (ii) ICICI Prudential Life Insurance Group Superannuation Fund, Mumbai | | | | | INR | 6.63 | 6.39 |
| | (iii) Life Insurance Corporation Pension Policy, Mumbai | | | | | INR | 20.35 | 19.00 |
| | **Fair valued through Profit and Loss:** | | | | | | | |
| | (iv) Fabric IOT Private Limited, Bengaluru | | | | | INR | 45.00 | 45.00 |
| | **Total value of Debt instruments (c)** | | | | | | **89.77** | **86.67** |
| **(d)** | **Other non-current Investments (Unquoted):** | | | | | | | |
| | **Fair valued through OCI:** | | | | | | | |
| | (i) Autotech Fund I, L.P., USA | | | | | USD | 32.79 | 40.07 |
| | **Total value of other non-current investments (d)** | | | | | | **32.79** | **40.07** |
| | **Total (a) + (b) + (c) + (d)** | | | | | | **6,828.07** | **5,491.95** |
| | Aggregate amount of quoted investments and market value thereof | | | | | | 1.33 | 1.00 |
| | Aggregate amount of unquoted investments | | | | | | 6,826.74 | 5,490.95 |
| | **Total** | | | | | | **6,828.07** | **5,491.95** |

All investments are fully paid up.

$ Preference shares in the nature of equity instruments

# Notes to the Financial Statements (Contd.)

| *Particulars of preference shares held in Ultraviolette Automotive Private Limited, Bengaluru | No. of shares / units | | Face Value (in ₹) |
|---|---|---|---|
| | As at 31-03-2024 | As at 31-03-2023 | |
| Series A2 Preference Shares | 990 | 990 | 50,545 |
| Series B Preference Shares | 7,387 | 7,387 | 40,616 |
| Series C Preference Shares | 3,939 | 3,939 | 1,90,384 |
| **Total** | **12,316** | **12,316** | |

## 3B Current Investments

| Sl. No. | Particulars | Subsidiary / associate | No. of shares / units | | Face Value (in ₹) | Currency | Rupees in crores | |
|---|---|---|---|---|---|---|---|---|
| | | | As at 31-03-2024 | As at 31-03-2023 | | | As at 31-03-2024 | As at 31-03-2023 |
| (a) | **Investment in Equity Instruments Fair valued through Profit or Loss** | | | | | | | |
| | **Quoted:** | | | | | | | |
| (i) | TVS Supply Chain Solutions Limited, Chennai | | 1,05,62,200 | 1,06,62,200 | 1.00 | INR | 163.19 | 191.92 |
| | **Total (a)** | | | | | | **163.19** | **191.92** |
| | Aggregate amount of Quoted investments | | | | | | 163.19 | 191.92 |
| | **Total** | | | | | | **163.19** | **191.92** |

All investments are fully paid up.

## 4 Other Financial Assets - Non Current

Rupees in Crores

| Particulars | As at 31-03-2024 | As at 31-03-2023 |
|---|---|---|
| Claims receivable Non Current | 31.50 | 37.13 |
| Share application money paid (pending allotment) | 121.19 | 445.41 |
| | **152.69** | **482.54** |

## 5 Other Non-Current Assets

Rupees in Crores

| Particulars | As at 31-03-2024 | As at 31-03-2023 |
|---|---|---|
| Capital advances | 125.91 | 69.70 |
| Advances other than capital advances: | | |
| Deposits made | 13.42 | 13.31 |
| | **139.33** | **83.01** |

## 6 Inventories

Rupees in Crores

| Particulars | As at 31-03-2024 | As at 31-03-2023 |
|---|---|---|
| Raw materials and components | 650.11 | 655.57 |
| Goods-in-transit - Raw materials and components | 44.99 | 107.41 |
| Work-in-progress | 48.89 | 46.06 |
| Finished goods | 466.13 | 255.24 |
| Stock-in-trade | 104.70 | 113.86 |
| Stores and spares | 55.98 | 58.22 |
| | **1,370.80** | **1,236.36** |

# Notes to the Financial Statements (Contd.)

## 7 Trade Receivables

Rupees in Crores

| Particulars | As at 31-03-2024 | As at 31-03-2023 |
|---|---|---|
| Secured, considered good | 14.13 | 11.53 |
| Unsecured, considered good* | 1,288.01 | 967.76 |
| Receivables which have significant increase in credit risk | 28.13 | 26.93 |
| | **1,330.27** | **1,006.22** |
| Less: Loss allowance | 28.13 | 26.93 |
| | **1,302.14** | **979.29** |

* Includes balances with related parties [Refer Note 34 (c)(i)]

### (i) Ageing for trade receivable as on 31.03.2024

Rupees in Crores

| Particulars | Outstanding for following periods from due date of payment | | | | | |
|---|---|---|---|---|---|---|
| | 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 | 1,009.64 | 279.69 | 7.12 | 4.11 | 1.58 | 1,302.14 |
| (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 | - | - | 1.08 | 1.31 | 25.74 | 28.13 |
| (vi) Disputed Trade Receivables – credit impaired | - | - | - | - | - | - |
| **Total** | **1,009.64** | **279.69** | **8.20** | **5.42** | **27.32** | **1,330.27** |

### (ii) Ageing for trade receivable as on 31.03.2023

Rupees in Crores

| Particulars | Outstanding for following periods from due date of payment | | | | | |
|---|---|---|---|---|---|---|
| | 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 | 724.77 | 224.44 | 14.47 | 15.34 | 0.27 | 979.29 |
| (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 | - | - | 1.08 | 1.31 | 24.54 | 26.93 |
| (vi) Disputed Trade Receivables – credit impaired | - | - | - | - | - | - |
| **Total** | **724.77** | **224.44** | **15.55** | **16.65** | **24.81** | **1,006.22** |

## 8 Cash and Cash Equivalents

Rupees in Crores

| Particulars | As at 31-03-2024 | As at 31-03-2023 |
|---|---|---|
| Balances with banks | 235.62 | 234.20 |
| Cash on hand | 0.21 | 0.15 |
| Cash equivalents: | | |
| Deposits with maturity of less than three month from the date of deposit. | 250.00 | - |
| | **485.83** | **234.35** |
| **Cash and cash equivalents for the purpose of cash flow statement** | **485.83** | **234.35** |

# Notes to the Financial Statements (Contd.)

## 9 Other Bank Balances

Rupees in Crores

| Particulars | As at 31-03-2024 | As at 31-03-2023 |
|---|---|---|
| Earmarked balances with banks | 45.02 | 7.51 |
| Deposits with maturity of more than three month and less than | 0.11 | 0.10 |
| one year from the date of deposit | | |
| | **45.13** | **7.61** |

## 10 Other Financial Assets - Current

Rupees in Crores

| Particulars | As at 31-03-2024 | As at 31-03-2023 |
|---|---|---|
| Unsecured, considered good: | | |
| - Employee advances | 11.75 | 11.16 |
| - Other bank balances (Bank deposit) | 2.09 | 0.14 |
| - Security deposits | 37.72 | 21.80 |
| - Claims receivable | 25.69 | 23.82 |
| - Hedge asset - receivable | - | 5.91 |
| | **77.25** | **62.83** |

## 11 Other Current Assets

Rupees in Crores

| Particulars | As at 31-03-2024 | As at 31-03-2023 |
|---|---|---|
| Balances with tax authorities | 424.99 | 370.72 |
| Prepaid expense | 71.44 | 50.50 |
| Vendor advance* | 109.94 | 73.01 |
| Trade deposits | 0.89 | 0.67 |
| Incentive receivable from government^ | 182.61 | 472.10 |
| Employee benefit assets (Refer Note 33) | 4.77 | 7.42 |
| | **794.64** | **974.42** |
| Less: Loss allowance | 21.16 | 2.23 |
| | **773.48** | **972.19** |

* Includes balances with related parties [Refer Note 34(c)(i)]

^ Includes EV subsidy receivable of ₹ 148.62 crores (Previous Year ₹ 448.40 crores)

## 12 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 ₹ 1/- each | 50,00,00,000 | 50.00 | 50,00,00,000 | 50.00 |
| Issued, subscribed and fully paid up: | | | | |
| Equity shares of ₹ 1/- each | 47,50,87,114 | 47.51 | 47,50,87,114 | 47.51 |
| | **47,50,87,114** | **47.51** | **47,50,87,114** | **47.51** |

# Notes to the Financial Statements (Contd.)

### (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 | 47,50,87,114 | 47.51 | 47,50,87,114 | 47.51 |
| Shares issued during the year | - | - | - | - |
| **Shares outstanding at the end of the year** | **47,50,87,114** | **47.51** | **47,50,87,114** | **47.51** |

**(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 31-03-2024 | | As at 31-03-2023 | |
|---|---|---|---|---|---|
| | | No. of shares held | % of holding | No. of shares held | % of holding |
| TVS Holdings Limited, Chennai (Formerly known as Sundaram-Clayton Limited) (Holding Company) | Equity | 23,87,82,786 | 50.26 | 23,87,82,786 | 50.26 |

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

| Name of shareholder | Class of share | As at 31-03-2024 | | As at 31-03-2023 | |
|---|---|---|---|---|---|
| | | No. of shares held | % of holding | No. of shares held | % of holding |
| ICICI Prudential Mutual Fund | Equity | 3,75,37,940 | 7.90 | 4,67,41,798 | 9.35 |

### (f) Shares held by Promoters at the end of the year 31-03-2024

| 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 | % change during the year |
| TVS Holdings Limited, Chennai (Formerly known as Sundaram-Clayton Limited)(Holding Company) | Equity | 23,87,82,786 | 50.26 | 23,87,82,786 | 50.26 | - |

### Shares held by Promoters at the end of the year 31-03-2023

| Promoter name | Class of share | As at 31-03-2023 | | As at 31-03-2022 | | |
|---|---|---|---|---|---|---|
| | | No. of shares held | % of holding | No. of shares held | % of holding | % change during the year |
| Sundaram-Clayton Limited | Equity | 23,87,82,786 | 50.26 | 23,87,82,786 | 50.26 | - |

# Notes to the Financial Statements (Contd.)

## 13 Other Equity

Rupees in Crores

| Particulars | As at 31-03-2024 | As at 31-03-2023 |
|---|---|---|
| General reserve | 865.64 | 865.64 |
| Capital reserve | 6.43 | 6.43 |
| Retained earnings | 6,812.80 | 5,125.20 |
| Other Reserves | (1.34) | 3.07 |
| | **7,683.53** | **6,000.34** |

## 14 Non-Current Liabilities - Financial Liabilities - Borrowings

Rupees in Crores

| Description | Frequency | No. of instal-ments due | Maturity | As at 31-03-2024 | As at 31-03-2023 |
|---|---|---|---|---|---|
| **Secured:** | | | | | |
| State owned corporation | Specific Period | 2 | Apr 2030 | 9.68 | 84.68 |
| **Unsecured:** | | | | | |
| Non Convertible Debentures - I | - | - | - | - | 499.93 |
| Non Convertible Debentures - II | End of Tenure | 1 | Mar 2026 | 124.87 | 124.81 |
| Non-Convertible Zero Coupon Debentures # | - | - | - | - | 310.00 |
| Term loan from Bank - I | Quarterly | 12 | Mar 2027 | 429.96 | 479.93 |
| Term loan from Bank - II | Quarterly | 8 | Mar 2026 | 199.56 | 199.20 |
| Term loan from Bank - III | Quarterly | 10 | July 2026 | 187.38 | - |
| Term loan from Bank - IV | Quarterly | 8 | May 2026 | 499.08 | - |
| ECB Loan from Bank | - | - | - | - | 27.39 |
| Sales Tax Deferral | Yearly | 4 | Jun 2027 | 62.91 | 78.64 |
| **Total Long-term Borrowings:** | | | | **1,513.44** | **1,804.58** |
| Less: Current Maturities of Long-term Borrowings | | | | 526.53 | 593.04 |
| **Total Long-term Borrowings (net)** | | | | **986.91** | **1,211.54** |

Details of securities created:

(i) Soft loan - State owned corporation viz., SIPCOT - First charge on the specific plant and equipment and also secured by equitable mortgage created by way of deposit of title deeds of land.

# due to related parties [Refer Note 34 (b)(xii)].

Amount payable in each instalment:

| Description | Currency | Amount* | Rate of Interest |
|---|---|---|---|
| State owned corporation | INR | ₹ 4.45 crores and ₹ 5.22 crores | 0.10% |
| | | (Two instalments between April 2026 and April 2030) | |
| Non Convertible Debentures - II (12500 numbers, face value of ₹ 1 lakh each) | INR | ₹ 125 crores at the end of the term - March 2026 | Repo Rate plus Margin |
| Term Loan from Bank - I | INR | 12 quarterly unequated instalments from 28th June 2024 | 6.30% |
| Term Loan from Bank - II | INR | 8 quarterly equated instalments beginning from 30th June 2024 | Repo Rate plus Margin |
| Term loan from Bank - III | INR | 10 quarterly unequated instalments from 30th June 2024 | Repo Rate plus Margin |
| Term loan from Bank - IV | INR | 8 quarterly equated instalments beginning from 31st August 2024 | Repo Rate plus Margin |
| Sales tax deferral | INR | ₹ 15.73 crores per annum from June - 2024 to June - 2027 | Nil |

* undiscounted cash outflows

# Notes to the Financial Statements (Contd.)

## 15 PROVISIONS

Rupees in Crores

| Particulars | As at 31-03-2024 | | As at 31-03-2023 | |
|---|---|---|---|---|
| | Current | Non-current | Current | Non-current |
| Provision for employee benefits: | | | | |
| (a) Pension | 65.85 | 100.25 | 48.39 | 94.44 |
| (b) Leave salary | 11.51 | 83.54 | 8.82 | 67.66 |
| Others: | | | | |
| (a) Warranty | 66.24 | 22.08 | 41.33 | 13.78 |
| | **143.60** | **205.87** | **98.54** | **175.88** |

## 16 Deferred Tax Liabilities (NET)

**The balance comprises temporary differences attributable to:**

Rupees in Crores

| Particulars | As at 31-03-2024 | As at 31-03-2023 |
|---|---|---|
| **Deferred tax liability consists of tax impact on:** | | |
| - Depreciation | 324.87 | 290.80 |
| - Others | 19.49 | 33.81 |
| **Total deferred tax liability (A)** | **344.36** | **324.61** |
| **Deferred tax asset consists of tax impact on:** | | |
| - Employee Benefits expense | 49.14 | 42.82 |
| - Warranty provision | 23.95 | 15.59 |
| - Others | 84.22 | 68.00 |
| **Total deferred tax assets (B)** | **157.31** | **126.41** |
| **Net deferred tax liability (A)-(B)** | **187.05** | **198.20** |

**Movement in deferred tax:**

Rupees in Crores

| Particulars | Depreciation | Others | Total |
|---|---|---|---|
| **As at 31-03-2022** | | | 197.87 |
| **Charged/(credited):** | | | |
| - to profit or loss | (4.68) | 13.37 | 8.69 |
| - to other comprehensive income | - | (8.36) | (8.36) |
| **As at 31-03-2023** | | | 198.20 |
| **Charged/(credited):** | | | |
| - to profit or loss | 34.07 | (38.49) | (4.42) |
| - to other comprehensive income | - | (6.73) | (6.73) |
| **As at 31-03-2024** | | | **187.05** |

## 17 Financial Liabilities - Borrowings - Current

Rupees in Crores

| Particulars | As at 31-03-2024 | As at 31-03-2023 |
|---|---|---|
| Borrowings repayable on demand from banks: | | |
| Unsecured | - | 440.00 |
| Current Maturities of long term borrowings: | | |
| Unsecured | 526.53 | 593.04 |
| | **526.53** | **1,033.04** |

# Notes to the Financial Statements (Contd.)

## 18 Trade Payables

Rupees in Crores

| Particulars | As at 31-03-2024 | As at 31-03-2023 |
|---|---|---|
| Dues to Micro and Small Enterprises** | 34.80 | 45.42 |
| Dues to enterprises other than Micro and Small Enterprises# | 5,077.37 | 4,085.14 |
| | **5,112.17** | **4,130.56** |

** 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. The entire closing balance represents the principal amount payable to these enterprises. There is no principal or interest due thereon and remaining unpaid at the end of the year. (Refer Note 38)

# Includes balances due to related parties [Refer Note 34 (c)(ii)].

### Ageing for trade payables as on 31-03-2024

Rupees in Crores

| Particulars | Not due | Outstanding for following periods from due date of payment | | | | |
|---|---|---|---|---|---|---|
| | | <1 Yr. | 1-2 years | 2-3 years | More than 3 years | Total |
| (i) Micro and Small Enterprises (MSME) | 34.80 | - | - | - | - | 34.80 |
| (ii) Others | 3,181.44 | 309.99 | 29.46 | 19.48 | 20.25 | 3,560.62 |
| (iii) Disputed dues – MSME | - | - | - | - | - | - |
| (iv) Disputed dues – Others | - | - | - | - | - | - |
| **Total (i) to (iv)** | **3,216.24** | **309.99** | **29.46** | **19.48** | **20.25** | **3,595.42** |
| Accrued expenses | | | | | | 1,516.75 |
| **Total** | | | | | | **5,112.17** |

### Ageing for trade payables as on 31-03-2023

Rupees in Crores

| Particulars | Not due | Outstanding for following periods from due date of payment | | | | |
|---|---|---|---|---|---|---|
| | | <1 Yr. | 1-2 years | 2-3 years | More than 3 years | Total |
| (i) Micro and Small Enterprises (MSME) | 45.42 | - | - | - | - | 45.42 |
| (ii) Others | 2,632.07 | 567.60 | 19.46 | 8.25 | 16.69 | 3,244.07 |
| (iii) Disputed dues – MSME | - | - | - | - | - | - |
| (iv) Disputed dues – Others | - | - | - | - | - | - |
| **Total (i) to (iv)** | **2,677.49** | **567.60** | **19.46** | **8.25** | **16.69** | **3,289.49** |
| Accrued expenses | | | | | | 841.07 |
| **Total** | | | | | | **4,130.56** |

## 19 Other Financial Liabilities

Rupees in Crores

| Particulars | As at 31-03-2024 | As at 31-03-2023 |
|---|---|---|
| Interest accrued but not due on loans | 4.26 | 37.96 |
| Trade deposits received | 32.33 | 32.76 |
| Unclaimed dividends | 4.07 | 3.88 |
| (Not due for transfer to Investor Education and Protection Fund) | | |
| Payables against capital goods | 80.91 | 47.05 |
| Hedge liability (Net) | 5.38 | - |
| | **126.95** | **121.65** |

## 20 Other Current Liabilities

Rupees in Crores

| Particulars | As at 31-03-2024 | As at 31-03-2023 |
|---|---|---|
| Statutory dues | 164.78 | 117.70 |
| Employee related | 157.37 | 159.74 |
| Advance received from customers | 198.85 | 228.10 |
| Deferred income | 5.63 | 7.75 |
| | **526.63** | **513.29** |

# Notes to the Financial Statements (Contd.)

## 21 Revenue from Operations

Rupees in Crores

| Particulars | Year Ended 31-03-2024 | Year Ended 31-03-2023 |
|---|---|---|
| Sale of products | 31,449.57 | 25,938.78 |
| Sale of services | 52.92 | 69.28 |
| Other operating revenue# | 273.88 | 370.03 |
| | **31,776.37** | **26,378.09** |

# Includes Government Grants of ₹ 237.02 crores (Last year ₹ 234.10 crores)

## 22 Other Income

Rupees in Crores

| Particulars | Year Ended 31-03-2024 | Year Ended 31-03-2023 |
|---|---|---|
| Dividend income from: | | |
| (i) Subsidiaries | 1.96 | 2.23 |
| (ii) Other investments designated as Fair Value through OCI | 0.65 | 0.02 |
| Interest income | 18.88 | 6.21 |
| Profit on sale of investments - (Net) | 145.39 | 22.01 |
| Profit on sale of property, plant and equipment (Net) | 2.63 | 2.82 |
| (Loss)/Gain on valuation of investments Fair Valued through profit and loss (Net) | (26.93) | 61.69 |
| Other non-operating income | 5.95 | 5.59 |
| | **148.53** | **100.57** |

## 23 Material Cost

Rupees in Crores

| Particulars | Year Ended 31-03-2024 | Year Ended 31-03-2023 |
|---|---|---|
| Cost of materials consumed: | | |
| Opening stock of raw materials and components | 655.57 | 625.26 |
| Add: Purchases | 23,238.70 | 19,642.90 |
| | **23,894.27** | **20,268.16** |
| Less: Closing stock of raw materials and components | 650.11 | 655.57 |
| | **23,244.16** | **19,612.59** |
| Purchases of stock-in-trade: | | |
| Spare parts | 211.35 | 202.53 |
| Engine oil | 178.02 | 175.47 |
| | **389.37** | **378.00** |
| Changes in inventories of finished goods, work-in-progress and stock-in-trade: | | |
| Opening stock: | | |
| Work-in-progress | 46.06 | 43.07 |
| Stock-in-trade | 113.86 | 98.58 |
| Finished goods | 255.24 | 278.72 |
| **(A)** | **415.16** | **420.37** |
| Closing stock: | | |
| Work-in-progress | 48.89 | 46.06 |
| Stock-in-trade | 104.70 | 113.86 |
| Finished goods | 466.13 | 255.24 |
| **(B)** | **619.72** | **415.16** |
| **(A)-(B)** | **(204.56)** | **5.21** |

# Notes to the Financial Statements (Contd.)

## 24 Employee Benefits Expense

Rupees in Crores

| Particulars | Year Ended 31-03-2024 | Year Ended 31-03-2023 |
|---|---|---|
| Salaries, wages and bonus | 1,334.59 | 1,149.19 |
| Contribution to provident and other funds | 121.12 | 92.85 |
| Staff welfare expenses | 140.16 | 103.05 |
| | **1,595.87** | **1,345.09** |

## 25 Finance Costs

Rupees in Crores

| Particulars | Year Ended 31-03-2024 | Year Ended 31-03-2023 |
|---|---|---|
| Interest on borrowings | 137.39 | 109.16 |
| Interest on lease liabilities | 44.75 | 31.26 |
| Exchange differences | (0.51) | 0.24 |
| | **181.63** | **140.66** |

## 26 Depreciation and Amortisation Expense

Rupees in Crores

| Particulars | Year Ended 31-03-2024 | Year Ended 31-03-2023 |
|---|---|---|
| Depreciation on property, plant and equipment | 442.98 | 427.66 |
| Amortisation on right of use asset | 124.48 | 81.07 |
| Amortisation on intangible assets | 132.89 | 122.50 |
| | **700.35** | **631.23** |

## 27 Other Expenses

Rupees in Crores

| Particulars | Year Ended 31-03-2024 | Year Ended 31-03-2023 |
|---|---|---|
| (a) Consumption of stores, spares and tools | 52.96 | 52.43 |
| (b) Power and fuel | 102.80 | 101.93 |
| (c) Repairs - buildings | 35.08 | 21.62 |
| (d) Repairs - plant and equipment | 81.40 | 74.68 |
| (e) Insurance | 43.78 | 35.04 |
| (f) Rates and taxes (excluding taxes on income) | 5.96 | 5.59 |
| (g) Audit fees# | 1.15 | 1.15 |
| (h) Cost audit fees | 0.08 | 0.08 |
| (i) Packing and freight charges | 524.74 | 499.72 |
| (j) Advertisement and publicity | 536.78 | 328.56 |
| (k) Other marketing expenses | 567.52 | 340.83 |
| (l) Foreign exchange loss (Net) | 1.35 | - |
| (m) Corporate Social Responsibility expenditure* | 30.00 | 19.00 |
| (n) Contributions to Electoral Trust | 40.00 | 5.00 |
| (o) Miscellaneous expenses (under this head there is no expenditure which is in excess of 1% of revenue from operations or ₹ 10 lakh, whichever is higher) | 1,213.82 | 876.88 |
| | **3,237.42** | **2,362.51** |

#Refer Note No. 39 for details on Audit fees.

* Refer Note No. 45 for details on Corporate Social Responsibility expenditure.

# Notes to the Financial Statements (Contd.)

## 28 Tax Expense and Reconciliation

Rupees in Crores

| Particulars | Year Ended 31-03-2024 | Year Ended 31-03-2023 |
|---|---|---|
| **(a) Tax expense** | | |
| Current tax: | | |
| On profits for the year | 702.08 | 504.82 |
| Adjustments for prior periods | - | (1.17) |
| **(A)** | **702.08** | **503.65** |
| Deferred tax: | | |
| Decrease / (increase) in deferred tax assets | (82.78) | (54.04) |
| (Decrease) / increase in deferred tax liabilities | 78.36 | 62.73 |
| **(B)** | **(4.42)** | **8.69** |
| **(A + B)** | **697.66** | **512.34** |
| **(b) Reconciliation of tax expense and the accounting profit multiplied by India's tax rate:** | | |
| **Profit before income tax expense** | **2,780.66** | **2,003.37** |
| Tax expense at 25.168% | 699.84 | 504.21 |
| Add / (Less): Tax Impact on | | |
| Tax on income chargeable at lower rates | (39.40) | - |
| Capital receipts | - | (1.63) |
| Expenses not admissible for deduction | 37.06 | 10.93 |
| Others | 0.17 | - |
| Tax relating to earlier years | - | (1.17) |
| **Tax expense** | **697.66** | **512.34** |

## 29 Fair Value Measurements

Rupees in crores

| Particulars | As at 31-03-2024 | | | As at 31-03-2023 | | |
|---|---|---|---|---|---|---|
| | FVTPL$ | FVTOCI * | Amortised cost | FVTPL$ | FVTOCI * | Amortised cost |
| **Financial assets** | | | | | | |
| Investments | | | | | | |
| - Equity instruments | 163.19 | 132.62 | - | 191.92 | 125.74 | - |
| - Preference shares | 50.00 | - | - | 50.00 | - | - |
| - Other non-current investments | - | 32.79 | - | - | 40.07 | - |
| - Debt Instruments | 45.00 | - | 44.77 | 45.00 | - | 41.67 |
| Trade receivables | - | - | 1,302.14 | - | - | 979.29 |
| Derivative financial asset | - | - | - | - | 5.91 | - |
| Cash and cash equivalents | - | - | 485.83 | - | - | 234.35 |
| Other bank balances - Bank deposit | - | - | 2.20 | - | - | 0.24 |
| Earmarked balances with banks | - | - | 45.02 | - | - | 7.51 |
| Other financial assets | - | - | 106.66 | - | - | 93.91 |
| | - | | | | | |
| | **258.19** | **165.41** | **1,986.62** | **286.92** | **171.72** | **1,356.97** |
| **Financial liabilities** | | | | | | |
| Borrowings | - | - | 1,513.44 | - | - | 2,244.58 |
| Trade payables | - | - | 5,112.17 | - | - | 4,130.56 |
| Lease liability | - | - | 450.18 | - | - | 418.78 |
| Derivative financial liability | - | 5.38 | - | - | - | - |
| Other financial liability | - | - | 121.57 | - | - | 121.65 |
| | - | | | | | |
| | **-** | **5.38** | **7,197.36** | **-** | **-** | **6,915.57** |

* FVTOCI - Fair Valued Through Other Comprehensive Income $ FVTPL- Fair Value Through Profit or Loss

# Notes to the Financial Statements (Contd.)

## (i) Fair value hierarchy

This section explains the judgements and estimates made in determining the fair values to be disclosed in the financial instruments that are recognised and measured at fair value and that are measured at amortised cost. To provide an indication about the reliability of the inputs used in determining fair value, the Company 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

Rupees in crores

| As at 31-03-2024 | Notes | Level 1 | Level 2 | Level 3 | Total |
|---|---|---|---|---|---|
| **Financial assets** | | | | | |
| Financial investments at FVTPL | 3A & 3B | 163.19 | - | 95.00 | 258.19 |
| Financial investments at FVTOCI | 3A | 1.33 | 32.79 | 131.29 | 165.41 |
| | | 164.52 | 32.79 | 226.29 | 423.60 |
| **Financial liabilities** | | | | | |
| Derivatives | 19 | - | 5.38 | - | 5.38 |
| | | - | 5.38 | - | 5.38 |

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

Rupees in crores

| As at 31-03-2024 | Notes | Level 1 | Level 2 | Level 3 | Total |
|---|---|---|---|---|---|
| **Financial assets** | | | | | |
| Investments | | | | | |
| Debt instruments | 3A | - | - | 44.77 | 44.77 |
| | | **-** | **-** | **44.77** | **44.77** |
| **Financial liabilities** | | | | | |
| Borrowings | 14 & 17 | - | - | 1,513.44 | 1,513.44 |
| | | **-** | **-** | **1,513.44** | **1,513.44** |

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

Rupees in crores

| As at 31-03-2023 | Notes | Level 1 | Level 2 | Level 3 | Total |
|---|---|---|---|---|---|
| **Financial assets** | | | | | |
| Financial Investments at FVTPL | 3A & 3B | - | - | 286.92 | 286.92 |
| Financial Investments at FVTOCI | 3A | 1.00 | 40.07 | 124.74 | 165.81 |
| Derivatives | 10 | - | 5.91 | - | 5.91 |
| | | **1.00** | **45.98** | **411.66** | **458.64** |

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

Rupees in crores

| As at 31-03-2023 | Notes | Level 1 | Level 2 | Level 3 | Total |
|---|---|---|---|---|---|
| **Financial assets** | | | | | |
| Investments | | | | | |
| Debt instruments | 3A | - | - | 41.67 | 41.67 |
| | | **-** | **-** | **41.67** | **41.67** |
| **Financial liabilities** | | | | | |
| Borrowings | 14 & 17 | - | - | 2,244.58 | 2,244.58 |
| | | **-** | **-** | **2,244.58** | **2,244.58** |

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

# Notes to the Financial Statements (Contd.)

Level 2: The fair value of financial instruments that are not traded in an active market is determined using valuation techniques which maximise the use of observable market data 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, preference shares and other non current investments included in level 3.

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

During the reporting period, there are no transfers among the three levels.

## (ii) Valuation technique used to determine fair value (Level 2)

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 interest rate swaps is calculated as the present value of estimated cash flows based on observable yield curves.
- the fair value of forward exchange contract and principal only swap is determined using forward exchange rate at the balance sheet date.
- the fair value of the remaining financial instruments is determined using discounted cash flow analysis.

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

Rupees in crores

| Particulars | Unlisted Equity Shares | Unlisted Preference Shares | Debt Instruments | Total |
|---|---|---|---|---|
| **As at 01-04-2022** | 139.87 | - | - | 139.87 |
| Additions / (Deletions) | 116.41 | 50.00 | 45.00 | 211.41 |
| Gains/(losses) recognised in profit or loss | 61.69 | - | - | 61.69 |
| Gains/(losses) recognised in other comprehensive income | (1.31) | - | - | (1.31) |
| **As at 31-03-2023** | 316.66 | 50.00 | 45.00 | 411.66 |
| Additions / (Deletions) | 0.50 | - | - | 0.50 |
| Reclassified from level 3 to Level 1 | (191.92) | - | - | (191.92) |
| Gains/(losses) recognised in other comprehensive income | 6.05 | - | - | 6.05 |
| **As at 31-03-2024** | **131.29** | **50.00** | **45.00** | **226.29** |

## (iv) Valuation inputs and relationships to fair value

Rupees in crores

| Particulars | Fair value as at | | Significant unobservable input | | Probability weighted range for the year ended | | Sensitivity |
|---|---|---|---|---|---|---|---|
| | 31-03-2024 | 31-03-2023 | | | 31-03-2024 | 31-03-2023 | |
| Preference Share | 50.00 | 50.00 | a) | Earnings growth rate | 1-3% | 1-3% | Not significant |
| | | | b) | Risk adjusted discount rate | 8% | 8% | |
| Debt Instrument | 45.00 | 45.00 | a) | Earnings growth rate | 1-3% | 1-3% | Not significant |
| | | | b) | Risk adjusted discount rate | 8% | 8% | |
| Unquoted Equity shares | 131.29 | 316.66 | a) | Earnings growth rate | 1-3% | 1-3% | Not significant |
| | | | b) | Risk adjusted discount rate | 8% | 8% | |

## (v) Valuation processes

Discount rates are determined using a capital asset pricing model to calculate a pretax rate that reflects current market assessments of the time value of money and the risk specific to the asset. Earnings growth factor of preference shares are based on cash flow projections of future earnings of the Company and unlisted equity securities are estimated based on market information for similar type of companies. Risk adjustments have been derived based on the market risk premium adjusted for companies relevant financial data.

# Notes to the Financial Statements (Contd.)

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

Rupees in crores

| Particulars | As at 31-03-2024 | | As at 31-03-2023 | |
|---|---|---|---|---|
| | Carrying amount | Fair value | Carrying amount | Fair value |
| **Financial assets** | | | | |
| **Investments:** | | | | |
| Preference shares | - | - | - | - |
| Debt instruments | 44.77 | 44.77 | 41.67 | 41.67 |
| | **44.77** | **44.77** | **41.67** | **41.67** |
| **Financial liabilities** | | | | |
| Borrowings | 1,513.44 | 1,513.44 | 2,244.58 | 2,244.58 |
| | **1,513.44** | **1,513.44** | **2,244.58** | **2,244.58** |

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

The fair values for preference shares and other debt instruments are calculated based on cash flows discounted using effective interest 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 values of non-current borrowings are based on discounted cash flows using a effective interest rate. They are classified as level 3 fair values in the fair value hierarchy due to the inclusion of unobservable inputs including own credit risk.

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

## 30 Financial Risk Management

The Company's activities exposes 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 manages the risk and the impact of hedge accounting in the financial statements.

| Risk | Exposure arising from | Risk Parameters and Mitigation |
|---|---|---|
| Credit risk | Cash, Cash equivalents and Trade receivables | Credit risk primarily arises from cash and cash equivalents, trade receivables and investments carried at amortised cost. 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 forward-looking information (more specifically described below). 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, when they fall due. This definition of default is determined by considering the business environment in which entity operates and other macro-economic factors. |
| | a. Cash and Cash Equivalents | Surplus cash is deposited only with banks / financial institutions with a high external credit rating. |
| | b. Domestic Trade Receivables | Domestic sales to the Dealers are based on advance payments received through banking channels or through inventory funding facilities availed by them from the banks. The Company extends limited credit to the dealers and such extension of credit is based on dealers' credit worthiness, ability to repay and past track record. The Company has extensive reporting and review system to constantly monitor the outstandings. |
| | c. Export Trade Receivables | The Company's export business is mostly based on Letters of credit. Export receivables are also covered through Insurance with ECGC Limited. |
| Liquidity risk | INR denominated borrowings [other than soft loans given by Govt. Authorities] | The company's liquidity management policy involves projecting cash flows in major currencies by considering the level of liquid assets necessary to meet the same, monitoring balance sheet liquidity ratios against internal and external regulatory requirements and maintaining debt financing plans. The Company works out a detailed annual operating plans to assess the fund requirements - both short term and long term. Detailed month wise cash flow forecast is also carried out along with required sensitivities. Based on these factors adequate working capital credit limits are organised in advance. Company has pre-approved credit lines with various banks and these are constantly reviewed and approved by the Board. For long term fund requirements, Company targets various options such as rupee term loan, external commercial borrowing, debentures etc. The Company obtains a credit rating for the various borrowing facilities on annual basis. Company constantly monitors the free cash flow from operations to ensure that the borrowing is minimized. |

# Notes to the Financial Statements (Contd.)

| Risk | Exposure arising from | Risk Parameters and Mitigation |
|---|---|---|
| Market risk | (i) Foreign exchange | The Company operates internationally and is exposed to foreign exchange risk arising from foreign currency transactions. 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 has a forex management policy which is duly approved by the Board. The objective of the hedges when taken is to minimise the volatility of the INR cash flows of highly probable forecasted transactions. |
| | a. Export trade receivables and Import payables | The company has a forex management policy duly approved by the Board. The Company's policy is to hedge most of its net currency exposure. Company reviews the forex exposure on a regular basis and also reports its adherence to the Board on a quarterly basis. The recording and reporting requirements are strictly adhered. |
| | b. Foreign currency denominated borrowings | The Company has hedged its borrowings by covering the principal repayments. |
| | (ii) Interest rate - Foreign currency denominated borrowings | 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. Company's policy is to maintain most of its borrowings at fixed rate using interest rate swaps to achieve this when necessary. The Company's fixed rate borrowings are carried at amortised cost. They are therefore not subject to interest rate risk as defined in Ind AS 107, since neither the carrying amount nor the future cash flows will fluctuate because of a change in market interest rates. |

### (A) Credit risk

Basis of recognition of expected credit loss provision

| Rating | Category | Description of category | Investments | Loans and deposits | Trade receivables |
|---|---|---|---|---|---|
| 1 | High Quality assets, negligible credit risk | Assets where the counter-party has strong capacity to meet the obligations and where the risk of default is negligible or nil. | 12 month expected credit losses | 12 month expected credit losses | Life time expected credit losses (simplified approach) |
| 2 | Quality assets, low credit risk | Assets where there is low risk of default and where the counter-party has sufficient capacity to meet the obligations and where there has been low frequency of defaults in the past | | | |
| 3 | Standard Assets, moderate credit risk | Assets where the probability of default is considered moderate and where the counter-party's capacity to meet the obligations is not strong. | | | |
| 4 | Substandard Assets, relatively high credit risk | Assets where there has been a significant increase in credit risk since initial recognition. | Life time expected credit losses | | |
| 5 | Low quality assets, very high credit risk | Assets where there is a high probability of default. Also includes assets where the credit risk of counter-party has increased significantly though payments may not be more than 180 days past due. | | | |
| 6 | Doubtful assets, credit impaired | Assets are written off when there is no reasonable expectation of recovery, such as a debtor declaring bankruptcy or failing to engage in a repayment plan with the Company. Where loans or receivables have been written off, the Company continues to engage in enforcement activity to attempt to recover the receivable due. Where recoveries are made, these are recognised in profit or loss. | Asset is written off | | |

# Notes to the Financial Statements (Contd.)

## As at 31-03-2024

a) Expected credit loss for investments, loans and other financial assets

Rupees in crores

| Particulars | Internal rating | Asset/Asset group | Gross carrying amount | Expected probability of default | Expected credit loss | Carrying amount net of impairment provision |
|---|---|---|---|---|---|---|
| Loss allowance measured at 12 month expected credit loss | 2 | Investments at amortised cost | 44.77 | 0% | - | 44.77 |
| | 1 | Other financial assets | 106.66 | 0% | - | 106.66 |

b) Expected credit loss for trade receivables under simplified approach

Rupees in crores

| Particulars | 0 to 180 days past due | More than 180 days past due | Total |
|---|---|---|---|
| Gross carrying amount | 1,009.64 | 320.63 | 1,330.27 |
| Expected loss rate | - | 9% | |
| Expected credit losses | - | 28.13 | 28.13 |
| Carrying amount of trade receivables | 1,009.64 | 292.50 | 1,302.14 |

## As at 31-03-2023

a) Expected credit loss for investments, loans and other financial assets

Rupees in crores

| Particulars | Internal rating | Asset/Asset group | Gross carrying amount | Expected probability of default | Expected credit loss | Carrying amount net of impairment provision |
|---|---|---|---|---|---|---|
| Loss allowance measured at 12 month expected credit loss | 2 | Investments at amortised cost | 41.67 | 0% | - | 41.67 |
| | 1 | Other financial assets | 93.91 | 0% | - | 93.91 |

b) Expected credit loss for trade receivables under simplified approach

Rupees in crores

| Particulars | 0 to 180 days past due | More than 180 days past due | Total |
|---|---|---|---|
| Gross carrying amount | 724.77 | 281.45 | 1,006.22 |
| Expected loss rate | - | 10% | |
| Expected credit losses | - | 26.93 | 26.93 |
| Carrying amount of trade receivables | 724.77 | 254.52 | 979.29 |

Reconciliation of loss allowance provision - Trade receivables

Rupees in crores

| | |
|---|---|
| Loss allowance on 01-04-2022 | 28.23 |
| Changes in loss allowance | (1.30) |
| Loss allowance on 31-03-2023 | 26.93 |
| Changes in loss allowance | 1.20 |
| Loss allowance on 31-03-2024 | 28.13 |

## (B) Liquidity risk

### (i) Financing arrangements

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

Rupees in Crores

| Particulars | As at 31-03-2024 | As at 31-03-2023 |
|---|---|---|
| Floating rate | | |
| - Expiring within one year (bank overdraft and other facilities) | 1,920.54 | 1,779.58 |
| - Expiring beyond one year (bank loans) | - | - |

# Notes to the Financial Statements (Contd.)

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 and have an average maturity ranging 30 to 180 days.

### (ii) 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.

**As at 31-03-2024**

| Contractual Maturities of Financial Liabilities | Less than 3 months | 3 months to 6 months | 6 months to 1 year | 1 year to 5 years | More than 5 years | Total |
|---|---|---|---|---|---|---|
| Borrowings | 96.55 | 143.33 | 286.65 | 983.36 | 5.23 | 1,515.12 |
| Lease liabilities | 35.35 | 34.68 | 67.08 | 363.92 | 27.60 | 528.63 |
| Trade payables | 5,112.17 | - | - | - | - | 5,112.17 |
| Other financial liabilities | 126.95 | - | - | - | - | 126.95 |

**As at 31-03-2023**

| Contractual Maturities of Financial Liabilities | Less than 3 months | 3 months to 6 months | 6 months to 1 year | 1 year to 5 years | More than 5 years | Total |
|---|---|---|---|---|---|---|
| Borrowings | 968.15 | 12.50 | 52.39 | 907.00 | 310.00 | 2,250.04 |
| Lease liabilities | 27.43 | 26.10 | 52.01 | 379.90 | 11.81 | 497.25 |
| Trade payables | 4,130.56 | - | - | - | - | 4,130.56 |
| Other financial liabilities | 121.65 | - | - | - | - | 121.65 |

The amounts disclosed in the above 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 exchange risk

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

| Particulars | As at 31-03-2024 | | As at 31-03-2023 | |
|---|---|---|---|---|
| Exposure in foreign currency | USD | EUR | USD | EUR |
| **Financial assets:** | | | | |
| Trade receivables | 888.20 | 87.45 | 740.28 | 66.88 |
| Investments | 32.79 | - | 40.07 | - |
| Derivative assets | | | | |
| Foreign exchange forward contracts | | | | |
| Sell foreign currency | (888.20) | (87.45) | (847.89) | (62.75) |
| **Financial liabilities:** | | | | |
| Foreign currency loan | - | - | 27.39 | - |
| Trade payables | 108.88 | 15.22 | 176.24 | 7.53 |
| Derivative liabilities | | | | |
| Foreign exchange forward contracts | | | | |
| Buy foreign currency | - | - | - | - |
| Principal swap | | | | |
| Buy foreign currency | - | - | (27.39) | - |

# Notes to the Financial Statements (Contd.)

**Sensitivity**

The sensitivity of profit or loss to changes in the exchange rates arises mainly from foreign currency denominated financial instruments and the impact on other components of equity arises from foreign forward exchange contracts designated as cash flow hedges.

| Particulars | Impact on profit after tax* | | Impact on other components of equity* | |
|---|---|---|---|---|
| | As at 31-03-2024 | As at 31-03-2023 | As at 31-03-2024 | As at 31-03-2023 |
| **USD sensitivity** | | | | |
| INR/USD increases by 10% | 58.38 | 41.98 | (64.08) | (60.12) |
| INR/USD decreases by 10% | (58.38) | (41.98) | 64.08 | 60.12 |
| **EURO sensitivity** | | | | |
| INR/EURO increases by 10% | 5.41 | 4.42 | (6.55) | (4.67) |
| INR/EURO decreases by 10% | (5.41) | (4.42) | 6.55 | 4.67 |

* Holding all other variables constant

### ii) Interest rate risk

For short term borrowings, interest rates are based on central bank approved benchmark rates plus margin. Whenever the Company resorts to short term borrowings through Commercial Paper, the rate of interest is fixed in advance. In respect of long term foreign currency borrowings, the interest rates are covered through interest rate swaps (IRS)

Rupees in Crores

| Particulars | As at 31-03-2024 | As at 31-03-2023 |
|---|---|---|
| Variable rate borrowings | 1,012.53 | 792.39 |
| Fixed rate borrowings | 502.59 | 1,457.73 |

The Amount disclosed in the table are the contractual undiscounted cash flows.

Rupees in Crores

| Sensitivity | Impact on profit after tax | |
|---|---|---|
| | As at 31-03-2024 | As at 31-03-2023 |
| Increase in interest rates by 100 bps | (7.58) | (5.90) |
| Decrease in interest rates by 100 bps | 7.58 | 5.90 |

### iii) Price risk

The company's exposure to equity securities price risk arises from investments held by the Company and classified in the balance sheet either as fair value through OCI or at fair value through profit or loss. To manage its price risk from investments in equity securities, the Company diversifies its portfolio. The impact of the changes in price risk is not material.

## (D) Impact of hedging activities

i) Disclosure of effects of hedge accounting on financial position

a Disclosure of effects of hedge accounting on financial position as at 31-03-2024

| Type of hedge and risks | Nominal value | | Carrying amount of hedging instrument | | Maturity date | Changes in fair value of hedging instrument since inception of hedge | Changes in the value of hedged item used as the basis for recognising hedge effectiveness |
|---|---|---|---|---|---|---|---|
| | Assets | Liabilities | Assets | Liabilities | | | |
| Cash flow hedge | | | | | | | |
| Foreign exchange forward contracts | 975.65 | - | - | 5.38 | Apr'24 to Dec'24 | 5.38 | (5.38) |

# Notes to the Financial Statements (Contd.)

b) Disclosure of effects of hedge accounting on financial position as at 31-03-2023

| Type of hedge and risks | Nominal value | | Carrying amount of hedging instrument | | Maturity date | Changes in fair value of hedging instrument since inception of hedge | Changes in the value of hedged item used as the basis for recognising hedge effectiveness |
|---|---|---|---|---|---|---|---|
| | Assets | Liabilities | Assets | Liabilities | | | |
| Cash flow hedge | | | | | | | |
| Foreign exchange forward contract | 910.64 | - | 2.74 | - | Apr'23 to Dec'23 | 2.74 | (2.74) |
| Foreign currency loan: | | | | | | | |
| Principal swap | - | 27.39 | 2.91 | - | Sep'23 | 2.91 | (2.91) |
| Interest rate swap | - | 27.39 | 0.26 | - | | 0.26 | (0.26) |

ii) Disclosure of effects of hedge accounting on financial performance:

for the year ended 31-03-2024:

Rupees in Crores

| Type of hedge | Change in the value of hedging instrument recognised in other comprehensive income | Hedge ineffectiveness recognised in profit and loss | Amount reclassified from cash flow hedging reserve to profit or loss | Line item affected in statement of profit and loss because of the reclassification |
|---|---|---|---|---|
| **Cash flow hedge:** | | | | |
| Foreign exchange risk/ POS/ IRS | (3.77) | - | 1.35 | Revenue and Borrowing cost |

for the year ended 31-03-2023:

Rupees in Crores

| Type of hedge | Change in the value of hedging instrument recognised in other comprehensive income | Hedge ineffectiveness recognised in profit and loss | Amount reclassified from cash flow hedging reserve to profit or loss | Line item affected in statement of profit and loss because of the reclassification |
|---|---|---|---|---|
| **Cash flow hedge:** | | | | |
| Foreign exchange risk/ POS/ IRS | 1.35 | - | (1.65) | Revenue and Borrowing cost |

## 31 Capital Management

### (a) Risk management

The Company's objectives when managing capital are to

- safeguard our ability to continue as a going concern, so that we 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 an optimum gearing ratio. The gearing ratios were as follows:

Rupees in Crores

| Particulars | As at 31-03-2024 | As at 31-03-2023 |
|---|---|---|
| Net debt | 1,027.61 | 2,010.23 |
| Total equity | 7,731.04 | 6,047.85 |
| **Net debt to equity ratio (times)** | **0.1** | **0.3** |

# Notes to the Financial Statements (Contd.)

**The company also monitors Interest coverage ratio:**

Company's earnings before interest, taxes and exceptional items (EBIT) divided by Interest

**The Company's strategy is to maintain an optimum interest coverage ratio.**

The Interest coverage ratio were as follows:

Rupees in Crores

| Particulars | Year ended 31-03-2024 | Year ended 31-03-2023 |
|---|---|---|
| EBIT | 2,962.29 | 2,144.03 |
| Interest | 136.88 | 109.40 |
| **Interest coverage ratio (times)** | **21.6** | **19.6** |

## (b) Dividends

Rupees in Crores

| Particulars | | Year ended 31-03-2024 | Year ended 31-03-2023 |
|---|---|---|---|
| (i) | Equity shares | | |
| | Interim dividend for the year ended 31-03-2024 of ₹ 8.00 (31-03-2023 of ₹ 5.00) per fully paid share | 380.07 | 237.54 |
| (ii) | Dividends not recognised at the end of the reporting period | - | - |

## 32 Key Financial Ratios

| Sl. No. | Particulars | As at 31-03-2024 | As at 31-03-2023 | Variance |
|---|---|---|---|---|
| 1 | Current ratios (times)<br>[Current Assets / Current Liabilities] | 0.6 | 0.6 | 0.0% |
| 2 | Net Debt / Equity Ratio (times)<br>[ (Total borrowing - Cash) / Equity] - Note 1 | 0.1 | 0.3 | 66.7% |
| 3 | Debt Service Coverage Ratio (times)<br>[ Earnings before Interest, Tax and Exceptional Items / (Interest Expense + Principal repayments of long term loan made during the period excluding prepayment)] - Note 1 | 2.5 | 5.4 | (53.3%) |
| 4 | Return on Equity (%)<br>[Net Profit after tax/Average shareholders equity] | 30.2% | 29.2% | 3.6% |
| 5 | Inventory Turnover Ratio (times)<br>[ Annualised Cost of goods sold / Average Inventory] | 18.0 | 17.0 | (6.0%) |
| 6 | Debtors Turnover ratio (times)<br>[ Annualised Turnover / Average Debtors ] | 27.9 | 27.0 | (3.1%) |
| 7 | Trade Payable turnover ratio (times)<br>[(Cost of Goods sold + Other expenses) /Average Trade payable] | 5.8 | 5.6 | (4.0%) |
| 8 | Net Capital Turnover ratio (times)<br>[Net Sales /(Current Asset - Current Liabilities excluding current maturities of long term borrowing)] | NA | NA | NA |
| 9 | Net Profit ratio (%)<br>[Profit after tax / Turnover] | 6.6% | 5.7% | 16.0% |
| 10 | Return on Capital Employed (%)<br>[Earnings before Interest, Tax and Exceptional Items / Capital Employed] | 31.4% | 25.3% | 24.4% |
| 11 | Return on Investment (%)<br>[Income generated from invested funds/Average invested funds.] - Note 2 | NA | NA | NA |

1. Reflects repayment of borrowings during the year.
2. Significant investments held by the Company is for strategic purposes. Benchmarking the return on annual basis will not reflect yield from such investments.

# Notes to the Financial Statements (Contd.)

## 33 Employee Benefit Obligations

### Defined benefit plans as per actuarial valuation

Rupees in Crores

| | Funded Plan | | | Unfunded Plans |
|---|---|---|---|---|
| | Gratuity | | | Pension |
| | Present value of obligation | Fair value of plan assets | Net amount | Present value of obligation |
| **As at 01-04-2022** | **160.92** | **(157.48)** | **3.44** | **141.56** |
| Current service cost | 29.53 | - | 29.53 | - |
| Interest expense/(income) | 12.46 | (11.59) | 0.87 | 9.03 |
| **Total amount recognised in profit or loss** | **41.99** | **(11.59)** | **30.40** | **9.03** |
| **Remeasurements** | | | | |
| Return on plan assets, excluding amounts included in interest expense/(income) | - | 0.10 | 0.10 | - |
| (Gain)/loss from change in financial assumptions | 4.87 | - | 4.87 | (18.65) |
| Experience (gains)/losses | (2.65) | - | (2.65) | 14.89 |
| **Total amount recognised in other comprehensive income** | **2.22** | **0.10** | **2.32** | **(3.76)** |
| Employer contributions | - | (43.58) | (43.58) | - |
| Benefit payments | (18.87) | 18.87 | - | (4.00) |
| **As at 31-03-2023** | **186.26** | **(193.68)** | **(7.42)** | **142.83** |
| Current service cost | 36.01 | - | 36.01 | - |
| Interest expense/(income) | 14.52 | (13.78) | 0.74 | 10.85 |
| **Total amount recognised in profit or loss** | **50.53** | **(13.78)** | **36.75** | **10.85** |
| **Remeasurements** | | | | |
| Return on plan assets, excluding amounts included in interest expense/(income) | - | 6.10 | 6.10 | - |
| (Gain)/loss from change in financial assumptions | 4.28 | - | 4.28 | 0.92 |
| Experience (gains)/losses | (7.03) | - | (7.03) | 16.21 |
| **Total amount recognised in other comprehensive income** | **(2.75)** | **6.10** | **3.35** | **17.13** |
| Employer contributions | - | (37.45) | (37.45) | - |
| Benefit payments | (12.89) | 12.89 | - | (4.72) |
| **As at 31-03-2024** | **221.15** | **(225.92)** | **(4.77)** | **166.09** |

The Company has an obligation towards gratuity, a defined benefit retirement plan covering eligible employees. The Company has created an Employees' Group Gratuity Fund which has taken a Group Gratuity Assurance Scheme with the Life Insurance Corporation of India. Company's contributions are based on actuarial valuation arrived at the end of each year and charged to Statement of Profit and Loss.

### The defined benefit obligations maturing after year ended March 31, 2024 are as follows

Rupees in Crores

| Year ending March 31, | Defined Benefit Obligations |
|---|---|
| 2025 | 24.55 |
| 2026 | 19.46 |
| 2027 | 14.71 |
| 2028 | 16.4 |
| 2029 | 18.98 |
| 2030-2034 | 82.68 |

# Notes to the Financial Statements (Contd.)

**The significant actuarial assumptions were as follows:**

| Particulars | As at 31-03-2024 | As at 31-03-2023 |
|---|---|---|
| Discount rate (Gratuity) | 7.0% | 7.2% |
| Discount rate (Pension) | 7.0% | 7.0% |
| Salary growth rate | 5.5% | 5.5% |
| Pre-retirement Mortality rate | IALM (2006-08) Ultimate | |
| Post-retirement Mortality rate | LIC Ann (1996-98) | |
| Attrition rate (For Gratuity) | 3.0% | 3.0% |
| Attrition rate (For Pension) | 0.0% | 0.0% |

Assumptions regarding future mortality for pension 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 age 58.

**(i) Sensitivity analysis**

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

| | Impact on defined benefit obligation - Gratuity | | | | | |
|---|---|---|---|---|---|---|
| | Change in assumption | | Increase in assumption | | Decrease in assumption | |
| | Year ended 31-03-2024 | Year ended 31-03-2023 | Year ended 31-03-2024 | Year ended 31-03-2023 | Year ended 31-03-2024 | Year ended 31-03-2023 |
| Discount rate | 0.50% | 0.50% | 211.96 | 178.57 | 231.03 | 194.53 |
| Salary growth rate | 0.50% | 0.50% | 231.13 | 194.63 | 211.79 | 178.42 |
| Mortality | 5.00% | 5.00% | 221.18 | 186.30 | 221.10 | 186.22 |

| | Impact on defined benefit obligation - Pension | | | | | |
|---|---|---|---|---|---|---|
| | Change in assumption | | Increase in assumption | | Decrease in assumption | |
| | Year ended 31-03-2024 | Year ended 31-03-2023 | Year ended 31-03-2024 | Year ended 31-03-2023 | Year ended 31-03-2024 | Year ended 31-03-2023 |
| Discount rate | 1.00% | 1.00% | 150.75 | 129.49 | 184.21 | 159.40 |
| Salary growth rate | 1.00% | 1.00% | 185.21 | 160.28 | 149.74 | 128.60 |
| Mortality | 5.00% | 5.00% | 164.70 | 142.02 | 167.55 | 144.38 |

The above sensitivity analysis is 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.

**(ii) 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 underperform this yield, this will create a deficit.

**Changes in bond:** A decrease in bond yields will increase plan liabilities, although this will be partially offset by an yield 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 obligations are 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.

**(iii) Defined contribution plans:**

The Company's contribution to defined contribution plan i.e., provident fund of ₹ 44.73 crores (previous year ₹ 36.63 crores) has been recognised in the Statement of Profit and Loss.

# Notes to the Financial Statements (Contd.)

## 34 Related Party Disclosure

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

**Holding company:**

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

**Subsidiaries:**

Sundaram Auto Components Limited, Chennai
TVS Digital Limited, Chennai (Formerly known as TVS Housing Limited, Chennai)
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
Harita ARC Services Private Limited, Chennai
Harita Two Wheeler Mall Private Limited, Chennai (Formerly known as TVS 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
Colag E-Mobility GmBH, Germany
Alexand'Ro Edouard'O Passion Vélo Sàrl, Switzerland

**Associate company:**

Ultraviolette Automotive Private Limited, Bengaluru
Tagbox Solutions Private Limited, Bengaluru [Upto 30th March 2024]
DriveX Mobility Private Limited, Coimbatore
Indian Foundation for Quality Management, Bengaluru [From 15th Feb 2024]
Emerald Haven Realty Ltd., Chennai (Upto 14th June 2023)

### (ii) Other related parties and their relationship where transaction exists

**Associate / Joint venture of holding / ultimate holding / subsidiary / fellow subsidiary company:**

Predictronics Corp, USA
Emerald Haven Realty Ltd., Chennai (From 16th June 2023)
Emerald Haven Development Limited, Chennai
ION Mobility Private Limited, Singapore [From 14th March 2024]

# Notes to the Financial Statements (Contd.)

### (iii) Enterprises under Common control

Sundaram - Clayton Limited, Chennai (Formerly known as Sundaram-Clayton DCD Limited)

**Enterprises in which directors are interested:**

Dua Associates, Delhi

Dua Consulting Private Limited, Delhi

McCann-Erickson (India) Private Limited, Delhi

Trichur Sundaram Santhanam & Family Private Limited, Chennai

T.V Sundram Iyengar & Sons Private Limited, Madurai

Lakshmi Energy and Environment Design Private Limited, Coimbatore

TVS Organics Private Limited, Chennai

Adwaith Lakshmi Industries Private Limited, Coimbatore ( From 01st April 2023)

**Key Management personnel**

**Executive Directors:**

Mr. Venu Srinivasan, Chairman Emeritus & Managing Director

Mr Sudarshan Venu, Managing Director

Mr K N Radhakrishnan, Director & Chief Executive Officer

**Non-Executive Directors:-**

**Independent Directors:**

Mr. C R Dua

Mr. R Gopalan (Upto 2nd March 2024)

Dr. Deepali Pant Joshi (From 11th September 2023)

Mrs. Lalita D Gupte (Upto 22nd October 2023)

Mr. T Kannan (Upto 23rd May 2023)

Mr. Kuok Meng Xiong

Mr. Vijay Sankar (From 20th March 2024)

Mr. Hemant Krishan Singh

Mr. B Sriram

**Non-Independent Directors:**

Sir Ralf Dieter Speth

Dr. Lakshmi Venu

**Chief Financial Officer**

K. Gopala Desikan

**Company Secretary**

K.S. Srinivasan

**Post Employment benefit plans:**

TVS Motor Company Employees' Gratuity Fund

TVS Motor Company Employees' Provident Fund

# Notes to the Financial Statements (Contd.)

### (b) Transactions with related parties: (Transactions from the date of becoming/ upto the date of ceasing to be related party)

Rupees in Crores

| | | As at / Year Ended 31-03-2024 | As at / Year Ended 31-03-2023 |
|---|---|---|---|
| **(i)** | **Purchase of goods (Including sales reversal)** | | |
| | - Holding company (TVS Holdings Limited, Chennai) - (Formerly known as Sundaram-Clayton Limited) | 126.75 | - |
| | - Subsidiary companies | | |
| | Sundaram Auto Components Limited, Chennai | 398.38 | 377.46 |
| | PT.TVS Motor Company Indonesia, Jakarta | 0.09 | 0.35 |
| | Swiss E-Mobility Group (Schweiz) AG Switzerland | 0.13 | 0.08 |
| | - Associate / joint venture | | |
| | Tagbox Solutions Private Limited, Bengaluru | 0.73 | 1.43 |
| | - Enterprises under Common control | | |
| | Sundaram-Clayton Limited, Chennai (Formerly known as Sundaram-Clayton DCD Limited) | 255.24 | 412.62 |
| | - Enterprises in which directors are interested | | |
| | T.V Sundram Iyengar & Sons Private Limited, Madurai | - | 0.23 |
| | TVS Organics Private Limited, Chennai | 0.69 | 0.19 |
| | Adwaith Lakshmi Industries Pvt Ltd., Coimbatore | 0.01 | - |
| **(ii)** | **Sale of goods** | | |
| | - Holding company (TVS Holdings Limited, Chennai) - (Formerly known as Sundaram-Clayton Limited) | 471.96 | 420.09 |
| | - Subsidiary companies | | |
| | Sundaram Auto Components Limited, Chennai | - | 0.11 |
| | PT.TVS Motor Company Indonesia, Jakarta | 354.27 | 405.02 |
| | The Norton Motorcycle Co. Ltd., UK | 0.72 | - |
| | Celerity Motor GmbH, Germany | 0.06 | - |
| | - Associate company | | |
| | DriveX Mobility Private Limited, Coimbatore | 0.06 | - |
| | - Enterprises under Common control | | |
| | Sundaram-Clayton Limited, Chennai (Formerly known as Sundaram-Clayton DCD Limited) | 9.60 | 19.52 |
| | - Enterprises in which directors are interested | | |
| | T.V Sundram Iyengar & Sons Private Limited, Madurai | - | - |
| **(iii)** | **Purchase of assets** | | |
| | - Holding company (TVS Holdings Limited, Chennai) - (Formerly known as Sundaram-Clayton Limited) | 39.00 | - |
| | - Associate / joint venture | | |
| | Ultraviolette Automotive Private Limited, Bengaluru | - | 3.00 |
| | Tagbox Solutions Private Limited, Bengaluru | 0.61 | - |
| | - Associate / joint venture of holding / ultimate holding / subsidiary / fellow subsidiary company | | |
| | Predictronics Corporation, USA | - | 0.07 |
| **(iv)** | **Sale of assets** | | |
| | - Subsidiary companies | | |
| | Sundaram Auto Components Limited, Chennai | 0.02 | - |
| | - Enterprises under Common control | | |
| | Sundaram-Clayton Limited, Chennai (Formerly known as Sundaram-Clayton DCD Limited) | 0.29 | - |
| **(v)** | **Rendering of services** | | |
| | - Holding company (TVS Holdings Limited, Chennai) - (Formerly known as Sundaram-Clayton Limited) | 0.45 | 1.79 |
| | - Subsidiary companies | | |
| | Sundaram Auto Components Limited, Chennai | 0.11 | 0.11 |
| | PT. TVS Motor Company Indonesia, Jakarta | 0.55 | 0.55 |
| | TVS Credit Services Limited, Chennai | 5.43 | 8.61 |
| | The Norton Motorcycle Co. Ltd., UK | 8.58 | 4.23 |
| | - Enterprises under Common control | | |
| | Sundaram-Clayton Limited, Chennai (Formerly known as Sundaram-Clayton DCD Limited) | 1.34 | - |
| | - Associate / Joint Venture of holding / ultimate holding / subsidiary / fellow subsidiary company | | |
| | Emerald Haven Realty Limited, Chennai | 1.05 | - |

# Notes to the Financial Statements (Contd.)

Rupees in Crores

| | | As at / Year Ended 31-03-2024 | As at / Year Ended 31-03-2023 |
|---|---|---|---|
| **(vi)** | **Availing of services (includes sub-contract charges paid)** | | |
| - | Holding company (TVS Holdings Limited, Chennai) - (Formerly known as Sundaram-Clayton Limited) | 118.03 | 62.15 |
| - | Subsidiary company | | |
| | Sundaram Auto Components Limited, Chennai | 2.84 | 0.87 |
| | TVS Credit Services Limited, Chennai | 6.10 | 5.17 |
| | TVS Digital Pte Limited, Singapore | 0.34 | 0.26 |
| - | Associate / joint venture(Tagbox Solutions Private Limited, Bengaluru) | - | 0.16 |
| - | Enterprises under Common control | | |
| | Sundaram-Clayton Limited, Chennai (Formerly known as Sundaram-Clayton DCD Limited) | 3.35 | - |
| - | Enterprises in which directors are interested | | |
| | Dua Associates, Delhi | 0.35 | 0.70 |
| | Dua Consulting Private Limited, Delhi | 4.57 | 4.33 |
| | McCann-Erickson (India) Private Limited, Delhi | 3.59 | 3.47 |
| | Lakshmi Energy and Environment Design Private Limited, Coimbatore | 0.20 | 0.20 |
| | Harita Techserv Limited, Chennai (upto 27th Jun 2022) | - | 0.90 |
| | T.V Sundram Iyengar & Sons Private Limited, Madurai | - | 0.83 |
| | Trichur Sundaram Santhanam & Family Private Limited, Chennai | 0.65 | 0.12 |
| **(vii)** | **Investments made / (Redemption) during the year** | | |
| - | Subsidiary companies | | |
| | TVS Motor (Singapore) Pte. Limited, Singapore | 1,231.34 | 108.31 |
| | TVS Motor Services Limited, Chennai | - | 50.00 |
| | TVS Credit Services Limited, Chennai | 100.00 | 500.00 |
| | Sundaram Auto Components Limited, Chennai (Reduction of share capital) | (310.00) | - |
| | TVS Digital Limited, Chennai | 3.00 | - |
| - | Associate / Joint venture | | |
| | Ultraviolette Automotive Private Limited, Bengaluru | | - |
| | DriveX Mobility Private Limited, Coimbatore | - | 87.17 |
| | Indian Foundation for Quality Management, Bengaluru [From 15.02.2024] | 25.00 | - |
| **(viii)** | **Share application money pending allotment** | | |
| - | Subsidiary companies | | |
| | TVS Motor (Singapore) Pte Limited, Singapore | 121.19 | 445.41 |
| **(ix)** | **Remuneration to key management personnel:** | | |
| | Short-term employee benefits | 64.74 | 84.24 |
| | Post-employment benefits | 0.65 | 0.47 |
| **(x)** | **Obligation arising out of agreements facilitating credit / payment to service provider** | | |
| - | Subsidiary companies | | |
| | PT. TVS Motor Company Indonesia, Jakarta | - | 41.09 |
| | TVS Motor (Singapore) Pte. Limited, Singapore | 83.41 | 82.17 |
| **(xi)** | **Contributions to post employment benefit plans:** | | |
| | TVS Motor Company Employees' Gratuity Fund | 38.51 | 43.71 |
| | TVS Motor Company Employees' Provident Fund | 114.30 | 92.25 |
| | (Including Employee and Employer Contributions) | | |
| **(xii)** | **Loan and Advances** | | |
| - | Issue / (Redemption) of Non convertible zero coupon debentures | | |
| | Sundaram Auto Components Limited, Chennai | (310.00) | 310.00 |
| **(xiii)** | **Dividend received from** | | |
| | Subsidiary Company (Sundaram Auto Components Limited, chennai) | 1.96 | 2.23 |
| **(xiv)** | **Dividend paid to** | | |
| - | Holding company (TVS Holdings Limited, Chennai) - (Formerly known as Sundaram-Clayton Limited) | 191.03 | 119.39 |

# Notes to the Financial Statements (Contd.)

## (c) Balances with related parties:

Rupees in Crores

| | | As at / Year Ended 31-03-2024 | As at / Year Ended 31-03-2023 |
|---|---|---|---|
| **(i)** | **Trade receivables / Other current assets** | | |
| - | Holding company (TVS Holdings Limited, Chennai) - (Formerly known as Sundaram-Clayton Limited) | 74.23 | 17.36 |
| - | Subsidiary companies | | |
| | Sundaram Auto Components Limited, Chennai | 0.75 | 0.14 |
| | PT. TVS Motor Company Indonesia, Jakarta | 412.13 | 376.93 |
| | TVS Credit Services Limited, Chennai | 8.17 | 4.72 |
| | The Norton Motorcycle Co. Ltd., UK | 18.99 | 6.61 |
| | TVS Digital Pte Limited, Singapore | 8.03 | 6.66 |
| | Swiss E-Mobility Group (Schweiz) AG Switzerland | 0.98 | - |
| | Celerity Motor GmbH, Germany | 0.06 | - |
| - | Associate / joint venture | | |
| | Tagbox Solutions Private Limited, Bengaluru | - | 0.16 |
| - | Associate / joint venture of holding / ultimate holding / subsidiary / fellow subsidiary company | | |
| | Emerald Haven Development Limited, Chennai | 0.09 | - |
| | Emerald Haven Realty Limited, Chennai | 11.96 | 5.78 |
| - | Enterprises under Common control | | |
| | Sundaram-Clayton Limited, Chennai (Formerly known as Sundaram-Clayton DCD Limited) | 0.93 | - |
| - | Enterprises in which directors are interested | | |
| | Trichur Sundaram Santhanam & Family Private Limited, Chennai | 0.52 | - |
| | McCann-Erickson (India) Private Limited, Delhi | 0.02 | - |
| **(ii)** | **Trade payables** | | |
| - | Holding company (TVS Holdings Limited, Chennai) - (Formerly known as Sundaram-Clayton Limited) | 1.25 | - |
| - | Subsidiary companies | | |
| | Sundaram Auto Components Limited, Chennai | 5.54 | - |
| | TVS Motor (Singapore) Pte Limited, Singapore | 1.52 | 4.03 |
| | TVS Credit Services Limited, Chennai | 1.81 | - |
| | PT. TVS Motor Company Indonesia, Jakarta | 0.11 | - |
| - | Associate / joint venture | | |
| | DriveX Mobility Private Limited, Coimbatore | 0.04 | - |
| - | Associate / joint venture of holding / ultimate holding / subsidiary / fellow subsidiary company | | |
| | Predictronics Corporation, USA | 0.07 | 0.07 |
| - | Enterprises under Common control | | |
| | Sundaram-Clayton Limited, Chennai (Formerly known as Sundaram-Clayton DCD Limited) | 20.98 | 7.97 |
| - | Enterprises in which directors are interested | | |
| | Dua Consulting Private Limited, Delhi | 0.32 | 0.32 |
| | McCann-Erickson (India) Private Limited, Delhi | - | 0.32 |
| | T.V Sundram Iyengar & Sons Private Limited, Madurai | 0.07 | 0.03 |
| | Lakshmi Energy and Environment Design Private Limited, Coimbatore | - | 0.06 |
| | TVS Organics Private Limited, Chennai | 0.03 | - |
| **(iii)** | **Guarantees issued** | 83.41 | 123.26 |

The transactions with related parties are made on terms equivalent to those that prevail in arm's length transactions. Outstanding balances at the year end are unsecured and settlement occurs in cash.

# Notes to the Financial Statements (Contd.)

## 35 Revenue from Contract with Customers

### A 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:

Rupees in crores

| Sl. No. | Particulars | For the year ended 31-03-2024 | For the year ended 31-03-2023 |
|---|---|---|---|
| (a) | **Type of goods and service** | | |
| | (i) Two wheelers | 26,388.94 | 21,243.75 |
| | (ii) Three wheelers | 1,890.10 | 1,989.90 |
| | (iii) Parts and accessories | 3,170.53 | 2,705.13 |
| | (iv) Technical / IT Services | 39.65 | 61.26 |
| | (v) Royalty | 13.27 | 8.02 |
| | | **31,502.49** | **26,008.06** |
| (b) | **Geographical markets** | | |
| | (i) Domestic | 24,072.51 | 18,862.57 |
| | (ii) Exports | 7,429.98 | 7,145.49 |
| | | **31,502.49** | **26,008.06** |

### B

The above operating revenue of the Company relates to only one segment viz., automotive vehicle and parts. Thus, the information on the relationship between disaggregated revenue under Ind AS 115 and for reportable segment under Ind AS 108 is not required.

### C Reconciliation of contracts with customers

Movement of contract liabilities for the reporting period given below:

Rupees in Crores

| Particulars | For the year ended 31-03-2024 | For the year ended 31-03-2023 |
|---|---|---|
| Contract Liabilities at the beginning of the period | 154.70 | 147.64 |
| Add / (Less): | | |
| Consideration received during the year as advance | 265.58 | 154.70 |
| Revenue recognized from contract liability | (154.70) | (147.64) |
| **Contract Liabilities at the end of the period** | **265.58** | **154.70** |

Payment is 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.

### D Transaction price allocated to the remaining performance obligations

The Company's contracts with customers are short term (i.e., the performance obligations are expected to be met within one year or less).Therefore, taking the practical expedient, the details on transaction price allocated to the remaining performance obligations are not disclosed.

### E Reconciliation of revenue with contract price

Rupees in crores

| Sl. No. | Particulars | For the year ended 31-03-2024 | For the year ended 31-03-2023 |
|---|---|---|---|
| (i) | Contract price | 30,270.38 | 25,144.29 |
| (ii) | Adjustments: | | |
| | Incentive schemes | 705.62 | 450.97 |
| | Transport cost | 526.49 | 412.80 |
| (iii) | Revenue from sale of products/services (refer note no: 21) | 31,502.49 | 26,008.06 |

# Notes to the Financial Statements (Contd.)

## 36 Earnings Per Share

Rupees in Crores

| Particulars | As at / Year Ended 31-03-2024 | As at / Year Ended 31-03-2023 |
|---|---|---|
| Profit attributable to ordinary shareholders | 2,083.00 | 1,491.03 |
| Number of equity shares | 47,50,87,114 | 47,50,87,114 |
| Face value of the share (in rupees) | 1.00 | 1.00 |
| Weighted average number of equity shares outstanding during the year | 47,50,87,114 | 47,50,87,114 |
| Basic and diluted earnings per share for continued operations (in rupees) | 43.84 | 31.38 |
| Basic and diluted earnings per share for discontinued operations (in rupees) | - | - |
| Basic and diluted earnings per share for continued and discontinued operations (in rupees) | 43.84 | 31.38 |

## 37 Warranty Provision

Rupees in Crores

| Particulars | As at / Year Ended 31-03-2024 | As at / Year Ended 31-03-2023 |
|---|---|---|
| Opening balance | 55.11 | 41.32 |
| Add: Provision for the year (net) | 88.32 | 55.11 |
| | **143.43** | **96.43** |
| Less: Payments / debits (net) | 55.11 | 41.32 |
| **Closing balance** | **88.32** | **55.11** |

## 38 Disclosure Under Micro, Small and Medium Enterprises Development Act, 2006.

Rupees in Crores

| Particulars | As at / Year Ended 31-03-2024 | As at / Year Ended 31-03-2023 |
|---|---|---|
| Trade Payables pertaining to dues to Micro and Small Enterprises (all are within agreed credit period and not due for payment) [Refer note 18] | 34.80 | 45.42 |
| (i) The principal amount and interest due thereon remaining unpaid to any supplier as at the end of each accounting year | Nil | Nil |
| (ii) 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 |
| (iii) 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 |
| (iv) The amount of interest accrued and remaining unpaid at the end of each accounting year | Nil | Nil |
| (v) 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 |

## 39 Payment to Auditors Comprises

Rupees in Crores

| Particulars | As at / Year Ended 31-03-2024 | As at / Year Ended 31-03-2023 |
|---|---|---|
| As statutory auditors | 0.85 | 0.85 |
| Taxation matters | 0.20 | 0.20 |
| Certification matters | 0.10 | 0.10 |
| | **1.15** | **1.15** |
| Miscellaneous expenses include travel and stay expenses of auditors | 0.03 | 0.05 |
| | **1.18** | **1.20** |

# Notes to the Financial Statements (Contd.)

## 40 Contingent Liabilities and Commitments not Provided for

Rupees in Crores

| Particulars | As at / Year Ended 31-03-2024 | As at / Year Ended 31-03-2023 |
|---|---|---|
| **(a) Claims against the company not acknowledged as debts:** | | |
| (i) Excise | 31.14 | 52.44 |
| (ii) Service tax | 0.95 | 0.95 |
| (iii) Customs | - | 39.27 |
| (iv) Sales tax | 2.00 | 2.00 |
| (v) Guarantees given to bank/others for credit facility granted to subsidiary Companies | 83.41 | 123.26 |
| (vi) Income tax | 46.85 | 53.24 |
| 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. | | |
| **(b) Other money for which the company is contingently liable:** | | |
| On bills discounted with banks | 250.99 | 146.91 |
| **(c) Commitments:** | | |
| (i) Estimated amount of contracts remaining to be executed on capital account and not provided for | 229.94 | 259.85 |
| (ii) On Investments | 1.88 | 3.90 |

## 41 Leases

### Company as a Lessee

The company has taken land, warehouses and sales offices across the country on lease for lease period ranging from 6-99 years. Company also has other assets on leases, the lease term here ranges from 2-9 Years.

Wherever the lease includes extension option and it is reasonably certain to exercise that option, the same is considered for computing the lease term. In other cases, the term is limited to initial lease period. Lease term includes non-cancellable period and expected lease period.

Payment made towards short term leases during the year is ₹ 78.46 Cr (Previous year: ₹ 45.34 Cr)

Payment made towards Low value assets during the year is Nil (Previous year: Nil)

Payment relating to leases are disclosed in Cash flow statement

Income from sub-leasing of Right of use asset is ₹ NIL (Previous year: ₹ 7.47 Cr)

## 42 Additional Regulatory Disclosures as Per Schedule iii of Companies Act, 2013

(i) 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.

(ii) The Company does not have any investment property.

(iii) As per the Company's accounting policy, Property, Plant and Equipment (including Right of Use Assets) and intangible assets are carried at historical cost (less accumulated depreciation & impairment, if any), hence the revaluation related disclosures required as per Additional Regulatory Information of Schedule III (revised) to the Companies Act, is not applicable.

Notes to the Financial Statements (Contd.)

(iv) 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.

(v) 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.

(vi) The Company has sanctioned facilities from banks on the basis of security of current assets. The periodic returns filed by the Company with such banks are in agreement with the books of accounts of the Company.

(vii) The company has adhered to debt repayment and interest service obligations on time. "Wilful defaulter" related disclosures required as per Additional Regulatory Information of Schedule III (revised) to the Companies Act, is not applicable.

(viii) There are no transactions with the companies whose names were struck off under section 248 of The Companies Act, 2013 or section 560 of Companies Act, 1956 during the year ended 31 March 2024.

(ix) 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 31st March 2024.

(x) 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.

(xi) No scheme of arrangement has been approved by the competent authority in terms of Section 230 to 237 of the Companies Act, 2013.

(xii) 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.

(xiii) The Company has not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Company shall: (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.

(xiv) The Company has not operated in any crypto currency or Virtual Currency transactions.

(xv) 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.

# Notes to the Financial Statements (Contd.)

## 43 Disclosure Made in Terms Of Regulation 34(3) of Listing Regulations

Rupees in Crores

| Sl. No. | Particulars | Name of the company | | Amount outstanding as at 31-03-2024 | Amount outstanding as at 31-03-2023 |
|---|---|---|---|---|---|
| (a) | **Investments by the company** | | | | |
| | **(i) In subsidiary companies** | **Sundaram Auto Components Limited, Chennai** | | 108.46 | 336.20 |
| | | [1,19,37,422 (last year-4,45,69,000) Equity shares of ₹10/- each fully paid up] | 108.46 | | |
| | | Maximum amount held at any time | | | |
| | | During the year | | | |
| | | During the previous year | 336.20 | | |
| | | **TVS Digital Limited, Chennai (Formerly known as TVS Housing Limited)** | | 3.05 | 0.05 |
| | | [30,50,000 (last year - 50,000) Equity shares of ₹10/- each fully paid up] | 3.05 | | |
| | | Maximum amount held at any time | | | |
| | | During the year | | | |
| | | During the previous year | 0.05 | | |
| | | **TVS Motor Services Limited, Chennai** | | 148.68 | 148.68 |
| | | [14,96,33,814 (last year -14,96,33,814) Equity shares of ₹10/- each fully paid up] | 148.68 | | |
| | | Maximum amount held at any time | | | |
| | | During the year | | | |
| | | During the previous year | 148.68 | | |
| | | **TVS Motor Services Limited, Chennai** | | 50.00 | 50.00 |
| | | [5,00,00,000 (last year - 5,00,00,000) Preference shares of ₹ 10/- each fully paid up] | | | |
| | | Maximum amount held at any time | | | |
| | | During the year | 50.00 | | |
| | | During the previous year | 50.00 | | |
| | | **TVS Credit Services Limited, Chennai** | | 1,960.99 | 1,960.99 |
| | | [19,54,24,754 (last year - 19,54,24,754) Equity shares of ₹10/- each fully paid up] | | | |
| | | Maximum amount held at any time | | | |
| | | During the year | 1960.99 | | |
| | | During the previous year | 1960.99 | | |
| | | **TVS Credit Services Limited, Chennai** | | 100.00 | - |
| | | [31,69,773 (last year - Nil ) Preference shares of ₹ 10/- each fully paid up] | | | |
| | | Maximum amount held at any time | | | |
| | | During the year | 200 | | |
| | | During the previous year | - | | |
| | | **TVS Motor Company (Europe) B.V., Amsterdam** | | 1.80 | 1.80 |
| | | [2,25,301 (last year- 2,25,301) Ordinary shares of Euro 100/- each fully paid up] | | | |
| | | Maximum amount held at any time | | | |
| | | During the year | 1.80 | | |
| | | During the previous year | 1.80 | | |
| | | **TVS Motor (Singapore) Pte. Limited, Singapore** | | 3,697.87* | 2,466.53* |
| | | [67,16,85,616 (last year 42,01,55,810) Ordinary shares of Singapore $ 1/- each fully paid up] | | | |
| | | Maximum amount held at any time | | | |
| | | During the year | 3,697.87 | | |
| | | During the previous year | 2,466.53 | | |
| | | (* - Including share application money pending allotment) | | | |

# Notes to the Financial Statements (Contd.)

Rupees in Crores

| Sl. No. | Particulars | Name of the company | | Amount outstanding as at 31-03-2024 | Amount outstanding as at 31-03-2023 |
|---|---|---|---|---|---|
| | | **PT. TVS Motor Company Indonesia, Jakarta** | | 389.06 | 389.06 |
| | | [85,97,000 (last year - 85,97,000) Equity shares of Indonesian Rp.97,400/- each fully paid up] | | | |
| | | Maximum amount held at any time | | | |
| | | During the year | 389.06 | | |
| | | During the previous year | 389.06 | | |
| | | **TVS Electric Mobility Ltd., Chennai** | | 1.00 | 1.00 |
| | | [10,00,000 (last year -10,00,000) Equity shares of ₹ 10/- each fully paid up] | | | |
| | | Maximum amount held at any time | | | |
| | | During the year | 1.00 | | |
| | | During the previous year | 1.00 | | |
| | **(ii) in associate companies** | **Emerald Haven Realty Limited, Chennai,** | | - | 111.22 |
| | | Nil (last year - 11,12,19,512) Equity shares of ₹ 10/- each fully paid up] | | | |
| | | Maximum amount held at any time | | | |
| | | During the year | 111.22 | | |
| | | During the previous year | 111.22 | | |
| | | **Ultraviolette Automotive Private Limited, Bengaluru** | | 11.00 | 11.00 |
| | | [14,850 (last year-14,850) Equity shares of ₹ 10/- each fully paid up] | | | |
| | | Maximum amount held at any time | | | |
| | | During the year | 11.00 | | |
| | | During the previous year | 11.00 | | |
| | | **Ultraviolette Automotive Private Limited, Bengaluru** | | 5.00 | 5.00 |
| | | [990 (last year - 990) Preference shares of ₹ 50,545/- each fully paid up] | | | |
| | | Maximum amount held at any time | | | |
| | | During the year | 5.00 | | |
| | | During the previous year | 5.00 | | |
| | | (7387 (last year - 7387) Preference shares of ₹ 40,616/- each fully paid up] | | 30.00 | 30.00 |
| | | Maximum amount held at any time | | | |
| | | During the year | 30.00 | | |
| | | During the previous year | 30.00 | | |
| | | [3939 (last year - 3939) Preference shares of ₹ 1,90,384/- each fully paid up] | | 75.00 | 75.00 |
| | | Maximum amount held at any time | | | |
| | | During the year | 75.00 | | |
| | | During the previous year | 75.00 | | |
| | | **Tagbox Solutions Private Limited, Bengaluru** | | - | 1.19 |
| | | [Nil (last year - 45,710) Equity shares of ₹ 1 each fully paid] | | | |
| | | Maximum amount held at any time | | | |
| | | During the year | 1.19 | | |
| | | During the previous year | 1.19 | | |
| | | **Tagbox Solutions Private Limited, Bengaluru** | | - | 9.99 |
| | | [Nil (last year - 383,983) Preference shares of ₹ 16 each fully paid] | | | |
| | | Maximum amount held at any time | | | |
| | | During the year | 9.99 | | |
| | | During the previous year | 9.99 | | |

# Notes to the Financial Statements (Contd.)

Rupees in Crores

| Sl. No. | Particulars | Name of the company | | Amount outstanding as at 31-03-2024 | Amount outstanding as at 31-03-2023 |
|---|---|---|---|---|---|
| | | **DriveX Mobility Private Limited, Coimbatore** | | 87.17 | 87.17 |
| | | [9766 (last year - 9766) Equity shares of ₹ 10 each fully paid] | | | |
| | | Maximum amount held at any time | | | |
| | | During the year | 87.17 | | |
| | | During the previous year | 87.17 | | |
| | | **Indian Foundation for Quality Management, Bengaluru** | | 25.00 | - |
| | | [2,50,00,000 (last year - Nil) Equity shares of ₹ 10 each fully paid] | | | |
| | | Maximum amount held at any time | | | |
| | | During the year | 25.00 | | |
| | | During the previous year | - | | |
| (b) | **Investments by the holding company** | TVS Holdings Limited (formerly Sundaram-Clayton Limited) | | 17.15 | 17.15 |
| | | Chennai holds, | | | |
| | | 23,87,82,786 (last year 23,87,82,786) Equity shares of ₹ 1/- each fully paid up | | | |
| | | Maximum amount held at any time | | | |
| | | During the year | 17.15 | | |
| | | During the previous year | 17.15 | | |

## 44 Details of Loans given, Investments Made and Guarantees given

(DISCLOSURE AS PER SECTION 186 OF THE COMPANIES ACT, 2013)

(a) Investments made - Refer Note No.3

(b) Guarantee issued towards credit facility / business purpose - Refer 34 b (x)

# Notes to the Financial Statements (Contd.)

## 45 Corporate Social Responsibility

Expenditure incurred on Corporate Social Responsibility (CSR) activities:

(a) Gross amount required to be spent during the year is ₹ 26.39 crores (Previous Year ₹ 18.61 crores)

(b) Amount spent during the year:

Rupees in Crores

| Sl. No. | Particulars | In cash | Yet to be paid in cash | Year ended 31-03-2024 | Year ended 31-03-2023 |
|---|---|---|---|---|---|
| 1 | Construction/acquisition of any asset | - | - | - | - |
| 2 | Other than above | - | - | 30.00 | 19.00 |

| Sl. No. | Particulars | Year ended 31-03-2024 | Year ended 31-03-2023 |
|---|---|---|---|
| 1 | Amount required to be spent by the Company during the year | 26.39 | 18.61 |
| 2 | Amount of expenditure incurred | 30.00 | 19.00 |
| 3 | Shortfall at the end of the year | - | - |
| 4 | Total of previous years shortfall | - | - |
| 5 | Reasons for shortfall | - NOT APPLICABLE - | |
| 6 | Details of related party transactions | - | - |
| 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, environment sustainability, social empowerment, infrastructure development and conservation of natural resources. | | |

## 46 Previous year's figures have been regrouped wherever necessary to conform to the current year's classification.

**PROF. SIR RALF DIETER SPETH**
Chairman
DIN: 03318908

**SUDARSHAN VENU**
Managing Director
DIN: 03601690

**K.N. RADHAKRISHNAN**
Director & Chief Executive Officer
DIN: 02599393

As per our report annexed
For **Sundaram & Srinivasan**
Chartered Accountants
Firm Regn. No.004207S

**S USHA**
Partner
Membership No.:211785

Place: Chennai
Date: 8th May 2024

**K. GOPALA DESIKAN**
Chief Financial Officer

**K.S.SRINIVASAN**
Company Secretary

# Independent Auditors' Report

for the year ended 31st March 2024

**To the members of TVS Motor Company Limited**

## Report on the Audit of Consolidated Ind AS Financial Statements

### Opinion

We have audited the accompanying consolidated Ind AS financial statements of TVS Motor Company Limited (hereinafter referred to as the 'Holding Company") and its subsidiaries (Holding Company and its subsidiaries together referred to as "the Group"), and its associates, which comprise the consolidated Balance Sheet as at March 31, 2024, and the consolidated statement of Profit and Loss,(including Other Comprehensive Income), the consolidated statement of changes in equity and the consolidated cash flow statement for the year then ended, and notes to the consolidated Ind AS financial statements, including material accounting policies and other explanatory information (hereinafter referred to as "the consolidated Ind AS financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated Ind AS 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 Indian Accounting standards prescribed under Section 133 of the Act, read with the Companies (Indian Accounting Standards) Rule, 2015 as amended (“Ind AS”) and other accounting principles generally accepted in India, of the consolidated state of affairs of the Group, its associates as at March 31, 2024, and its consolidated profit, its consolidated total comprehensive income, its consolidated changes in equity and its consolidated cash flows for the year then ended.

### 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 Standards are further described in the “Auditor's Responsibilities for the Audit of the Consolidated Ind AS Financial Statements” section of our report. We are independent of the Group and its associates in accordance with the ethical requirements that are relevant to our audit of the consolidated Ind AS financial statements in India in terms of the Code of Ethics issued by the Institute of Chartered Accountants of India and the relevant provisions of the Act, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained, and the audit evidence obtained by the other auditors in terms of their reports referred to in Other Matters section below, other than the unaudited financial statements/ financial information as certified by the management and referred to in Other Matters section below, is sufficient and appropriate to provide a basis for our opinion.

### Key Audit Matter

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated Ind AS financial statements of the current period. These matters were addressed in the context of our audit of the consolidated Ind AS financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

| Key Audit matter | Principal Audit Procedure |
|---|---|
| **1. Carrying Value of Goodwill**<br>Management has obtained a valuation report of the Cash Generating Unit, wherein valuers have arrived at a fair value, based on weighted average of the Discounted Cash Flow Method and Comparable Companies Multiples Method. | Management has obtained a valuation report of the Cash Generating Unit, wherein valuers have arrived at a fair value, based on weighted average of the Discounted Cash Flow Method and Comparable Companies Multiples Method.<br>We gained an understanding of the key assumptions used to forecast the cash flows and the discount. rates applied Weighted Average Cost of Capital (WACC) as well as the Comparable Companies considered in arriving at the fair value. We consider that the management conclusions concerning the absence of impairment in the goodwill are. adequately supported and consistent with the information currently available. |
| **2. Government Grants**<br>Government has announced various Grants to manufacturers of automobiles. The company in turn is availing the said grants on fulfilling the conditions attached to that.<br>The recognition of Government grants is considered to be key audit matter because of significance of amount of grants and management judgements involved in fulfilling the conditions to receive the grant.<br>The management periodically reviews, during the year, compliance of relevant conditions attached to each grant whether there is a reasonable assurance that the grants will be received, in order to determine the timing and amounts of grants to be recognized in the financial statements. | Determined the appropriateness of the accounting policy for government grants as per the relevant accounting standard;<br>Examined the Company's key internal financial controls over recognition of government grants with regard to its design and implementation. Tested the operating effectiveness of such controls for the transactions selected.<br>Verified documents, on sample basis, submitted to the various government authorities relating to the grants received and receivable and checked the compliance of conditions attached to the respective grants.<br>Considered the basis of management's judgement towards fulfilment of conditions attached to the grants and evaluated the reasonable assurance that grants will be received.<br>Reviewed the appropriateness of the disclosures made in accordance with the relevant accounting standards. |
| **3. Investments**<br>The Company has significant investments in its subsidiaries and associates.<br>Management reviews regularly whether there are any indicators of impairment of the investments by reference to the requirements under Ind AS 36 "Impairment of Assets".<br>For investments where impairment indicators exist, significant judgements are required to determine the key assumptions used in the valuation model and methodology, such as revenue growth, discount rates, etc.<br>Considering, the impairment assessment which involves significant assumptions and judgement of the management and the same has been considered as key audit matter. | Obtained and read the valuation report used by the management for determining the fair value ('recoverable amount') of its material investments.<br>Considered the independence, competence and objectivity of the management specialist involved in determination of valuation.<br>Tested the fair value of the investment as mentioned in the valuation report to the carrying value in books.<br>Made inquiries with management to understand key drivers of the cash flow forecasts, discount rates, etc.<br>Assessed the disclosures made in the financial statements regarding such investments to comply with the requirements of Standards. |
| **4. Evaluation of Uncertain Direct tax and Indirect Tax positions:**<br>The Company has material uncertain tax positions, including matters under dispute relating Excise, Customs Duty, Value Added Tax (Indirect Taxes) and Income Tax (Direct Tax).<br>These matters involve significant judgment to determine the possible outcome of these disputes | We obtained details of demands relating to Direct Tax and indirect tax, for the year ended 31st March 2024.<br>We considered legal precedence and other rulings, obtained external opinions and discussed with company's internal legal team in evaluating management's position on these uncertain tax positions.<br>Satisfied ourselves that it is not probable that an outflow of economic benefits will be required and disclosed such obligation as a contingent liability |

### Information other than the Consolidated Ind AS 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 Annual Report (Financial Highlights, Board’s Report, Management Discussion and Analysis and Report on Corporate Governance) report but does not include the consolidated Ind AS financial statements and our auditors’ report thereon.

Our opinion on the consolidated Ind AS 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 Ind AS 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 consolidated Ind AS 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 therein, we are required to communicate the matter to those charged with governance and take appropriate action as applicable under the relevant laws and regulations. We have nothing to report in this regard.

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

The Holding Company's Board of Directors is responsible for the preparation and presentation of these consolidated Ind AS financial statements in term of the requirements of the Act, that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows, and consolidated Changes in Equity of the Group including its associates in accordance with the accounting principles generally accepted in India, including the Ind AS specified under Section 133 of the Act. The respective Board of Directors of the companies included in the Group and of its associates 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 the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring 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 Ind AS financial statements by the Directors of the Holding Company, as aforesaid.

In preparing the consolidated Ind AS financial statements, the respective Board of Directors of the companies included in the Group and of its associates are responsible for assessing the ability of the Group and of its associates 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 the Group or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the companies included in the Group and of its associates are responsible for overseeing the financial reporting process of the Group and of its associates.

### Auditor's Responsibilities for the Audit of the Consolidated Ind AS Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated Ind AS financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with SAs will always.

detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated Ind AS financial statements.

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

- Identify and assess the risk of material misstatement of consolidated Ind AS financial statements, whether due to fraud or error, design, and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis of 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 collusions, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3) (i) of the Act, we are also responsible for expressing our opinion on whether the Holding company has adequate internal financial controls with reference to consolidated Ind AS 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 the management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may significantly doubt on the ability of the Group and its associates 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 Ind AS financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group and its associates to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated Ind AS financial statements, including the disclosures, and whether the consolidated Ind AS 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 entities or business activities within the Group and its associates to express an opinion on the consolidated Ind AS financial statements. We are responsible for the direction, supervision, and performance of the audit of the financial statements of such entities included in the consolidated Ind AS financial statements of which we are the independent auditors. For the other entities included in the consolidated Ind AS financial statements, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

We communicate with those charged with governance of the Holding Company and such other entities included in the consolidated Ind AS financial statements of which we are the independent auditors 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 Ind AS financial statements of the current periods 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

The consolidated Ind AS financial statement include the audited financial statements of 11 subsidiaries, whose Ind AS financial statement reflect total asset of ₹ 6,235.23 crores as at 31st March 2024 and total revenues of ₹1,795.38 Crores, total net loss after tax of ₹ 382.93 Crores and total comprehensive loss of ₹ 376.44 Crores, for the year ended 31st March 2024 and cash flow of ₹ 40.04 crores for the period from 1st April 2023 to 31st March 2024. The consolidated audited Ind AS financial statement also include the Group's share of net loss of ₹ 3.65 crores and total comprehensive Loss of ₹ 3.65 for the year ended 31st March 2024, as considered in the consolidated audited Ind AS financial Statement, in respect of 1 associate company, whose Ind AS financial statement have not been audited by us. This financial Statement have been audited by other auditor's whose report has been furnished to us by the Management and our opinion, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries and one associate, is based solely on the report of the other auditors.

We have audited the Ind AS financial Statement of 1 subsidiary along with another firm of Chartered Accountants as Joint Auditors whose financial Statement is included in the consolidated audited Ind AS financial Statement which reflect total assets of ₹ 28,141.01 crores as at 31st March 2024 and total revenues of ₹ 5,796.01 Crores and total net profit after tax of ₹ 572.56 Crores and total comprehensive income of ₹ 551.85 Crores, for the year ended 31st March 2024 and cash flow of ₹ 221.56 crores for the period from 01st April 2023 to 31st March 2024. Our opinion on the Ind AS Financial Statement, in so far as it relates to the amounts and disclosures included in respect of this subsidiary, is based solely on our Joint opinion on the audit of Ind AS financial Statement of the said subsidiary.

The consolidated annual Ind AS financial Statement include the unaudited Ind AS financial Statement of 9 subsidiaries which have not been audited by their auditors and are based solely on management certified accounts, whose Ind AS financial Statement reflect total asset of ₹ 1,159.39 crores as at 31st March 2024 and total revenue of ₹ 716.67 Crores and total net loss after tax of ₹ 364.43 Crores and total comprehensive Loss of ₹ 364.43 Crores for the year ended 31st March 2024 and cash flow of ₹ (4.58) crores for the period from 1st April 2023 to 31st March 2024 as considered in the consolidated Ind AS audited financial Statement. The consolidated Ind AS audited financial Statement also include the Group's share of net loss after tax of ₹ 39.82 Crores and total comprehensive Loss of ₹ 39.82 Crores for the year ended 31st March 2024, as considered in the consolidated Ind AS audited financial Statement, in respect of 10 associates based on their financial statement which have not been audited by their auditors and are based solely on management certified accounts.

The financial information of subsidiaries and associates located outside India have been prepared in accordance with accounting principles generally accepted in their respective countries. The Holding Company's Management has converted this financial information from accounting principles generally accepted in their respective countries, to Indian Accounting Standards (Ind AS) prescribed under Section 133 of the Companies Act, 2013 and other accounting principles generally accepted in India. We have audited these conversion adjustments made by the Parent Company's Management. Our opinion in so far as it relates to such subsidiaries and associates located outside India is based on the aforesaid conversion adjustments report prepared by the Parent Company's Management.

This financial statements / financial information are unaudited and have been furnished to us by the Management and our opinion, on the consolidated Ind AS financial statements, in so far as it relates to the amounts and disclosures included in respect of these associates, and our report in terms of sub-section (3) of Section 143 of the Act, in so far as it relates to this associate, is based solely on such unaudited financial statements / financial information. In our opinion and according to the information and explanations given to us by the Management, this financial statement / financial information is not material to the Group.

Our opinion on the consolidated Ind AS financial statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors and the financial statements/ financial information certified by the Management.

### Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, we report, to the extent applicable, that

   a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated Ind AS financial statements.

   b. In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated Ind AS financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditors.

   c. The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss including other comprehensive income, the consolidated Statement of Changes in Equity and the Consolidated Cash Flow Statement dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated Ind AS financial statements.

   d. In our opinion, the aforesaid consolidated Ind AS financial statements comply with the Accounting Standards 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 of the Holding Company as on 31st March, 2024, taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors of its subsidiary companies and its associate companies, incorporated in India, none of the directors of the Group companies, its associate companies incorporated in India is disqualified as on 31st March, 2024, from being appointed as a director in terms of Section 164(2) of the Act.

f. With respect to the adequacy of internal financial controls over financial reporting of the Group and the operating effectiveness of such controls, refer to our separate report in Annexure.

g. (i) The remuneration paid / provided by the group and its associates to the directors during the year is in accordance with the Section 197 read with Schedule V of the Act.

(ii) This clause is not applicable to the overseas subsidiary companies and associate companies incorporated outside India.

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 consolidated Ind AS financial statements disclose the impact of pending litigations on the consolidated financial position of the Group (refer note no. 43).

ii. Provision has been made in the consolidated Ind AS financial statements, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts.

iii. There has been no delay in transferring amounts, and required to be transferred, to the Investor Education Protection Fund by the Group, its associates incorporated in India.

iv. a) The respective Managements of the Company, its subsidiaries and associates which are companies incorporated in India, whose financial statements have been audited under the Act, have represented to us and to the other auditors of such subsidiaries and associates respectively that, to the best of their knowledge and belief, other than as disclosed in the notes to accounts (refer note no 45 (viii), 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 or any of such subsidiaries or associates 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, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company or any of such subsidiaries and associates ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries. This clause is not applicable to company incorporated outside India.

b) The respective Managements of the Company its subsidiaries and associates which are companies incorporated in India, whose financial statements have been audited under the Act, have represented to us and to the other auditors of such subsidiaries and associates respectively that, to the best of their knowledge and belief, other than as disclosed in the notes to accounts (refer note no 45 (ix) no funds (which are material either individually or in the aggregate) have been received by the Company or any of such subsidiaries and associates from any person(s) or entity(ies), including foreign entity ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company or any of such subsidiaries or associates 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. This clause is not applicable to the companies incorporated outside India.

c) Based on the audit procedures that have been considered reasonable and appropriate in the circumstances performed by us on the Company and its subsidiaries and associates which are companies incorporated in India whose financial statements have been audited under the Act, 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 dividends declared and paid during the year by the Group, are in accordance with Section 123 of the Companies Act 2013.

vi. Based on our examination, which included test checks, and that performed by the respective auditors of the group and associates and which are companies incorporated in India whose financial statements have been audited under the Act the Group and associates have used accounting software for maintaining books of account for the financial year ended 31st March 2024 which have a feature of recording audit trail (edit log) facility and that has operated throughout the year for all relevant transactions recorded in the software. Further, during the course of performing the procedures, we, and the respective auditors of such group and its associates, did not notice any instance of the audit trail feature being tampered with.

As proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 is applicable from April 1, 2023, reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014 on preservation of audit trail as per the statutory requirements for record retention is not applicable for the financial year ended March 31, 2024

The reporting requirement under this clause is not applicable to subsidiary companies and associate companies incorporated outside India.

For **Sundaram and Srinivasan**
Chartered Accountants
Firm Registration No. 004207S

**S. USHA**
Partner
Place: Chennai
Membership No.: 211785
Date: 8th May 2024
UDIN: 24211785BKCSLP3972

# Annexure

to the Independent Auditors' Report for the year ended 31st March 2024 To the members of TVS Motor Company Limited

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

In conjunction with our audit of the consolidated Ind AS financial statements of the Company as of and for the year ended March 31, 2024, we have audited the internal financial controls over financial reporting of TVS Motor Company Ltd. ("the Holding Company"), the subsidiary companies and its associate companies incorporated in India.

## Management's Responsibility for Internal Financial Controls

The respective Board of Directors of the Holding company, its subsidiary companies and its associates, which are companies incorporated in India, are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (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 the respective 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

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting 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, 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, 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 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 authorisation 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 consolidated Ind AS 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 the Holding Company, its subsidiary companies and its associates, which are companies incorporated in India, have, 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, 2024, 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 Matter

Our aforesaid reports under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls with reference to financial statements insofar as it relates to seven subsidiary companies and one associate company, which companies are incorporated in India, is based on the corresponding reports of the auditors of such companies incorporated in India.

Our aforesaid reports under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls with reference to financial statements insofar as it relates to one subsidiary company, which company is incorporated in India, is based on the corresponding report issued by us along with the other firm as joint auditors of such company incorporated in India.

Our aforesaid reports under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls with reference to financial statements insofar as it relates to five associate companies, which companies are incorporated in India, is based on the management certificate of such companies incorporated in India.

The reporting under section 143(3)(i) of the Act is not applicable to thirteen subsidiary companies and five associate companies, which companies are incorporated outside India.

Our opinion is not modified in respect of this matter.

For **Sundaram and Srinivasan**
Chartered Accountants
Firm Registration No. 004207S

**S. USHA**
Partner
Membership No.: 211785
UDIN: 24211785BKCSLP3972

Place: Chennai
Date: 8th May 2024

# Balance Sheet

as at 31st March 2024

Rupees in crores

| | Notes | As at 31-03-2024 | As at 31-03-2023 |
|---|---|---|---|
| **ASSETS** | | | |
| **Non-current assets** | | | |
| Property, plant and equipment | 2 | 4,294.12 | 4,177.40 |
| Capital work-in-progress | 2 | 338.01 | 315.81 |
| Investment properties | 3 | 137.70 | 137.70 |
| Goodwill on consolidation | | 597.05 | 597.05 |
| Other intangible assets | 2 | 861.95 | 835.88 |
| Intangible assets under development | | 694.94 | 427.64 |
| Financial assets | | | |
| i. Investments | 4 | 482.75 | 364.10 |
| ii. Loans (receivable from financing activity) | 5 | 12,054.55 | 10,321.42 |
| iii. Other Financial Assets | 6 | 195.52 | 192.93 |
| Investments accounted using equity method | 7 | 477.25 | 411.23 |
| Non-current tax assets (Net) | | 23.55 | 27.60 |
| Deferred tax assets | 8 | 394.28 | 305.73 |
| Other non-current assets | 9 | 148.78 | 94.14 |
| | | **20,700.45** | **18,208.63** |
| **Current assets** | | | |
| Inventories | 10 | 2,248.40 | 1,921.51 |
| Financial assets | | | |
| i. Trade receivables | 11 | 1,839.42 | 1,256.42 |
| ii. Investments | 4 | 163.19 | 191.92 |
| iii. Loans (receivable from financing activity) | 5 | 13,417.26 | 10,225.16 |
| iv. Cash and cash equivalents | 12 | 2,355.80 | 1,851.19 |
| v. Bank balances other than (iv) above | 13 | 69.93 | 27.92 |
| vi. Other financial assets | 14 | 202.66 | 241.26 |
| Current tax assets (Net) | | 23.89 | 4.56 |
| Other current assets | 15 | 1,199.46 | 1,304.34 |
| | | **21,520.01** | **17,024.28** |
| **Total assets** | | **42,220.46** | **35,232.91** |
| **EQUITY AND LIABILITIES** | | | |
| Equity | | | |
| Equity share capital | 16 | 47.51 | 47.51 |
| Other equity | 17 | 6,736.00 | 5,457.49 |
| Equity attributable to owners | | **6,783.51** | **5,505.00** |
| Non-controlling interest | | 727.60 | 404.85 |
| | | **7,511.11** | **5,909.85** |
| **Liabilities** | | | |
| **Non-current liabilities** | | | |
| Financial liabilities | | | |
| i. Borrowings | 18 | 12,629.32 | 9,064.08 |
| ii. Lease Liabilities | | 503.68 | 563.51 |
| Provisions | 19 | 270.18 | 231.26 |
| Deferred tax liabilities (Net) | 20 | 196.46 | 208.37 |
| Other non current liabilities | | 31.50 | 37.14 |
| | | **13,631.14** | **10,104.36** |
| **Current liabilities** | | | |
| **Financial liabilities** | | | |
| i. Borrowings | 21 | 12,657.30 | 12,562.15 |
| ii. Lease Liabilities | | 215.40 | 185.84 |
| iii. Trade payables | 22 | | |
| a. Total outstanding dues of micro and small enterprises | | 62.38 | 75.83 |
| b. Total outstanding dues of other than (iii) (a) above | | 6,575.84 | 5,020.84 |
| iv. Other financial liabilities | 23 | 459.58 | 355.60 |
| Provisions | 19 | 166.64 | 115.74 |
| Current tax liabilities | | 34.58 | 16.05 |
| Other current liabilities | 24 | 906.49 | 886.65 |
| | | **21,078.21** | **19,218.70** |
| **Total liabilities** | | **34,709.35** | **29,323.06** |
| **Total equity and liabilities** | | **42,220.46** | **35,232.91** |
| Material accounting policies | 1 | | |

See the accompanying notes to the financial statements

**PROF. SIR RALF DIETER SPETH**
Chairman
DIN: 03318908

**SUDARSHAN VENU**
Managing Director
DIN: 03601690

**K.N. RADHAKRISHNAN**
Director & Chief Executive Officer
DIN: 02599393

As per our report annexed
For **Sundaram & Srinivasan**
Chartered Accountants
Firm Regn. No.004207S

**S USHA**
Partner
Membership No.:211785

Place: Chennai
Date: 8th May 2024

**K. GOPALA DESIKAN**
Chief Financial Officer

**K.S.SRINIVASAN**
Company Secretary

# Statement of Profit and Loss

for the year ended 31st March 2024

Rupees in crores

| | | Notes | Year Ended 31-03-2024 | Year Ended 31-03-2023 |
|---|---|---|---|---|
| I | Revenue from operations | 25 | 39,144.74 | 31,973.99 |
| II | Other income | 26 | 105.82 | 138.00 |
| **III** | **Total Income (I +II)** | | **39,250.56** | **32,111.99** |
| IV | Expenses: | | | |
| | Cost of material consumed | 27 | 23,717.91 | 20,096.24 |
| | Purchase of stock in trade | 27 | 1,011.69 | 890.95 |
| | Changes in inventories of finished goods, Stock-in -trade and work-in-progress | 27 | (324.35) | (140.93) |
| | Employee benefits expense | 28 | 3,385.19 | 2,890.25 |
| | Finance costs | 29 | 1,927.72 | 1,367.89 |
| | Depreciation and amortisation expense | 30 | 975.12 | 858.86 |
| | Other expenses | 31 | 5,810.89 | 4,170.10 |
| | **Total expenses** | | **36,504.17** | **30,133.36** |
| **V** | **Profit before exceptional items, share of net profit/(loss) from associates and tax (III - IV)** | | **2,746.39** | **1,978.63** |
| VI | Share of net profit / (loss) from associates using equity method | | (43.47) | (40.73) |
| **VII** | **Profit before exceptional items and tax (V + VI)** | | **2,702.92** | **1,937.90** |
| VIII | Exceptional items | | - | (1.87) |
| **IX** | **Profit before tax (VII + VIII)** | | **2,702.92** | 1,936.03 |
| X | Tax expense | 32 | | |
| | i) Current tax | | 1,012.63 | 703.46 |
| | ii) Deferred tax | | (88.25) | (76.89) |
| | **Total Tax expense (i+ii)** | | **924.38** | **626.57** |
| **XI** | **Profit for the year (IX - X)** | | **1,778.54** | **1,309.46** |
| XII | (Profit) / Loss attributable to non-controlling Interest | | (92.17) | 19.21 |
| **XIII** | **Profit for the year attributable to owners (XI + XII)** | | **1,686.37** | **1,328.67** |
| XIV | Other comprehensive income | | | |
| | *A. Items that will not be reclassified to profit or loss:* | | | |
| | Remeasurements of post employment benefit obligations | | (28.42) | (27.62) |
| | Change in fair value of equity instruments | | 0.32 | (13.49) |
| | Share of other comprehensive income of an associate | | 0.01 | (0.03) |
| | Income tax relating to the above items | | 3.93 | 10.38 |
| | *B. Items that will be reclassified to profit or loss:* | | | |
| | Fair value changes on cash flow hedges | | (27.47) | 16.85 |
| | Foreign currency translation adjustments | | (8.08) | 78.17 |
| | Income tax relating to the above items | | 6.24 | (4.98) |
| | **Other comprehensive income for the year, net of tax (XIV)** | | **(53.47)** | **59.28** |
| XV | Other comprehensive income attributable to non-controlling interest | | (5.93) | 23.29 |
| **XVI** | **Other comprehensive income attributable to owners (XIV - XV)** | | **(47.54)** | **35.99** |
| **XVII** | **Total comprehensive income attributable to owners (XIII +XVI)** | | **1,638.83** | **1,364.66** |
| XVIII | Earnings per equity share (Face value of ₹ 1/- each) | | | |
| | Basic & Diluted earnings per share (in rupees) | 41 | 35.50 | 27.97 |
| | Material accounting policies | 1 | | |

See the accompanying notes to the financial statements

**PROF. SIR RALF DIETER SPETH**
Chairman
DIN: 03318908

**SUDARSHAN VENU**
Managing Director
DIN: 03601690

**K.N. RADHAKRISHNAN**
Director & Chief Executive Officer
DIN: 02599393

As per our report annexed
For **Sundaram & Srinivasan**
Chartered Accountants
Firm Regn. No.004207S

**S USHA**
Partner
Membership No.:211785

Place: Chennai
Date: 8th May 2024

**K. GOPALA DESIKAN**
Chief Financial Officer

**K.S.SRINIVASAN**
Company Secretary

# Statement of Changes in Equity

## a Equity Share Capital

| | Rupees in crores |
|---|---|
| **As at 01-04-2022** | 47.51 |
| Changes in Equity Share capital due to prior period errors | - |
| Restated balance as at 01-04-2022 | **47.51** |
| Changes in equity share capital during the year | - |
| **As at 31-03-2023** | **47.51** |
| Changes in Equity Share capital due to prior period errors | - |
| Restated balance as at 01-04-2023 | 47.51 |
| Changes in equity share capital during the year | - |
| **As at 31-03-2024** | **47.51** |

## b Other Equity

Rupees in crores

| Particulars | Reserves & Surplus | | | | Other Reserves | | | Non Controlling Interest | Total |
|---|---|---|---|---|---|---|---|---|---|
| | General reserve | Capital reserve | Statutory Reserve | Retained earnings | Equity Instruments Fair Valued through Other Comprehensive Income | Foreign currency translation reserve | Hedging reserve | | |
| **Balance as at 31-03-2022** | 876.24 | 6.51 | 116.66 | 3,284.51 | 12.71 | 52.33 | 2.98 | 653.56 | 5,005.50 |
| Add: Profit for the year 2022-23 | - | - | - | 1,328.67 | - | - | - | (19.21) | 1,309.46 |
| Add: Other comprehensive income for the year 2022-23 | - | - | - | (19.88) | (10.76) | 55.70 | - | 24.20 | 49.26 |
| Add: Share of OCI from associates, net of tax | - | - | - | (0.03) | - | - | - | - | (0.03) |
| Less: Reclassification to profit or loss, net of tax | - | - | - | - | - | - | 6.02 | - | 6.02 |
| Less: Reclassification to retained earnings, net of tax | - | - | - | (0.41) | - | - | 0.41 | - | - |
| Less: Change in fair value of hedging instruments, net of tax | - | - | - | - | - | - | (16.98) | 0.91 | (16.07) |
| Add: Transfer from Retained earnings to Statutory reserve | - | - | 77.73 | (77.73) | - | - | - | - | - |
| Less: Non-controlling interests on sale of subsidiary | - | - | - | (65.48) | - | 47.78 | - | 325.01 | 307.31 |
| Add: Non-controlling interests on acquisition of subsidiary | - | - | - | - | - | - | - | (1.33) | (1.33) |
| **Transaction in capacity of owners** | | | | | | | | | |
| Add: Transactions with non-controlling interest | - | - | (10.80) | (28.47) | - | - | - | 73.55 | 34.28 |
| Less: Distribution to shareholders: | | | | | | | | | |
| 2022-23 Interim dividend paid | - | - | - | 237.54 | - | - | - | - | 237.54 |
| **Balance as at 31-03-2023** | **876.24** | **6.51** | **183.59** | **4,315.42** | **1.95** | **60.25** | **13.53** | **404.85** | **5,862.34** |
| Add: Profit for the year 2023-24 | - | - | - | 1,686.37 | - | - | - | 92.17 | 1,778.54 |
| Add: Other comprehensive income for the year 2023-24 | - | - | - | (22.98) | 0.19 | (6.09) | - | (5.93) | (34.81) |
| Add: Share of OCI of an associate, net of tax | - | - | - | 0.01 | - | - | - | - | 0.01 |
| Less: Reclassification to profit or loss, net of tax | - | - | - | - | - | - | 1.35 | - | 1.35 |
| Less: Issue expense taken to reserve | - | - | - | 18.94 | - | - | - | 4.45 | 23.39 |
| Less: Change in fair value of hedging instruments, net of tax | - | - | - | - | - | - | 17.32 | - | 17.32 |
| Add: Transfer from Retained earnings to Statutory reserve | - | - | 114.37 | (114.37) | - | - | | - | - |
| **Transaction in capacity of owners** | | | | | | | | | |
| Add: Transactions with non-controlling interest | - | - | (9.11) | 63.92 | (9.11) | (17.97) | 1.85 | 240.96 | 279.65 |
| Less: Distribution to shareholders: | | | | | | | | | |
| 2023-24 Interim dividend paid | - | - | - | 380.07 | - | - | - | - | 380.07 |
| **Balance as at 31-03-2024** | **876.24** | **6.51** | **297.96** | **5,529.37** | **(6.97)** | **36.19** | **(3.29)** | **727.60** | **7,463.60** |

### Nature and purpose of Other Reserves

1. General reserve is available for distribution to share holders.
2. Capital reserve

| | | Rupees in crores |
|---|---|---|
| i. | On shares forfeited (₹55,200) | - |
| ii. | On surplus arising out of amalgamation | 6.51 |
| | | **6.51** |

3. Statutory Reserve has been created pursuant to section 45 - IC of the RBI Act,1934. Owners portion of Statutory Reserve created in subsidiary shown above after becoming subsidiary.
4. Hedging Reserve - Refer Note No. 35(D)

   It represents the effective portion of the fair value of forward/option contracts designated as cashflow hedge
5. FVTOCI reserve

   The Company has elected to recognise changes in the fair value of certain investments in equity securities in other comprehensive income. These changes are accumulated within the FVTOCI reserve within equity.

See the accompanying notes to the financial statements

| | | | |
|---|---|---|---|
| **PROF. SIR RALF DIETER SPETH** | **SUDARSHAN VENU** | **K.N. RADHAKRISHNAN** | As per our report annexed |
| Chairman | Managing Director | Director & Chief Executive Officer | For **Sundaram & Srinivasan** |
| DIN: 03318908 | DIN: 03601690 | DIN: 02599393 | Chartered Accountants |
| | | | Firm Regn. No.004207S |
| | | | **S USHA** |
| Place: Chennai | **K. GOPALA DESIKAN** | **K.S.SRINIVASAN** | Partner |
| Date: 8th May 2024 | Chief Financial Officer | Company Secretary | Membership No.:211785 |

# Cash Flow Statement

for the year ended 31st March 2024

Rupees in crores

| | | Year ended 31-03-2024 | | Year ended 31-03-2023 | |
|---|---|---|---|---|---|
| **A.** | **Cash flow from operating activities:** | | | | |
| | Net profit before tax | | 2,702.92 | | 1,936.03 |
| | Add: | | | | |
| | Depreciation and amortisation for the year | 975.12 | | 858.86 | |
| | (Profit) on sale of property, plant and equipment (Net) | (3.38) | | (2.65) | |
| | Loss / (Gain) on valuation of investment (Net) | 26.93 | | (61.84) | |
| | (Profit) on sale of investments (Net) | (89.47) | | (45.56) | |
| | (Gain) on lease preclosure | (4.75) | | (0.01) | |
| | Unrealised exchange (gain) / loss | 10.82 | | 0.63 | |
| | Net (profit)/ loss from associates using equity method | 43.47 | | 40.73 | |
| | Dividend income | (0.65) | | (0.02) | |
| | Interest income | (22.10) | | (10.99) | |
| | Finance cost [excluding relatable to financial enterprise] | 274.08 | | 199.61 | |
| | Provisions | 61.40 | | 15.74 | |
| | | | 1,271.47 | | 994.50 |
| | Operating profit before working capital changes | | **3,974.39** | | **2,930.53** |
| | Adjustments for: | | | | |
| | Loans given by a financial enterprise (Net) | (4,925.23) | | (6,530.88) | |
| | Trade receivables | (590.00) | | (95.16) | |
| | Inventories | (326.89) | | (313.99) | |
| | Other current assets | 104.88 | | (334.61) | |
| | Other financial assets | 15.54 | | (155.08) | |
| | Trade payables | 1,537.73 | | 517.35 | |
| | Other financial liabilities | 49.00 | | (11.55) | |
| | Other current liabilities | 36.88 | | 161.07 | |
| | Other non - current assets | (169.55) | | 35.38 | |
| | | | (4,267.64) | | (6,727.47) |
| | Cash generated from operations | | **(293.25)** | | **(3,796.94)** |
| | Direct taxes paid | | (959.42) | | (607.87) |
| | **Net cash from operating activities** | (A) | **(1,252.67)** | | **(4,404.81)** |
| **B.** | **Cash flow from investing activities:** | | | | |
| | Purchase of property, plant and equipment, intangible assets, capital work-in-progress, intangibles under development, net of capital advances | (1,145.17) | | (1,340.77) | |
| | Sale of fixed assets | 34.63 | | 21.94 | |
| | Purchase of investments | (223.25) | | (265.58) | |
| | Purchase of Investments in associates/Subsidiaries | (387.59) | | (87.17) | |
| | Sale of Investments in subsidiaries/Associates | 168.59 | | - | |
| | Sale / redemption of investments | 47.82 | | - | |
| | Loss of control | - | | 317.01 | |
| | Contribution from non-controlling Interest | 480.00 | | 68.80 | |
| | Consideration paid towards business combination | - | | (34.63) | |
| | Interest received | 23.61 | | 12.64 | |
| | | | (1,001.36) | | (1,307.76) |
| | **Net cash from / (used in) investing activities** | (B) | **(1,001.36)** | | **(1,307.76)** |

Rupees in crores

| | | Year ended 31-03-2024 | | Year ended 31-03-2023 | |
|---|---|---|---|---|---|
| **C.** | **Cash flow from financing activities:** | | | | |
| | Borrowings: | | | | |
| | Non-current borrowings availed / (repaid) | 3,844.07 | | 5,467.90 | |
| | Current borrowings availed / (repaid) | (182.03) | | 1,119.78 | |
| | Other bank balances | (43.96) | | 62.27 | |
| | Finance cost paid | (283.67) | | (112.08) | |
| | Lease liabilities paid | (195.70) | | (127.98) | |
| | Dividend paid | (380.07) | | (291.81) | |
| | | | 2,758.64 | | 6,118.08 |
| | **Net cash from / (used in) financing activities** | (C) | **2,758.64** | | **6,118.08** |
| | **Total (A)+(B)+(C)** | | **504.61** | | **405.51** |
| | Cash and cash equivalents at the beginning of the year | | 1,851.19 | | 1,445.68 |
| | Cash and cash equivalents at the end of the year | | 2,355.80 | | 1,851.19 |
| **D.** | **Net increase/(decrease) in cash and cash equivalents** | | **504.61** | | **405.51** |

Note: The above statement of cash flow is prepared using indirect method.

## Change in liability arising from financing activities

| Particulars | As at 31-03-2023 | Cash flow | Foreign exchange movement | As at 31-03-2024 |
|---|---|---|---|---|
| Non-current borrowings | 16,816.86 | 3,844.07 | (3.25) | 20,657.68 |
| Current borrowings (Excluding overdraft utilisation) | 4,809.37 | (182.03) | 1.60 | 4,628.94 |

## Non-cash financing and investing activities

| Particulars | 2023-24 | 2022-23 |
|---|---|---|
| Acquisition of right-of-use assets | 160.55 | 328.48 |
| Acquisition of investment | - | 45.00 |

**PROF. SIR RALF DIETER SPETH**
Chairman
DIN: 03318908

**SUDARSHAN VENU**
Managing Director
DIN: 03601690

**K.N. RADHAKRISHNAN**
Director & Chief Executive Officer
DIN: 02599393

As per our report annexed
For **Sundaram & Srinivasan**
Chartered Accountants
Firm Regn. No.004207S

**S USHA**
Partner
Membership No.:211785

Place: Chennai
Date: 8th May 2024

**K. GOPALA DESIKAN**
Chief Financial Officer

**K.S.SRINIVASAN**
Company Secretary

# Notes to the Consolidated Financial Statements

## 1 Material Accounting Policies

The accounting policies mentioned herein are relating to the consolidated financial statements of TVS Motor Company Limited and its subsidiaries and associates.

### a) Brief description of the Group

TVS Motor Company Limited (the Company) is a public limited company, incorporated and domiciled in India whose shares are publicly traded. The registered office is located at "Chaitanya", No. 12, Khader Nawaz Khan Road, Nungambakkam, Chennai - 600006, Tamil Nadu, India. The Company together with its subsidiaries and associates (collectively referred to as the "Group") operate in a wide range of activities such as manufacturing of automotive vehicles, automotive components, spare parts & accessories thereof, housing development and financial services.

### 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 statement has been prepared on the historical cost convention under accrual basis of accounting except for certain 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 2024 have been approved and authorised for issue by the Board of Directors at its meeting held on 8th May 2024.

**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 and its subsidiaries line by line adding together like 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 have been changed where necessary to ensure consistency with the policies adopted by the group.

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.

**Associates**

Associates are all entities over which the group has significant influence but not control or joint control. (This is generally the case where the group holds between 20% and 50% of the voting rights). Investments in associates are accounted for using the equity method of accounting after initially being recognised at cost.

Under the equity method of accounting, the investments are initially recognised at cost and adjusted thereafter to recognise the group's share of the post-acquisition profits or losses of the investee in profit and loss, and the group's share of other comprehensive income of the investee in other comprehensive income. Dividends received or receivable from associates and joint ventures are recognised as a reduction in the carrying amount of the investment.

When the group's share of losses in an investment accounted under equity method equals or exceeds its interest in the entity, including any other unsecured long-term receivables, the group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the other entity.

Unrealised gains on transactions between the group and its associates and joint ventures are eliminated to the extent of the group's interest in these entities. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of investees accounted under equity method have been changed where necessary to ensure consistency with the policies adopted by the group.

The carrying amount of investments accounted under equity method are tested for impairment in accordance with the policy described in note 1(k) below.

# Notes to the Consolidated Financial Statements (Contd.)

The subsidiary companies and associates considered in consolidated financial statements are:

| Sl. No. | Name of the Company | Country of incorporation | Proportion of ownership (interest/voting power -%) | | Reporting date |
|---|---|---|---|---|---|
| | | | 2023-24 | 2022-23 | |
| 1 | **Subsidiary Companies:** | | | | |
| a. | Sundaram Auto Components Limited, Chennai | India | 100 | 100 | 31-03-2024 |
| b | TVS Motor Company (Europe) B.V. Amsterdam | Netherlands | 100 | 100 | 31-03-2024 |
| c. | PT. TVS Motor Company Indonesia, Jakarta | Indonesia | 51.20% direct holding, 31.71% by (d) and 17.09% by (b) | 51.20% direct holding, 31.71% by (d) and 17.09% by (b) | 31-03-2024 |
| d. | TVS Motor (Singapore) Pte. Limited, Singapore | Singapore | 100 | 100 | 31-03-2024 |
| e. | TVS Digital Limited (Formerly known as TVS Housing Limited) | India | 100 | 100 | 31-03-2024 |
| f. | TVS Motor Services Limited, Chennai | India | 100 | 100 | 31-03-2024 |
| g. | TVS Credit Services Limited, Chennai | India | 80.53 % direct holding and 0.44% by (f) | 85.63 % direct holding and 0.48% by (f) | 31-03-2024 |
| h. | Harita ARC Services Private Limited, Chennai | India | 100% by (g) | 100% by (g) | 31-03-2024 |
| i. | Harita Two Wheeler Mall Private Limited, Chennai | India | 100% by (g) | 100% by (g) | 31-03-2024 |
| j. | TVS Housing Finance Private Limited, Chennai | India | 100% by (g) | 100% by (g) | 31-03-2024 |
| k. | The Norton Motorcycle Co. Limited, London | United Kingdom | 100% by (d) | 100% by (d) | 31-03-2024 |
| l. | TVS Digital Pte Limited, Singapore | Singapore | 100% by (d) | 100% by (d) | 31-03-2024 |
| m. | The GO Corporation, Switzerland (GO AG) | Switzerland | 87.82% by (d) | 81.90% by (d) | 31-03-2024 |
| n. | EGO Movement Stuttgart, GmbH | Germany | 100% by (m) | 100% by (m) | 31-03-2024 |
| o. | TVS Electric Mobility Ltd., Chennai | India | 100 | 100 | 31-03-2024 |
| p. | Swiss E-Mobility Group (Holding) AG | Switzerland | 100% by (d) | 75% by (d) | 31-03-2024 |
| q. | Swiss E-Mobility Group (Schweiz) AG | Switzerland | 100% by (p) | 100% by (p) | 31-03-2024 |
| r. | Colag E-Mobility GmbH, Germany | Germany | 100% by (p) | 100% by (p) | 31-03-2024 |
| s. | Alexand'Ro Edouard'O Passion Vélo Sàrl ("Passion Vélo"), Neuchatel, Switzerland | Switzerland | 100% by (p) | 100% by (p) | 31-03-2024 |
| t. | EBCO Limited, Warwickshire, England | United Kingdom | 70% by (d) | 70% by (d) | 31-03-2024 |
| u. | Celerity Motor GmbH, Germany | Germany | 100% by (d) | 100% by (d) | 31-03-2024 |
| **2.** | **Associate Companies:** | | | | |
| aa. | Emerald Haven Realty Limited, Chennai | India | - | 43.54 | 31-03-2024 |
| ab. | Ultraviolette Automotive Private Limited, Bengaluru | India | 30.83 | 28.66 | 31-03-2024 |
| ac. | Tagbox Solutions Private Limited, Bengaluru | India | - | 23.5 | 31-03-2024 |
| ad. | Tagbox Pte Ltd., Singapore | Singapore | 24.32% by (l) | 24.32% by (l) | 31-03-2024 |
| ae. | Predictronics Corp, USA | USA | 23.49% by (l) | 23.49% by (l) | 31-03-2024 |
| af. | Scienaptic Systems Inc., USA | USA | 21.03% by (l) | 21.72% by (l) | 31-03-2024 |
| ag. | Altizon Inc, USA | USA | 20.0% by (l) | 20.0% by (l) | 31-03-2024 |
| ah. | DriveX Mobility private Limited, Coimbatore (Formerly known as Nkars Mobility Millennial Solutions Private Limited) | India | 48.27 | 48.27 | 31-03-2024 |
| ai. | Indian foundation for Quality Management | India | 28.57 | - | 31-03-2024 |
| aj. | Kilwatt Gmbh | Germany | 49.00 by (d) | - | 31-03-2024 |
| ak. | ION Mobility Pte Ltd. | Singapore | 25.64 by (d) | - | 31-03-2024 |

# Notes to the Consolidated Financial Statements (Contd.)

## 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 judgements 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 judgements

The areas involving critical estimates or judgements are:

i) Estimation of useful life of Property, Plant and Equipment - Refer Note 1(f) and 1(g).

ii) Estimation of fair value of unlisted securities - (Refer Note 33).

iii) Estimation of impairment of goodwill. (Refer Note 37)

iv) Defined benefit obligation - (Refer Note 38).

v) Estimation of provision (Refer Note 42).

vi) Estimation and evaluation of provisions and contingencies relating to tax litigations (Refer Note 43(a))

## e) Revenue recognition

Sale of automotive vehicles, parts and automotive components

Revenue is recognised when the performance obligations are satisfied and the control of the goods is transferred, being when the goods are delivered as per the relevant terms of the contract at which point in time, the Group has a right to payment for the goods, customer has possession and legal title to the goods, customer bears significant risk and rewards of ownership and the customer has accepted the goods or the Group has objective evidence that all criteria for acceptance have been satisfied.

Payment for the sale is made as per the credit terms in the agreements with the customers. The credit period is generally short term, thus there is no significant financing component.

The Group's contracts with customers does not provide for any right to returns, refunds or similar obligations. The Group's obligation to repair or replace faulty products under standard warranty terms is recognised as a provision (Refer Note 42).

**Sale of services**

The Group also earns revenue from providing Technical/IT services and Royalty on usage of Group's technical knowhow. In respect of Technical/IT service, the revenue is recognised on a time proportion basis as the customer simultaneously receives and consumes the benefits as the obligations are performed. Payment for the services provided are received as per the credit terms agreed with the customers. The credit period is generally short term, and thus there is no significant financing component.

In respect of Royalty, the performance obligation is, to provide the right-to-use the Group's technical knowhow by the customers, for which usage-based royalty is charged. Payment for the services provided is received as per the credit terms as agreed with the customers. The credit period is generally short term, and thus there is no significant financing component.

**Revenue from financing**

Interest income for loans [other than Purchase of Originally Credit Impaired (POCI)] is recognised using the Effective Interest Rate (EIR) method.

For financial assets that are not "POCI" but have subsequently become credit-impaired (or 'stage-3'), for which interest revenue is calculated by applying the effective interest rate to their amortised cost (i.e. net of the expected credit loss provision).

Income in the nature of overdue interest, and bounce charges are recognized on realization, due to uncertainty of collection.

**Warranty Obligations:**

The Company provides warranties for products sold as per terms of the contract with ultimate customers. These warranties are considered as assurance type warranties and are accounted for under Ind AS 37- Provisions, Contingent Liabilities and Contingent Assets.

**Significant judgements**

There are no significant judgements made by the Group in determining the timing of satisfaction of performance obligation. It is determined as per the terms of the contract. In case of multiple performance obligations, the Group uses the adjusted market assessment approach to allocate the transaction price between multiple performance obligations. If a discount is granted, the same is adjusted against the transaction price of the contract.

# Notes to the Consolidated Financial Statements (Contd.)

## f) Property, Plant and Equipment

Property, plant and equipment (including land, building, furniture, fixtures, vehicles, etc.) are held for use in the production or supply of goods or services, or for administrative purposes. Freehold Land is carried at historical cost. All other items of Property, Plant and Equipment are stated at cost of acquisition or construction less accumulated depreciation / amortisation and impairment, if any. Such assets are classified to the appropriate categories of property, plant and equipment when completed and ready for its intend use. Cost includes purchase price, taxes and duties, labour cost and directly attributable overheads incurred upto the date the asset is ready for its intended use. However, cost excludes Goods and Services Tax to the extent credit of the duty or 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 Group and the cost of the item can be measured reliably. The carrying amount of any component accounted for as separate asset is derecognized when replaced. All other repairs and maintenance are charged to profit and loss during the reporting period in which they are incurred.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised as profit or loss with in other income /expenses.

## g) Depreciation and amortisation

i) 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.

ii) Keeping in mind the rigorous and periodic maintenance programme followed by the Group, the estimated useful life of the property, plant and equipment as assessed by the Chartered Engineer and followed by the Group is given below:

| Description | Years |
|---|---|
| Factory building and other buildings | 5 to 61 |
| Plant and machinery | 4 to 29 |
| Electrical equipment | 15 |
| Furniture and fixtures | 4 to10 |
| Computers and information systems | 3 to 4 |
| Material handling equipment | 5 |
| Mobile phone | 2 |
| Vehicles | 3 to 6 |

iii) Tools and dies are generally depreciated based on quantity of components manufactured, subject to a maximum of 5 years. Tools and dies used for low volume models are depreciated over a period of 9 years

iv) Residual values and useful lives are reviewed, and adjusted, if appropriate, for each reporting period.

v) On property, plant and equipment added / disposed of during the year, depreciation is charged on pro-rata basis from the date of addition / till the date of disposal.

vi) Depreciation in respect of property, plant and equipment costing less than ₹ 5,000/- is provided at 100%.

## h) Investment properties

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 cost where applicable, borrowing cost. Subsequent expenditure is capitalised 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 is measured reliably.

## i) Intangible assets

**Goodwill**

Goodwill on acquisition of business is included in intangible assets. Goodwill is not amortised but 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, if any.

# Notes to the Consolidated Financial Statements (Contd.)

Goodwill is allocated to the cash generating units for the purpose of impairment testing. The allocation is made to those cash generating units or group of cash generating units that are expected to benefit from the business combination in which the goodwill arose. The units or group of units are identified at the lowest level at which goodwill is monitored for internal management purposes, which in our case are the cash generating units.

**Other intangible assets**

*Intangible assets acquired separately:*

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 - research and development expenditure:*

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., 2 years in the case of software, 8 years in case of acquired brand and trademark and 6 to 10 years in the case of Design, Development and Technical knowhow.

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.

## j) Loans (receivable from financing activity)

The Loans (receivable from financing activity) are stated at the contract value plus transaction costs less origination income that are directly attributable to the acquisition of the loan. Interest income is recognised using the Effective Interest Rate (EIR) method. Loans are stated at carrying value less impairment loss.

## k) 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 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. 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. 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.

## l) Foreign currency translation

**(i) Functional and presentation 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 consolidated financial statements are prepared in INR and all values are rounded off to nearest crore.

**(ii) Transactions and balances**

Transactions in foreign currencies are recorded at the exchange rates prevailing on the date of transaction.

i) Foreign currency monetary assets and liabilities such as cash, receivables, payables, etc., are translated at year end exchange rates.

ii) Non-monetary items denominated in foreign currency such as investments, Property, Plant and Equipment, etc., are valued at the exchange rate prevailing on the date of transaction. Non-monetary investments measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined. The gain or loss arising on account of such translation is recognized in OCI or Profit and Loss in line with the designation of the respective item.

iii) Exchange differences arising on settlement of transactions and translation of monetary items are recognised as income or expense in the year in which they arise.

# Notes to the Consolidated Financial Statements (Contd.)

**(iii) Group companies**

The results and financial position of foreign operations (none of which has the currency of a hyperinflationary economy) that have a functional currency different from the presentation currency are translated into the presentation currency in the following manner:

a) assets and liabilities are translated at the closing rate at the date of that balance sheet;

b) income and expenses are translated at average exchange rates (unless this is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the dates of the transactions); and

c) all resulting exchange differences are recognised in other comprehensive income.

## m) Hedge accounting

Derivatives are initially recognised at fair value on the date when a derivative contract is entered into and are subsequently remeasured 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 certain derivatives as either:

- hedges of the fair value of recognised assets or liabilities or a firm commitment (fair value hedges), or
- hedges of a particular risk associated with the cash flows of recognised 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 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 fair values or cash flows of hedged items.

The fair values of various derivative financial instruments used for hedging purposes are disclosed in Note 33. Movements in the hedging reserve in shareholders' equity are shown in Note 34. 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 is 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 statement of profit and loss.

When forward contracts are used to hedge forecasted transactions, the Group 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 recognised in the cash flow hedging reserve within equity.

Amounts accumulated in equity are reclassified to profit and loss in the periods when the hedged item affects profit and 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 forecasted 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 the statement of profit and loss.

## n) Inventories

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

i) Cost of raw materials, components, stores and spares are ascertained on a moving average basis.

ii) Cost of finished goods and work-in-progress comprise of direct materials, direct labour and an appropriate proportion of variable and fixed overhead, the latter being allocated on the basis of normal operating capacity. Costs are assigned to individual items of inventory on the basis of

# Notes to the Consolidated Financial Statements (Contd.)

weighted average costs. Costs of purchased inventory includes cost of purchase and other cost incurred in bringing the inventories to the current location after deducting rebates and discounts. 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 and supplies held for use in production of inventories 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 material, obsolescence, defective inventories are duly provided for.

iii) Provision for slow and Obsolete inventory:

The company has a policy for identifying slow/ non-moving inventory. Based on the policy value inventory is provided for obsolescence based on ageing.

iv) Land held for development / sale by the real estate subsidiary is valued at the lower of cost and net realisable value. Cost includes cost of acquisition and all related costs.

## o) 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 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 obligations:**

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 at 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. Remeasurements as a result of experience adjustments and changes in actuarial assumptions are recognised in other comprehensive income. 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 Group operates the following post-employment schemes:

a) Defined benefit plans such as gratuity for its eligible employees, pension plan for its eligible senior managers; and

b) Defined contribution plans such as provident fund.

**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 at the end of each reporting period 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 recognised in the period in which they occur, directly in other comprehensive income (net-off deferred tax). 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 profit and loss as past service cost.

**Provident fund:**

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

**(iv) Bonus plans:**

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

## p) 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 Group'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 income tax is provided in full, using the balance sheet 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 and loss. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantively 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 liabilities and assets are not recognised for temporary differences between the carrying amount and tax bases of investments in foreign operations where the Group 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 liabilities are recognized for all taxable temporary differences, except in respect of taxable temporary differences associated with investments in subsidiaries, when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary 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 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 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 Group 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 Group accounts for such allowances as tax credits, which means that the allowances reduce income tax payable and current tax expense. A deferred tax asset is recognised for unclaimed tax credits that are carried forward.

## q) 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 Group 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 non-current liabilities as deferred income and are credited to profit

# Notes to the Consolidated Financial Statements (Contd.)

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.

In case of waiver of duty under EPCG licence, such grant is considered as revenue grant and recognized in statement of profit and loss on based on positive evidence of completion of export obligation as approved by Regulatory Authorities.

## r) Dividends

Dividends are recognised in profit and 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.

## s) Provisions and contingent liabilities

### i) Provision:

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. When products are sold, the estimated liability for product warranties is recorded 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 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 recognised 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.

### iii) Warranty:

Provision is made for estimated warranty claims in respect of vehicles sold which are still under warranty at the end of the reporting period. These claims are expected to be settled from the next financial year. Management estimates the provision based on historical warranty claim information; and any recent trends that may suggest future claims could differ from historic and the dues which are payable within 12 Months is classified as current and others are non-current.

## t) Segment reporting

The Group has identified the operating segments on the basis of individual companies operations as reported in a manner consistent with the internal reporting provided to the Chief Operating Decision Maker.

The Group has identified the following business segments as reportable segments viz., (1) Automotive vehicles and parts, (2) Automotive components, (3) Financial services and (4) Others.

## u) 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 Group. Contracts may contain both lease and non-lease components. The Group allocates the consideration in the contract to the lease and non-lease components based on their relative stand-alone prices. However, for leases of buildings for which the Group 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 Group under residual value guarantees
- the exercise price of a purchase option if the Group is reasonably certain to exercise that option, and
- payments of penalties for terminating the lease, if the lease term reflects the Group exercising that option.

# Notes to the Consolidated Financial Statements (Contd.)

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 Group, 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 respective Company:

- where possible, uses recent third-party financing received by the Company 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 Group if 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 and loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the lease liability for each period. The carrying amount of lease liability is reduced by net lease payments (i.e., lease payments net off finance cost).

Variable lease payments are recognised in profit and 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 Group 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 and 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.

## v) 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, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities in the balance sheet.

## w) Trade receivables

Trade receivables are measured at their transaction price on initial recognition, unless it contains a significant financing component or pricing adjustments embedded in the contract in which cases, it is recognised at fair value. Trade receivables are held with the objective of collecting the contractual cash flows and therefore are subsequently measured at amortised cost less allowance for expected credit loss.

## x) Contract liabilities

A contract liability is the obligation to transfer goods to a customer for which the Group has received consideration (or an amount of consideration is due) from the customer. If a customer pays consideration before the Group transfers goods or services to the customer, a contract liability is recognised when the consideration is received. Contract liabilities are recognised as revenue when the Group performs under the contract.

## y) Investments and Other financial assets

### i) Classification

The Group classifies its financial assets in the following categories:

- Those to be measured subsequently at fair value [either through Fair Value Through Other Comprehensive Income (FVTOCI), or Fair Value Through Profit and Loss (FVTPL)], 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.

# Notes to the Consolidated Financial Statements (Contd.)

**ii) Measurement**

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

**Debt Instruments:**

Subsequent measurement of debt instruments depends on the Group's business model for managing the asset and the cash flow characteristics of the asset. There are three measurement categories into which the Group 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 derecognised or impaired. Interest income from these financial assets is included in finance income using the effective interest rate method.

- *Fair value through other comprehensive income:*

  Assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at FVTOCI. Movements in the carrying amount are taken through OCI, except for the recognition of impairment gains or losses, interest income and foreign exchange gains and losses which are recognised in profit and loss.

- *Fair Value through profit or loss:*

  Assets that do not meet the criteria for amortised cost or FVTOCI are measured at FVTPL. A gain or loss on a debt investment that is subsequently measured at FVTPL and is not part of a hedging relationship is recognised in profit or loss and presented in the statement of profit and loss in the period in which it arises. Interest income from these financial assets is included in other income.

**Equity instruments:**

The Group subsequently measures all its investments in equity at fair value. Where the Group'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 profit and loss.

Impairment losses (and reversal of impairment losses) on equity investments measured at FVTOCI are not reported separately.

Where the Group 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.

**iii) Impairment of financial assets**

The Group assesses on a forward looking basis the expected credit losses associated with its assets carried at amortised cost and FVTOCI debt instruments. The impairment methodology applied depends on whether there has been significant increase in credit risk. Note no. 34 and Note no. 35 details how the Group determines whether there has been a significant increase in credit risk.

For trade receivables, the Group 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.

For loans given by financial enterprise the impairment methodology applied depends on whether there has been a significant increase in credit risk. Note 35 details how the Group determines whether there has been a significant increase in credit risk.

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

**iv) Derecognition of financial assets**

A financial asset is derecognised only when:

a) the Group has transferred the rights to receive cash flows from the financial asset or

b) the Group 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 Group 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 Group has not retained control of the financial asset. Where the Group retains control of the financial asset, the asset is continued to be recognised to the extent of continuing involvement in the financial asset.

**v) Income recognition**

**Interest Income:**

Interest income from debt instruments is recognised using the effective interest rate method. The effective interest rate is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the gross carrying value of a financial asset. While calculating the effective interest rate, the Group 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 recognised in profit and 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 Group, and the amount of dividend can be reliably measured.

## z) Financial Liabilities

Financial liabilities that are not held-for-trading and are not designated as at FVTPL are measured at amortised cost at the end of subsequent accounting periods. The carrying amounts of financial liabilities that are subsequently measured at amortised cost are determined based on the effective interest method. Interest expense that is not capitalised as part of costs of an asset is included under 'Finance costs'.

The effective interest method is a method of calculating the amortised 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.

All financial liabilities are subsequently measured at amortised cost using the effective interest method or at FVTPL.

The Company derecognises financial liabilities when, and only when, the Company's obligations are discharged, cancelled or have expired.

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 and loss.

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

## aa) Borrowing costs

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.

## ab) Current and Non-current classification

The Group 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

# Notes to the Consolidated Financial Statements (Contd.)

- 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 Group has identified twelve months as its operating cycle for all entities within the group other than real estate. 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 and realisation of project into cash and cash equivalents and range from 3 to 7 years. Accordingly, assets and liabilities have been classified into current and non-current based on operating cycle.

### ac) Earnings Per Share (EPS):

Basic earnings per share is computed by dividing the profit after tax (attributable to the owners) by the weighted average number of equity shares outstanding during the year / period.

Diluted earnings per share is computed by dividing the profit after tax as adjusted for dividend, interest and other charges to expense or income relating to the dilutive potential equity shares, by the weighted average number of equity shares considered for deriving basic earnings per share and the weighted average number of equity shares which could have been issued on the conversion of all dilutive potential equity shares.

### ad) 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, 2024, MCA has not notified any new standards or amendments to the existing standards applicable to the Company.

# Notes to the Consolidated Financial Statements (Contd.)

## 2 Property, Plant & Equipment and Intangible Assets

Rupees in crores

| Description | Property, Plant & Equipment | | | | | | | | Other Intangible | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | Land | Buildings | Plant & equipment | Furniture & fixtures | Vehicles | Office equipment | Right of Use | Total | Software | Design Development | Trade Mark | Total |
| | 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 | 10 | 11 | 12 |
| **Cost of assets** | | | | | | | | | | | | |
| Gross carrying value as at 01-04-2023 | 511.73 | 1,158.94 | 5,410.93 | 170.71 | 99.15 | 311.42 | 1,026.23 | 8,689.11 | 217.56 | 681.14 | 497.24 | 1,395.94 |
| Acquired in business combination | - | - | - | - | - | - | - | - | | | | - |
| Additions | 56.21 | 109.43 | 437.24 | 67.72 | 31.61 | 62.64 | 177.96 | 942.80 | 73.13 | 179.35 | 2.41 | 254.89 |
| Foreign exchange translation reserve adjustments | (5.02) | (0.27) | (3.74) | 0.71 | 0.54 | 0.02 | - | (7.76) | 0.50 | (2.90) | 12.63 | 10.23 |
| **Sub-total** | **562.92** | **1,268.10** | **5,844.43** | **239.14** | **131.30** | **374.08** | **1,204.19** | **9,624.15** | **291.19** | **857.59** | **512.28** | **1,661.06** |
| Sales / deletion | - | 3.90 | 161.79 | 0.97 | 10.60 | 14.97 | 40.12 | 232.36 | - | 26.79 | - | 26.79 |
| **Total** | **562.92** | **1,264.20** | **5,682.63** | **238.17** | **120.69** | **359.11** | **1,164.07** | **9,391.79** | **291.19** | **830.80** | **512.28** | **1,634.27** |
| **Depreciation / Amortisation** | | | | | | | | | | | | |
| Upto 31-03-2023 | - | 386.52 | 3,443.74 | 110.28 | 58.35 | 217.60 | 295.22 | 4,511.71 | 166.80 | 335.49 | 57.77 | 560.06 |
| For the year | - | 51.91 | 384.75 | 30.44 | 15.51 | 52.95 | 217.84 | 753.40 | 53.05 | 104.59 | 64.08 | 221.72 |
| Foreign exchange translation reserve adjustments | - | (0.74) | (3.86) | 0.35 | 0.14 | (0.11) | (8.12) | (12.34) | (7.90) | (0.09) | (1.47) | (9.45) |
| **Sub-total** | **-** | **437.69** | **3,824.63** | **141.07** | **74.00** | **270.44** | **504.94** | **5,252.77** | **211.95** | **440.00** | **120.38** | **772.33** |
| Withdrawn on assets sold / deleted | - | 2.93 | 108.02 | 1.09 | 5.62 | 14.92 | 22.52 | 155.10 | 0.01 | - | - | 0.01 |
| **Total** | **-** | **434.76** | **3,716.61** | **139.98** | **68.38** | **255.52** | **482.42** | **5,097.67** | **211.94** | **440.00** | **120.38** | **772.32** |
| Carrying value | | | | | | | | | | | | |
| As at 31-03-2024 | 562.92 | 829.44 | 1,966.02 | 98.19 | 52.31 | 103.59 | 681.65 | 4,294.12 | 79.25 | 390.80 | 391.90 | 861.95 |

a) Cost of buildings includes ₹ 11.42 crores pertaining to buildings constructed on leasehold lands.

b) Land includes lease hold land of ₹ 0.51 Crores, whose ownership is transferrable at the end of the lease term.

c) Borrowing cost capitalised during the year - ₹1.78 crores.

### Capital work-in-progress (at cost) as at 31-03-2024

Rupees in crores

| | |
|---|---|
| (a) Building | 60.45 |
| (b) Plant & equipment | 277.56 |
| **Total** | **338.01** |

### (i) Ageing of Capital work-in-progress as at 31-03-2024:

| Particulars | Amount in Capital work-in-progress for a period of | | | | |
|---|---|---|---|---|---|
| | <1 Yr. | 1-2 years | 2-3 years | More than 3 years | Total |
| Projects in progress | 220.96 | 34.22 | 61.97 | 20.86 | 338.01 |

### (ii) Ageing of Intangible assets under development as at 31-03-2024:

| Particulars | Amount in Intangible assets under development for a period of | | | | |
|---|---|---|---|---|---|
| | <1 Yr. | 1-2 years | 2-3 years | More than 3 years | Total |
| Projects in progress | 439.91 | 168.61 | 64.86 | 21.56 | 694.94 |

# Notes to the Consolidated Financial Statements (Contd.)

Rupees in crores

| Description | Property, Plant & Equipment | | | | | | | | Other Intangible | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | Land | Buildings | Plant & equipment | Furniture & fixtures | Vehicles | Office equipment | Right of Use | Total | Software | Design Development | Trade Mark | Total |
| | 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 | 10 | 11 | 12 |
| Cost of assets | | | | | | | | | | | | |
| Gross carrying value as at 01-04-2022 | 358.12 | 1,356.43 | 5,541.84 | 151.34 | 85.18 | 284.15 | 698.60 | 8,475.66 | 211.83 | 583.61 | 490.38 | 1,285.82 |
| Acquired in business combination | - | - | 0.09 | - | 0.04 | 0.05 | - | 0.18 | - | - | 0.39 | 0.39 |
| Additions | 171.39 | 102.04 | 443.99 | 23.75 | 38.21 | 45.10 | 328.48 | 1,152.96 | 46.31 | 98.99 | 1.23 | 146.53 |
| Foreign exchange translation reserve adjustments | 4.46 | 2.87 | 4.94 | 0.50 | 0.41 | (3.50) | - | 9.68 | - | - | 5.24 | 5.24 |
| Sub-total | 533.97 | 1,461.34 | 5,990.86 | 175.59 | 123.84 | 325.80 | 1,027.08 | 9,638.48 | 258.14 | 682.60 | 497.24 | 1,437.98 |
| Sales / deletion | 22.24 | 302.40 | 579.93 | 4.88 | 24.69 | 14.38 | 0.85 | 949.37 | 40.58 | 1.46 | - | 42.04 |
| **Total** | **511.73** | **1,158.94** | **5,410.93** | **170.71** | **99.15** | **311.42** | **1,026.23** | **8,689.11** | **217.56** | **681.14** | **497.24** | **1,395.94** |
| Depreciation / Amortisation | | | | | | | | | | | | |
| Upto 31-03-2022 | - | 343.29 | 3,215.01 | 94.31 | 57.93 | 194.89 | 192.25 | 4,097.68 | 146.70 | 237.49 | 12.14 | 396.33 |
| For the year | - | 50.88 | 393.13 | 18.77 | 26.48 | 31.26 | 137.77 | 658.29 | 50.07 | 99.47 | 51.03 | 200.57 |
| Foreign exchange translation reserve adjustments | - | 1.54 | 3.19 | (0.35) | 0.36 | (0.16) | (34.80) | (30.22) | (5.87) | (0.01) | (5.40) | (11.28) |
| **Sub-total** | **-** | **395.71** | **3,611.33** | **112.73** | **84.77** | **225.99** | **295.22** | **4,725.75** | **190.90** | **336.95** | **57.77** | **585.62** |
| Withdrawn on assets sold / deleted | - | 9.19 | 167.59 | 2.45 | 26.42 | 8.39 | - | 214.04 | 24.10 | 1.46 | - | 25.56 |
| **Total** | **-** | **386.52** | **3,443.74** | **110.28** | **58.35** | **217.60** | **295.22** | **4,511.71** | **166.80** | **335.49** | **57.77** | **560.06** |
| Carrying value | | | | | | | | | | | | |
| As at 31-03-2023 | 511.73 | 772.42 | 1,967.19 | 60.43 | 40.80 | 93.82 | 731.01 | 4,177.40 | 50.76 | 345.65 | 439.47 | 835.88 |

a) Cost of buildings includes ₹ 35.11 crores pertaining to buildings constructed on leasehold lands.

b) Land includes lease hold land of ₹ 0.51 Crores, whose ownership is transferrable at the end of the lease term.

c) Borrowing cost capitalised during the year - Nil.

### Capital work-in-progress (at cost) as at 31-03-2023

Rupees in crores

| | | |
|---|---|---|
| (a) | Building | 63.42 |
| (b) | Plant & equipment | 223.32 |
| (c) | Pre-operative expenses | 29.07 |
| **Total** | | **315.81** |

### (i) Ageing of Capital work-in-progress as at 31-03-2023:

| Particulars | Amount in Capital work-in-progress for a period of | | | | |
|---|---|---|---|---|---|
| | <1 Year | 1-2 years | 2-3 years | More than 3 years | Total |
| Projects in progress | 189.05 | 83.82 | 20.58 | 22.36 | 315.81 |

### (ii) Ageing of Intangible assets under development as at 31-03-2023:

| Particulars | Amount in Intangible assets under development for a period of | | | | |
|---|---|---|---|---|---|
| | <1 Year | 1-2 years | 2-3 years | More than 3 years | Total |
| Projects in progress | 290.71 | 109.39 | 22.93 | 4.61 | 427.64 |

# Notes to the Consolidated Financial Statements (Contd.)

## 3 Investment Properties

Rupees in crores

| Particulars | As at 31-03-2024 | As at 31-03-2023 |
|---|---|---|
| Gross carrying amount | 137.70 | 137.70 |
| Additions | | - |
| Deletions | - | - |
| **Closing gross carrying amount (A)** | **137.70** | **137.70** |
| Opening accumulated depreciation | - | |
| Additions | - | - |
| Deletions | - | - |
| **Closing accumulated depreciation (B)** | **-** | **-** |
| **Total investment properties (A)-(B)** | **137.70** | **137.70** |

## 4 Investments

### A. Non Current Investments

| Sl. No. | Particulars | No. of shares / units | | Face Value | Currency | Rupees in crores | |
|---|---|---|---|---|---|---|---|
| | | As at 31-03-2024 | As at 31-03-2023 | | | As at 31-03-2024 | As at 31-03-2023 |
| (1) | (2) | (3) | (4) | (5) | (6) | (7) | (8) |
| **(a)** | **Investment in Equity Instruments:** | | | | | | |
| | **Fair valued through OCI:** | | | | | | |
| | **Quoted:** | | | | | | |
| | (i) Ucal Fuel Systems Limited, Chennai | 91,760 | 91,760 | 10.00 | INR | 1.33 | 1.00 |
| | **Unquoted:** | | | | | | |
| | (ii) Green Infra BTV Limited, New Delhi | 32,50,000 | 32,50,000 | 10.00 | INR | 1.89 | 1.75 |
| | (iii) TVS Lanka (Private) Limited, Colombo | 50,00,000 | 50,00,000 | 10.00 | LKR | 4.48 | 4.38 |
| | (iv) Green Infra Wind Power Projects Limited, New Delhi | 1,11,600 | 1,11,600 | 10.00 | INR | 0.08 | 0.08 |
| | (v) Green Infra Wind Energy Theni Limited, New Delhi | 34,34,477 | 34,34,477 | 10.00 | INR | 2.14 | 1.86 |
| | (vi) Green Infra Wind Power Generation Limited, New Delhi | 2,16,000 | 2,16,000 | 10.00 | INR | 0.18 | 0.17 |
| | (vii) Condivision Solutions Pvt. Limited, Bengaluru | 6,760 | 6,760 | 10.00 | INR | - | - |
| | (viii) Mulanur Renewable Energy Pvt. Limited, Chennai | 15,000 | 15,000 | 10.00 | INR | 0.02 | 0.02 |
| | (ix) PHI Research Pvt. Limited, Chennai | 3,50,000 | 3,50,000 | 10.00 | INR | 3.36 | 3.36 |
| | (x) Atria Wind Power Bijapur 1 Limited, Bengaluru | 85,788 | 85,788 | 10.00 | INR | 2.00 | 2.00 |
| | (xi) Atria wind power (Chitradurga) P Ltd., Bengaluru | 80,948 | 80,948 | 100.00 | INR | 0.51 | 0.47 |
| | (xii) Altizon Systems Private Limited, Pune | 10 | 10 | 10.00 | INR | 0.01 | 0.01 |
| | (xiii) Roppen Transportation Services Private Limited, Hyderabad | 10 | 10 | 1.00 | INR | 0.05 | 0.05 |
| | (xiv) Roppen Transportation Services Private Limited, Hyderabad$ | 23,985 | 23,985 | 10.00 | INR | 119.73 | 113.93 |
| | (xv) Green Infra Wind Energy Generation Limited, Gurugram | 28,45,000 | 23,45,000 | 10.00 | INR | 2.85 | 2.35 |
| | (xvi) Eight Innovate Fund | 40,000 | - | 1,000.00 | INR | 4.00 | - |
| | (xvii) ARC Ride Limited. UK | 575 | 575 | 0.01 | GBP | 8.46 | 8.47 |
| | (xvil) ION Mobility Pte Limited, Singapore | - | 31,44,198 | | USD | - | 76.58 |
| | **Total value of Equity Instruments (a)** | | | | | **151.09** | **216.48** |

# Notes to the Consolidated Financial Statements (Contd.)

| Sl. No. | Particulars | No. of shares / units As at 31-03-2024 | No. of shares / units As at 31-03-2023 | Face Value | Currency | Rupees in crores As at 31-03-2024 | Rupees in crores As at 31-03-2023 |
|---|---|---|---|---|---|---|---|
| **(b)** | **Investments in Preference Shares:** | | | | | | |
| | **Unquoted:** | | | | | | |
| | **Fair valued through OCI:** | | | | | | |
| | (i) Mottu Holdings Ltd., USA | 2,19,514 | 70,344 | 0.001 | USD | 73.63 | 16.33 |
| | (ii) Quadrant Esports Ltd. | 12,547 | - | 0.001 | Euro | 1.04 | - |
| | (iii) Pinnacle Engines Inc., USA (face value 0.01 cent) | 24,09,638 | 24,09,638 | 0.0001 | USD | - | - |
| | (iv) Axiom Research Labs Private Limited, Delhi | 82 | 82 | 10.00 | INR | - | - |
| | **Total value of Preference shares (b)** | | | | | **74.67** | **16.33** |
| **(C)** | **Investment in Debt Instruments (unquoted):** | | | | | | |
| | **Valued at Amortised Cost:** | | | | | | |
| | (i) Fabric IOT Private Limited, Bengaluru | | | | INR | 17.79 | 16.28 |
| | **Pension Funds / Government Securities:** | | | | | | |
| | (ii) ICICI Prudential Life Insurance Group Superannuation Fund, Mumbai | | | | INR | 6.63 | 6.39 |
| | (iii) Life Insurance Corporation Pension Policy, Mumbai | | | | INR | 20.82 | 19.43 |
| | (iv) Investment in Government Securities | | | | INR | 93.46 | - |
| | (v) Hyper Grocers Private Limited | 25 | - | 1,00,000.00 | INR | 0.25 | - |
| | (vi) TVS CO. PHILIPPINE | | | | USD | 0.07 | - |
| | **Fair valued through Profit and Loss:** | | | | | | |
| | (viii) Fabric IOT Private Limited, Bengaluru | | | | INR | 45.00 | 45.00 |
| | (ix) Investment in 6% Non Cumulative Redeemable Preference shares | | | | INR | - | - |
| | (x) DAT Bike, Singapore | | | | USD | 4.16 | 4.12 |
| | (xi) Zapata Group B.V, Singapore | | | | USD | 36.02 | - |
| | **Total value of Debt instruments (c)** | | | | | **224.20** | **91.22** |
| **(d)** | **Other non-current Investments (Unquoted):** | | | | | | |
| | **Fair valued through OCI:** | | | | | | |
| | (i) Autotech Fund I L.P., USA | | | | USD | 32.79 | 40.07 |
| | **Total value of other non-current investments (d)** | | | | | **32.79** | **40.07** |
| | **Total (a) + (b) + (c) + (d)** | | | | | **482.75** | **364.10** |
| | Aggregate amount of quoted investments and market value thereof | | | | | 1.33 | 1.00 |
| | Aggregate amount of unquoted investments | | | | | 481.42 | 363.10 |
| | **Total** | | | | | 482.75 | 364.10 |

All Investments are fully paid up.

$ Preference shares in the nature of equity instruments

# Notes to the Consolidated Financial Statements (Contd.)

## 4B Current Investments

| Sl. No. | Particulars | No. of shares / units As at 31-03-2024 | No. of shares / units As at 31-03-2023 | Face Value | Currency | Rupees in crores As at 31-03-2024 | Rupees in crores As at 31-03-2023 |
|---|---|---|---|---|---|---|---|
| (1) | (2) | (3) | (4) | (5) | (6) | (7) | (8) |
| **(a)** | **Investment in Equity Instruments Fair valued through Profit or Loss:** | | | | | | |
| | **Quoted:** | | | | | | |
| (i) | TVS Supply Chain Solutions Limited, Chennai | 1,05,62,200 | 1,06,62,200 | 1.00 | INR | 163.19 | 191.92 |
| | **Total** | | | | | **163.19** | **191.92** |
| | Aggregate amount of quoted investments | | | | | 163.19 | 191.92 |
| | **Total** | | | | | **163.19** | **191.92** |

All investments are fully paid up.

## 5 Loans (Receivable from Financing Activity)

Rupees in Crores

| Particulars | As at 31-03-2024 Current | As at 31-03-2024 Non-current | As at 31-03-2023 Current | As at 31-03-2023 Non-current |
|---|---|---|---|---|
| **Secured:** | | | | |
| Automobile financing | | | | |
| Considered good | 10,438.49 | 9,801.72 | 7,034.93 | 8,398.18 |
| Considered doubtful | 423.30 | 233.50 | 290.57 | 170.75 |
| Less: Loss allowance | - | - | - | - |
| Provision for expected credit loss (Refer Note 35) | (331.45) | (347.99) | (255.21) | (225.68) |
| **Unsecured:** | | | | |
| Financing (Others) | | | | |
| Considered good | 2,757.32 | 2,447.16 | 2,955.17 | 2,024.62 |
| Considered doubtful | 59.54 | 21.71 | 57.67 | 40.57 |
| Less: Loss allowance | - | - | - | - |
| Provision for expected credit loss (Refer Note 35) | (147.43) | (103.12) | (124.70) | (88.52) |
| **Unsecured** | | | | |
| Trade advance and term loan | | | | |
| Considered good | 218.81 | 1.57 | 268.54 | 1.50 |
| Considered doubtful | 4.75 | - | 14.15 | - |
| Provision for expected credit loss (Refer Note 35) | (6.07) | - | (15.96) | - |
| | **13,417.26** | **12,054.55** | **10,225.16** | **10,321.42** |

## 6 Non-Current Assets - Other Financial Assets

Rupees in Crores

| Particulars | As at 31-03-2024 | As at 31-03-2023 |
|---|---|---|
| Deposits | 68.89 | 62.47 |
| Loans given to employees | 4.46 | 3.09 |
| Claim receivable | 31.50 | 37.13 |
| Share application money pending allotment | - | 1.34 |
| Hedge asset | 90.67 | 88.90 |
| | **195.52** | **192.93** |

# Notes to the Consolidated Financial Statements (Contd.)

## 7 Investments Accounted Using Equity Method

Rupees in Crores

| | As at 31-03-2024 | As at 31-03-2023 |
|---|---|---|
| Emerald Haven Realty Limited, Chennai | - | 89.63 |
| [Nil (last year - 11,12,19,512) Equity shares] | | |
| Ultraviolette Automotive Private Limited, Bengaluru | 7.29 | 7.29 |
| [14,850 (last year - 14,850) Equity shares] | | |
| Ultraviolette Automotive Private Limited, Bengaluru | 91.65 | 110.00 |
| [12,316 (last year - 12,316) Preference shares] | | |
| Predictronics Corp, USA | 17.85 | 18.89 |
| [24,827 (last year - 24,827) Equity shares] | | |
| Tagbox Solutions Private Limited, Bengaluru | - | 0.42 |
| [Nil (last year - 45,710) Equity shares] | | |
| Tagbox Solutions Private Limited, Bengaluru | - | 9.99 |
| [Nil (last year - 3,83,983) Preference shares] | | |
| Tagbox Pte Limited, Singapore | 0.98 | 14.22 |
| 2,43,243 (last year - 2,43,243 ) Preference shares] | | |
| Scienaptic Systems Inc., USA | 54.07 | 53.83 |
| [28,05,357 (last year - 28,05,357) Equity shares] | | |
| Altizon Inc., USA | 23.27 | 23.35 |
| [8,06,429 (last year - 8,06,429) Equity shares] | | |
| DriveX Mobility Private Limited, Coimbatore | 68.65 | 83.61 |
| [9,766 (last year - Nil) Equity shares] | | |
| ION Mobility Pte Ltd, Singapore | 121.81 | - |
| [49,64,524 (last year - Nil) Preference shares] | | |
| Killwatt GmbH, Germany | 66.68 | - |
| [24,500 (last year - Nil) Equity shares] | | |
| Indian Foundation for Quality Management, Bengaluru | 25.00 | - |
| [2,50,00,000 (last year - Nil) Equity shares] | | |
| | **477.25** | **411.23** |

## 8 Deferred Tax Assets

Rupees in Crores

| Particulars | As at 31-03-2024 | As at 31-03-2023 |
|---|---|---|
| The balance comprises temporary differences attributable to: | | |
| Deferred tax asset consists of: | | |
| - Depreciation | 4.88 | 4.84 |
| - tax on employee benefit expenses | 20.96 | 16.71 |
| - tax on expected credit losses provision | 228.12 | 180.02 |
| - tax on investment property | 14.72 | 14.72 |
| - tax on carried forward loss | 42.28 | 75.35 |
| - tax on others | 99.35 | 32.45 |
| **Total deferred tax assets (A)** | **410.31** | **324.09** |
| **Deferred tax liability on other item (B)** | **16.03** | **18.36** |
| **Net deferred tax assset (A)-(B)** | **394.28** | **305.73** |

# Notes to the Consolidated Financial Statements (Contd.)

**Movement in deferred tax:**

Rupees in Crores

| Particulars | Depreciation | Others | Total |
|---|---|---|---|
| **As at 31-03-2022** | | | 217.88 |
| **Charged/(credited):** | | | |
| - to profit or loss | 0.40 | 85.15 | 85.55 |
| - on sale of subsidiary | | (0.98) | (0.98) |
| - to foreign currency translation | | 5.73 | 5.73 |
| - to other comprehensive income | - | (2.45) | (2.45) |
| **As at 31-03-2023** | | | 305.73 |
| **Charged/(credited):** | | | |
| - to profit or loss | (0.04) | 83.13 | 83.09 |
| - to foreign currency translation | - | 1.52 | 1.52 |
| - to other comprehensive income | - | (3.94) | 3.94 |
| **As at 31-03-2024** | | | **394.28** |

## 9 Other Non-Current Assets

Rupees in Crores

| Particulars | As at 31-03-2024 | As at 31-03-2023 |
|---|---|---|
| Capital advances | 126.39 | 71.56 |
| Advances other than capital advances: | | |
| Prepaid expenses | 4.05 | 3.70 |
| Deposits made | 18.34 | 17.29 |
| Employee benefit assets (Refer Note 38) | - | 1.59 |
| | **148.78** | **94.14** |

## 10 Inventories

Rupees in Crores

| Particulars | As at 31-03-2024 | As at 31-03-2023 |
|---|---|---|
| Raw materials and components | 990.02 | 925.40 |
| Goods-in-transit - Raw materials and components | 48.16 | 107.85 |
| Work-in-progress | 64.23 | 62.48 |
| Finished goods | 532.60 | 295.35 |
| Stock-in-trade | 555.72 | 470.37 |
| Stores and spares | 57.67 | 60.06 |
| | **2,248.40** | **1,921.51** |

## 11 Trade Receivables

Rupees in Crores

| Particulars | As at 31-03-2024 | As at 31-03-2023 |
|---|---|---|
| Secured, considered good | 14.13 | 11.53 |
| Unsecured, considered good * | 1,825.29 | 1,244.89 |
| Receivables which have significant increase in credit risk | 48.34 | 49.49 |
| | **1,887.76** | **1,305.91** |
| Less: Loss allowance | 48.34 | 49.49 |
| | **1,839.42** | **1,256.42** |

* Include balance with related parties [Refer Note 39(c)(i)].

# Notes to the Consolidated Financial Statements (Contd.)

### (i) Ageing for trade receivable as on 31.03.2024

Rupees in Crores

| | | Not due | Outstanding for following periods from due date of payment | | | | | |
|---|---|---|---|---|---|---|---|---|
| | | | 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 | 160.57 | 1,045.97 | 548.07 | 65.16 | 4.24 | 12.16 | 1,836.17 |
| (ii) | Undisputed Trade Receivables – which have significant increase in credit risk | - | 3.25 | - | - | - | - | 3.25 |
| (iii) | Undisputed Trade Receivables – credit impaired | - | - | - | - | - | - | - |
| (iv) | Disputed Trade Receivables– considered good | - | - | - | - | - | - | - |
| (v) | Disputed Trade Receivables – which have significant increase in credit risk | - | - | 20.00 | 1.17 | 1.39 | 25.78 | 48.34 |
| (vi) | Disputed Trade Receivables – credit impaired | - | - | - | - | - | - | - |
| **Total** | | **160.57** | **1,049.22** | **568.07** | **66.33** | **5.63** | **37.94** | **1,887.76** |

### (ii) Ageing for trade receivable as on 31.03.2023

Rupees in Crores

| | Not due | Outstanding for following periods from due date of payment | | | | | |
|---|---|---|---|---|---|---|---|
| | | 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 | 160.57 | 1,045.97 | 548.07 | 65.16 | 4.24 | 12.16 | 1,836.17 |
| (ii)Undisputed Trade Receivables – which have significant increase in credit risk | - | 3.25 | - | - | - | - | 3.25 |
| (iii) Undisputed Trade Receivables – credit impaired | - | - | - | - | - | - | - |
| (iv) Disputed Trade Receivables–considered good | - | - | - | - | - | - | - |
| (v) Disputed Trade Receivables – which have significant increase in credit risk | - | - | 20.00 | 1.17 | 1.39 | 25.78 | 48.34 |
| (vi) Disputed Trade Receivables – credit impaired | - | - | - | - | - | - | - |
| **Total** | **160.57** | **1,049.22** | **568.07** | **66.33** | **5.63** | **37.94** | **1,887.76** |

## 12 Cash and Cash Equivalents

Rupees in Crores

| Particulars | As at 31-03-2024 | As at 31-03-2023 |
|---|---|---|
| Balances with banks | 2,099.94 | 1,846.52 |
| Cash on hand | 5.86 | 4.67 |
| Cash equivalents | | |
| Deposits with maturity of less than three month from the date | | |
| of deposit. | 250.00 | - |
| | **2,355.80** | **1,851.19** |
| **Cash and cash equivalents for the purpose of cash flow statement** | **2,355.80** | **1,851.19** |

## 13 Bank Balances Other than Cash and Cash Equivalents

Rupees in Crores

| Particulars | As at 31-03-2024 | As at 31-03-2023 |
|---|---|---|
| Earmarked balances with banks (for unpaid dividend) | 45.02 | 7.51 |
| Fixed deposits (maturing between 3 to 12 months) | 24.91 | 20.41 |
| | **69.93** | **27.92** |

Notes to the Consolidated Financial Statements (Contd.)

## 14 Other Financial Assets - (Current)

Rupees in Crores

| Particulars | As at 31-03-2024 | As at 31-03-2023 |
|---|---|---|
| Unsecured, considered good: | | |
| - Employee advances | 18.65 | 15.50 |
| - Bank deposit | 2.09 | 0.14 |
| - Security deposits | 39.47 | 28.10 |
| - Claims receivable | 34.42 | 27.65 |
| - Loans and advances - Non Related Parties | 41.60 | 16.44 |
| - Interest accrued on Fixed deposit | - | - |
| - Receivable towards sale of fixed assets | 66.43 | 65.55 |
| - Hedge asset | - | 87.88 |
| | **202.66** | **241.26** |

## 15 Other Current Assets

Rupees in Crores

| Particulars | As at 31-03-2024 | As at 31-03-2023 |
|---|---|---|
| Balances with tax authorities | 523.46 | 504.61 |
| Prepaid expense | 138.20 | 104.05 |
| Vendor advance* | 298.67 | 190.35 |
| Trade deposits | 70.71 | 22.86 |
| Incentive receivable from Government^ | 182.63 | 472.11 |
| Employee benefit assets (Refer Note 38) | 4.77 | 8.24 |
| Others | 3.96 | 4.95 |
| | **1,222.40** | **1,307.17** |
| **Less: loss allowance** | **22.94** | **2.83** |
| | **1,199.46** | **1,304.34** |

* Balances include balance with related parties [Refer Note 39(c)(i)].

^ Includes EV subsidy receivable of ₹148.62 crores (Previous Year ₹ 448.40 crores)

## 16 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 ₹ 1/- each | 50,00,00,000 | 50.00 | 50,00,00,000 | 50.00 |
| Issued, subscribed and fully paid up: | | | | |
| Equity shares of ₹ 1/- each | 47,50,87,114 | 47.51 | 47,50,87,114 | 47.51 |
| | **47,50,87,114** | **47.51** | **47,50,87,114** | **47.51** |

### (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 | 47,50,87,114 | 47.51 | 47,50,87,114 | 47.51 |
| Shares issued during the year | - | - | - | - |
| Shares outstanding at the end of the year | 47,50,87,114 | 47.51 | 47,50,87,114 | 47.51 |

# Notes to the Consolidated Financial Statements (Contd.)

(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 31-03-2024 | | As at 31-03-2023 | |
|---|---|---|---|---|---|
| | | No. of shares held | % of holding | No. of shares held | % of holding |
| TVS Holdings Limited, Chennai (Formerly known as Sundaram-Clayton Limited) (Holding Company) | Equity | 23,87,82,786 | 50.26 | 23,87,82,786 | 50.26 |

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

| Name of shareholder | Class of share | As at 31-03-2024 | | As at 31-03-2023 | |
|---|---|---|---|---|---|
| | | No. of shares held | % of holding | No. of shares held | % of holding |
| ICICI Prudential Mutual Fund | Equity | 3,75,37,940 | 7.90 | 4,67,41,798 | 9.35 |

(f) Shares held by Promoters at the end of the year 31.03.2024

| 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 | % change during the year |
| TVS Holdings Limited, Chennai (Formerly known as Sundaram-Clayton Limited) (Holding Company) | Equity | 23,87,82,786 | 50.26 | 23,87,82,786 | 50.26 | - |

Shares held by Promoters at the end of the year 31.03.2023

| Promoter name | Class of share | As at 31-03-2023 | | As at 31-03-2022 | | |
|---|---|---|---|---|---|---|
| | | No. of shares held | % of holding | No. of shares held | % of holding | % change during the year |
| Sundaram-Clayton Limited | Equity | 23,87,82,786 | 50.26 | 23,87,82,786 | 50.26 | - |

## 17 Other Equity

Rupees in Crores

| | As at 31-03-2024 | As at 31-03-2023 |
|---|---|---|
| General reserve | 876.24 | 876.24 |
| Capital reserve | 6.51 | 6.51 |
| Statutory reserve | 297.96 | 183.59 |
| Retained earnings | 5,529.37 | 4,315.42 |
| Other Reserves | 25.93 | 75.73 |
| | **6,736.00** | **5,457.49** |

# Notes to the Consolidated Financial Statements (Contd.)

## 18. Non Current Liabilities - Financial Liabilities - Borrowings

Rupees in Crores

| Nature | Lenders | As at 31-03-2024 | As at 31-03-2023 | Status as at 31-03-2024 | | | |
|---|---|---|---|---|---|---|---|
| | | | | Interest Rate | Frequency | No. of Instalments Due | Maturity |
| **Secured Borrowings:** | | | | | | | |
| ECB Loan 1 | Bank | - | 410.43 | - | - | - | - |
| ECB Loan 2 | Bank | - | 385.94 | - | - | - | - |
| ECB Loan 3 | Bank | 833.00 | 818.90 | 6.9% | Bullet | 1 | Dec-2024 |
| Term Loan 1 | Bank | - | 4.58 | - | - | - | - |
| Term Loan 2 | Bank | - | 1.25 | - | - | - | - |
| Term Loan 3 | Bank | - | 9.38 | - | - | - | - |
| Term Loan 4 | Bank | 47.56 | 41.92 | 8.5% | Quarterly | 12 | Nov-2027 |
| Term Loan 5 | Bank | 249.44 | 197.20 | SOFR + 2.60% p.a | Quarterly | 8 | Dec-2027 |
| Term Loan 6 | Bank | 175.58 | 337.77 | 5.60% | Monthly | 13 | Apr-2025 |
| Term Loan 7 | Bank | 62.49 | 187.47 | 6.30% | Quarterly | 2 | Sep-2024 |
| Term Loan 8 | Bank | 125.00 | 250.00 | 6.30% | Quarterly | 4 | Feb-2025 |
| Term Loan 9 | Bank | 324.30 | 567.53 | 6.35% | Monthly | 16 | Jul-2025 |
| Term Loan 10 | Bank | 200.00 | 200.00 | 7.00% | Bullet | 1 | Oct-2024 |
| Term Loan 11 | Bank | 299.95 | 499.92 | 7.00% | Quarterly | 6 | Jul-2025 |
| Term Loan 12 | Bank | - | 180.00 | - | - | - | - |
| Term Loan 13 | Bank | 291.18 | 457.58 | 7.25% | Quarterly | 7 | Feb-2026 |
| Term Loan 14 | Bank | 249.45 | 374.18 | 7.25% | Quarterly | 8 | Apr-2026 |
| Term Loan 15 | Bank | - | 24.99 | - | - | - | - |
| Term Loan 16 | Bank | - | 300.00 | - | - | - | - |
| Term Loan 17 | Bank | 83.34 | 250.00 | 7.50% | Monthly | 6 | Sep-2024 |
| Term Loan 18 | Bank | - | 499.82 | - | - | - | - |
| Term Loan 19 | Bank | - | 249.95 | - | - | - | - |
| Term Loan 20 | Bank | 489.08 | 698.56 | 7.59% | Quarterly | 7 | Oct-2025 |
| Term Loan 21 | Bank | - | 249.86 | - | - | - | - |
| Term Loan 22 | Bank | - | 250.00 | - | - | - | - |
| Term Loan 23 | Bank | 59.33 | 91.74 | 7.60% | Monthly | 22 | Jan-2026 |
| Term Loan 24 | Bank | - | 499.91 | - | - | - | - |
| Term Loan 25 | Bank | - | 416.63 | - | - | - | - |
| Term Loan 26 | Bank | 41.67 | 208.31 | 7.75% | Monthly | 15 | Jun-2024 |
| Term Loan 27 | Bank | 40.00 | 60.00 | 7.75% | Quarterly | 12 | Mar-2026 |
| Term Loan 28 | Bank | 58.38 | 87.57 | 7.75% | Monthly | 36 | Mar-2026 |
| Term Loan 29 | Bank | - | 100.00 | - | - | - | - |
| Term Loan 30 | Bank | - | 399.91 | - | - | - | - |
| Term Loan 31 | Bank | - | 249.84 | - | - | - | - |
| Term Loan 32 | Bank | - | 149.98 | - | - | - | - |
| Term Loan 33 | Bank | - | 149.91 | - | - | - | - |
| Term Loan 34 | Bank | - | 166.53 | - | - | - | - |
| Term Loan 35 | Bank | - | 199.97 | - | - | - | - |
| Term Loan 36 | Bank | - | 199.91 | - | - | - | - |
| Term Loan 37 | Bank | 329.95 | 300.00 | 8.03% | Quarterly | 7 | Oct-2025 |
| Term Loan 38 | Bank | - | 499.90 | - | - | - | - |
| Term Loan 39 | Bank | 62.53 | 145.80 | 8.37% | Monthly | 9 | Dec-2024 |
| Term Loan 40 | Bank | - | 74.99 | - | - | - | - |
| Term Loan 41 | Bank | - | 41.67 | - | - | - | - |
| Term Loan 42 | Bank | - | 33.32 | - | - | - | - |

# Notes to the Consolidated Financial Statements (Contd.)

Rupees in Crores

| Nature | Lenders | As at 31-03-2024 | As at 31-03-2023 | Status as at 31-03-2024 | | | |
|---|---|---|---|---|---|---|---|
| | | | | Interest Rate | Frequency | No. of Instalments Due | Maturity |
| Term Loan 43 | Bank | - | 120.00 | - | - | - | - |
| Term Loan 44 | Bank | - | 120.00 | - | - | - | - |
| Term Loan 45 | Bank | - | 50.00 | - | - | - | - |
| Term Loan 46 | Bank | - | 99.98 | - | - | - | - |
| Term Loan 47 | Bank | - | 50.00 | - | - | - | - |
| Term Loan 48 | Bank | - | 150.00 | - | - | - | - |
| Term Loan 49 | Bank | 456.44 | - | 7.10% | Quarterly | 13 | Jun-2027 |
| Term Loan 50 | Bank | 151.61 | - | 7.10% | Quarterly | 13 | Jun-2027 |
| Term Loan 51 | Bank | 335.70 | - | 7.10% | Quarterly | 14 | Sep-2027 |
| Term Loan 52 | Bank | 749.18 | - | 7.10% | Monthly | 39 | Jun-2027 |
| Term Loan 53 | Bank | 100.00 | - | 7.10% | Quarterly | 13 | Jun-2027 |
| Term Loan 54 | Bank | 374.60 | - | 7.15% | Quarterly | 12 | Feb-2027 |
| Term Loan 55 | Bank | 93.65 | - | 7.15% | Quarterly | 12 | Mar-2027 |
| Term Loan 56 | Bank | 100.00 | - | 7.28% | Quarterly | 5 | Apr-2025 |
| Term Loan 57 | Bank | 100.63 | - | 7.54% | Quarterly | 14 | Sep-2027 |
| Term Loan 58 | Bank | 99.22 | - | 7.70% | Monthly | 39 | Sep-2027 |
| Term Loan 59 | Bank | 249.98 | - | 8.08% | Quarterly | 10 | Jul-2026 |
| Term Loan 60 | Bank | 400.00 | - | 8.10% | Bullet | 1 | May-2026 |
| Term Loan 61 | Bank | 300.00 | - | 8.10% | Quarterly | 8 | Dec-2026 |
| Term Loan 62 | Bank | 249.98 | - | 8.20% | Quarterly | 10 | Oct-2026 |
| Term Loan 63 | Bank | 499.95 | - | 8.25% | Quarterly | 11 | Apr-2027 |
| Term Loan 64 | Bank | 249.97 | - | 8.25% | Bullet | 1 | Sep-2025 |
| Term Loan 65 | Bank | 249.92 | - | 8.25% | Bullet | 1 | Jun-2026 |
| Term Loan 66 | Bank | 999.73 | - | 8.25% | Quarterly | 11 | Feb-2027 |
| Term Loan 67 | Bank | 299.73 | - | 8.25% | Bullet | 1 | Feb-2025 |
| Term Loan 68 | Bank | 124.97 | - | 8.26% | Half Yearly | 5 | Aug-2025 |
| Term Loan 69 | Bank | 281.22 | - | 8.30% | Quarterly | 15 | Dec-2027 |
| Term Loan 70 | Bank | 124.99 | - | 8.30% | Quarterly | 2 | Aug-2024 |
| Term Loan 71 | Bank | 49.96 | - | 8.30% | Quarterly | 12 | Mar-2027 |
| Term Loan 72 | Bank | 746.10 | - | 8.34% | Quarterly | 14 | Sep-2027 |
| Term Loan 73 | Bank | 299.90 | - | 8.35% | Quarterly | 14 | Nov-2027 |
| Term Loan 74 | Bank | 919.84 | - | 8.35% | Quarterly | 8 | Jul-2026 |
| Term Loan 75 | Bank | 458.23 | - | 8.35% | Quarterly | 11 | Nov-2026 |
| Term Loan 76 | Bank | 124.93 | - | 8.40% | Quarterly | 4 | Mar-2025 |
| Term Loan 77 | Bank | 156.25 | - | 8.40% | Quarterly | 5 | Apr-2025 |
| Term Loan 78 | Bank | 333.20 | - | 8.40% | Quarterly | 8 | Feb-2026 |
| Term Loan 79 | Bank | 299.95 | - | 8.50% | Quarterly | 6 | Sep-2025 |
| Term Loan 80 | Bank | 299.95 | - | 8.50% | Quarterly | 6 | Oct-2025 |
| Term Loan 81 | Bank | 349.94 | - | 8.65% | Quarterly | 7 | Dec-2025 |
| Soft Loan | State owned corporation - I | 3.33 | 3.08 | 0.1% | Bullet | 1 | Apr-2029 |
| Soft Loan | State owned corporation -II | 9.68 | 84.68 | 0.1% | Specific period | 2 | Apr-2030 |
| Debentures | 8.15% Secured Non Convertible Debenture | 425.00 | 425.00 | 8.3% | Bullet | 1 | Oct-2024 |
| Debentures | 8.30% Secured Non Convertible Debenture | 800.00 | 800.00 | 8.3% | Bullet | 1 | Sep-2025 |

# Notes to the Consolidated Financial Statements (Contd.)

Rupees in Crores

| Nature | Lenders | As at 31-03-2024 | As at 31-03-2023 | Status as at 31-03-2024 | | | |
|---|---|---|---|---|---|---|---|
| | | | | Interest Rate | Frequency | No. of Instalments Due | Maturity |
| Debentures | 8.40% Secured Non Convertible Debenture | 225.00 | - | 8.4% | Bullet | 1 | Jun-2026 |
| Unsecured Borrowings: | | | | | | | |
| Debentures | Non Convertible Debenture - I | - | 499.93 | - | - | - | - |
| Debentures | Non Convertible Debentures - II | 124.87 | 124.81 | Repo Rate plus Margin | End of Tenure | 1 | Mar-2026 |
| ECB Loan | Bank | - | 27.39 | - | - | - | - |
| Term Loan | Bank | 429.96 | 479.93 | 6.3% | Quarterly | 12 | Mar-2027 |
| Term Loan | Bank | 17.49 | 17.02 | 2.2% | Yearly | 5 | Dec-2029 |
| Term Loan | Bank | 20.35 | 3.13 | SONIA + Margin | Bullet | 1 | Apr-2024 |
| Term Loan | Others | 14.73 | 16.12 | 0.8% | Annual | 8 | Nov-2031 |
| Term Loan | Others | 299.94 | - | 8.0% | Monthly | 43 | Dec-2027 |
| Term Loan | Others | 499.84 | - | 8,25% | Quarterly | 12 | Mar-2027 |
| Term Loan | Others | 40.00 | 200.00 | 7.6% | Quarterly | 1 | Jun-2024 |
| Sub Debt | Bank | - | 50.00 | - | - | - | - |
| Sub Debt | Bank | - | 50.00 | - | - | - | - |
| Sub Debt | Others | 99.90 | 99.60 | 10.9% | Bullet | 1 | Aug-2024 |
| Sub Debt | Others | 64.38 | 64.20 | 9.4% | Bullet | 1 | Jun-2026 |
| Sub Debt | Others | 34.67 | 34.60 | 9.4% | Bullet | 1 | Jun-2026 |
| Sub Debt | Others | 19.85 | 19.76 | 9.4% | Bullet | 1 | Jun-2026 |
| Sub Debt | Others | 49.52 | 49.39 | 9.4% | Bullet | 1 | Jun-2026 |
| Sub Debt | Others | 129.02 | 128.40 | 9.4% | Bullet | 1 | Aug-2026 |
| Sub Debt | Others | 99.00 | 99.00 | 8.9% | Bullet | 1 | Jun-2027 |
| Sub Debt | Others | 35.00 | 35.00 | 8.9% | Bullet | 1 | Jun-2027 |
| Sub Debt | Others | 35.00 | 35.00 | 8.9% | Bullet | 1 | Jun-2027 |
| Sub Debt | Others | 30.00 | 30.00 | 8.9% | Bullet | 1 | Jun-2027 |
| Sub Debt | Others | 200.00 | 200.00 | 8.9% | Bullet | 1 | Jun-2027 |
| Sub Debt | Others | 50.00 | 50.00 | 8.9% | Bullet | 1 | Jun-2027 |
| Sub Debt | Others | 100.00 | 100.00 | 10.0% | Bullet | 1 | Jul-2026 |
| Sub Debt | Others | 95.00 | 95.00 | 9.5% | Bullet | 1 | Jan-2028 |
| Sub Debt | Others | 80.00 | 80.00 | 9.5% | Bullet | 1 | Jan-2028 |
| Sub Debt | Others | 115.00 | 115.00 | 9.5% | Bullet | 1 | Jan-2028 |
| Sub Debt | Others | 110.00 | 110.00 | 9.5% | Bullet | 1 | Jan-2028 |
| Sub Debt | Others | 50.00 | 50.00 | 9.4% | Bullet | 1 | Aug-2028 |
| Sub Debt | Others | 50.00 | 50.00 | 9.4% | Bullet | 1 | Aug-2028 |
| Sub Debt | Others | 50.00 | 50.00 | 9.4% | Bullet | 1 | Aug-2028 |
| Sub Debt | Others | 50.00 | 50.00 | 9.4% | Bullet | 1 | Aug-2028 |
| Sub Debt | Others | 25.02 | - | 9.3% | Bullet | 1 | Jun-2029 |
| Sub Debt | Others | 100.08 | - | 9.3% | Bullet | 1 | Jun-2029 |
| Sub Debt | Others | 175.13 | - | 9.3% | Bullet | 1 | Jun-2029 |
| Sub Debt | Others | 200.15 | - | 9.3% | Bullet | 1 | Jun-2029 |
| Perpetual Debt | Others | 99.91 | 99.88 | 11.5% | Bullet | 1 | Nov-2027 |
| Term loan | Bank | 199.56 | 199.20 | 8.3% | Quarterly | 8 | Mar-2026 |
| Term loan | Bank | 187.38 | - | Repo Rate plus Margin | Quarterly | 10 | Jul-2026 |
| Term loan | Bank | 499.08 | - | Repo Rate plus Margin | Quarterly | 8 | May-2026 |

# Notes to the Consolidated Financial Statements (Contd.)

Rupees in Crores

| Nature | Lenders | As at 31-03-2024 | As at 31-03-2023 | Status as at 31-03-2024 | | | |
|---|---|---|---|---|---|---|---|
| | | | | Interest Rate | Frequency | No. of Instalments Due | Maturity |
| Sales Tax Deferral | Others | 62.91 | 78.64 | Nil | Yearly | 4 | Jun-2027 |
| Total non current borrowings | | 20,657.68 | 16,816.86 | | | | |
| Less: Current Maturities of non current borrowings | | 8,028.36 | 7,752.78 | | | | |
| **Total non current financial liabilities (borrowings)** | | **12,629.32** | **9,064.08** | | | | |

Details of securities created:

- ECB Loan 1-3 hypothecation of receivables under the financing activity of the company.
- Term loan 1-4 received from bank of ₹ 47.56 crores ( Previous year ₹ 57.13 crores) - charge created on land and building and paripasu charge on plant and machinery.
- Term Loan 5 received from bank of ₹ 249.44 Crores is to be secured by a charge over the subsidiary's plant and machinery. At 31st March 2024, the subsidiary is in the process of creating this charge against the security
- Term Loans received from Banks of ₹ 13,521.95 crores (Previous Year: ₹10,243.50 Crores) is secured against hypothecation of receivables under the financing activity of the Group.
- Loan from State owned corporation - I viz., SIPCOT - First charge on the specific plant and equipment.
- Loan from State owned corporation - II viz., SIPCOT - First charge on the specific plant and equipment and also secured by equitable mortgage created by way of deposit of title deeds of land.
- Debentures of ₹1,450.00 crores (Previous Year: ₹1,225 crores) secured against hypothecation of receivables under the financing activity of the group.

## 19 Provisions

Rupees in Crores

| Particulars | As at 31-03-2024 | | As at 31-03-2023 | |
|---|---|---|---|---|
| | Current | Non-current | Current | Non-current |
| Provision for employee benefits: | | | | |
| (a) Pension | 67.05 | 126.60 | 49.47 | 118.52 |
| (b) Leave salary | 32.37 | 120.64 | 24.94 | 96.30 |
| (c) Gratuity | 0.17 | 0.86 | - | 2.66 |
| Others: | | | | |
| (a) Warranty | 67.05 | 22.08 | 41.33 | 13.78 |
| | **166.64** | **270.18** | **115.74** | **231.26** |

## 20 Deferred Tax Liabilities (Net)

Rupees in Crores

| Particulars | As at 31-03-2024 | As at 31-03-2023 |
|---|---|---|
| The balance comprises temporary differences attributable to: | | |
| - Depreciation | 351.61 | 316.51 |
| - others | 19.49 | 33.81 |
| **Total deferred tax liability (A)** | **371.10** | **350.32** |
| Deferred tax asset consists of: | | |
| - tax on employee benefits expense | 54.46 | 48.35 |
| - tax on warranty provision | 23.95 | 15.59 |
| - tax on others | 96.23 | 78.01 |
| **Total deferred tax assets (B)** | **174.64** | **141.95** |
| **Net deferred tax liability (B)-(A)** | **196.46** | **208.37** |

# Notes to the Consolidated Financial Statements (Contd.)

### Movement in deferred tax:

| Particulars | Depreciation | Others | Total |
|---|---|---|---|
| **As at 31-03-2022** | | | 207.56 |
| **Charged/(credited):** | | | |
| - to profit or loss | (3.08) | 11.74 | 8.66 |
| - to other comprehensive income | - | (7.85) | (7.85) |
| **As at 31-03-2023** | | | **208.37** |
| **Charged/(credited):** | | | |
| - to profit or loss | 35.10 | (40.80) | (5.70) |
| - to other comprehensive income | - | (6.21) | (6.21) |
| **As at 31-03-2024** | | | **196.46** |

## 21 Financial Liabilities - Borrowings (Current)

Rupees in Crores

| Particulars | As at 31-03-2024 | As at 31-03-2023 |
|---|---|---|
| Borrowings repayable on demand from banks | | |
| Secured | 3,618.07 | 2,450.43 |
| Unsecured | 486.18 | 738.60 |
| Short term loans: | | |
| From banks: | - | - |
| Secured | 524.69 | 238.30 |
| Unsecured | - | 1,382.04 |
| From others (unsecured) | | |
| Current Maturities of long term borrowings | 8,028.36 | 7,752.78 |
| | **12,657.30** | **12,562.15** |

Secured short term borrowings from banks are related to subsidiaries and details of securities created are as follows:

a) A loan of ₹31.78 crores in USD obtained from a bank, secured by a letter of credit issued by a bank in India.

b) A loan of ₹8.25 crores in USD and ₹8.21 crores in IDR obtained from a bank, partly secured (80%) by a credit guarantee issued by the EXIM bank of Indonesia

c) Working capital loan and cash credit of ₹3,372.08 crores obtained are secured by hypothecation of receivables under the financing activity of the Subsidiary.

d) Cash credit and working capital loan of ₹197.75 crores obtained are secured by hypothecation of receivables and inventories of the Subsidiary, both present and future

## 22 Trade Payables

Rupees in Crores

| Particulars | As at 31-03-2024 | As at 31-03-2023 |
|---|---|---|
| Dues to Micro and Small Enterprises ** | 62.38 | 75.83 |
| Dues to enterprises other than Micro and Small Enterprises # | 6,575.84 | 5,020.84 |
| | **6,638.22** | **5,096.67** |

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. The entire closing balance represents the principal amount payable to these enterprises and there is no principal and interest, due thereon and remaining unpaid as at end of the year"

# Balances include balances due to related parties [Refer Note 40(c)(ii)].

# Notes to the Consolidated Financial Statements (Contd.)

### (i) Ageing for trade payable as on 31.03.2024

Rupees in Crores

| 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) Micro and Small Enterprises (MSME) | 62.38 | - | - | - | - | 62.38 |
| (ii) Others | 3,258.68 | 1,703.42 | 29.87 | 19.53 | 22.31 | 5,033.82 |
| (iii) Disputed dues – MSME | - | - | - | - | - | - |
| (iv) Disputed dues – Others | - | - | - | - | - | - |
| **Total (i) to (iv)** | **3,321.06** | **1,703.42** | **29.87** | **19.53** | **22.31** | **5,096.20** |
| Accrued expenses | | | | | | 1,542.02 |
| **Total** | | | | | | **6,638.22** |

### (ii) Ageing for trade payable as on 31.03.2023

Rupees in Crores

| 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) Micro and Small Enterprises (MSME) | 75.83 | - | - | - | - | 75.83 |
| (ii) Others | 2,772.32 | 1,348.33 | 19.67 | 9.96 | 24.37 | 4,174.65 |
| (iii) Disputed dues – MSME | - | - | - | - | - | - |
| (iv) Disputed dues – Others | - | - | - | - | - | - |
| **Total (i) to (iv)** | **2,848.15** | **1,348.33** | **19.67** | **9.96** | **24.37** | **4,250.49** |
| Accrued expenses | | | | | | 846.18 |
| **Total** | | | | | | **5,096.67** |

## 23 Other Financial Liabilities

Rupees in Crores

| Particulars | As at 31-03-2024 | As at 31-03-2023 |
|---|---|---|
| Interest accrued but not due on loans | 186.76 | 196.07 |
| Interest accrued and due on loans * | 0.44 | 0.72 |
| Trade deposits received | 170.71 | 98.57 |
| Unclaimed dividends | 4.07 | 3.88 |
| (Not due for transfer to Investor Education and Protection Fund) | | |
| Payables against capital goods | 80.91 | 47.06 |
| Hedge liability | 15.29 | 5.94 |
| Others | 1.40 | 3.36 |
| | **459.58** | **355.60** |

* Subsidiary has made funds available with the banks and the same has been appropriated subsequently

## 24 Other Current Liabilities

Rupees in Crores

| Particulars | As at 31-03-2024 | As at 31-03-2023 |
|---|---|---|
| Statutory dues | 275.01 | 191.01 |
| Employee related | 343.31 | 310.71 |
| Advance received from customers | 258.28 | 338.00 |
| Deferred income | 29.89 | 46.93 |
| | **906.49** | **886.65** |

# Notes to the Consolidated Financial Statements (Contd.)

## 25 Revenue from Operations

Rupees in Crores

| Particulars | Year Ended 31-03-2024 | Year Ended 31-03-2023 |
|---|---|---|
| Sale of products | 32,956.91 | 27,354.05 |
| Sale of services | 77.47 | 79.63 |
| Interest income of financial enterprise | 5,111.07 | 3,755.51 |
| Other operating revenue# | 999.29 | 784.80 |
| | **39,144.74** | **31,973.99** |

# Includes Government Grants of ₹237.77 crores (Last year ₹ 280.87 crores)

## 26 Other Income

Rupees in Crores

| Particulars | Year Ended 31-03-2024 | Year Ended 31-03-2023 |
|---|---|---|
| Dividend income - from other investments designated as Fair Valued through OCI | 0.65 | 0.02 |
| Interest income | 22.10 | 10.99 |
| (Loss)/Gain on valuation of investments Fair Valued through profit and loss (Net) | (26.93) | 61.84 |
| Profit on sale of fixed assets (Net) | 3.38 | 2.65 |
| Profit on sale of investment (Net) | 89.47 | 45.56 |
| Other non-operating income | 17.15 | 16.94 |
| | **105.82** | **138.00** |

## 27 Material Cost:

Rupees in Crores

| Particulars | Year Ended 31-03-2024 | Year Ended 31-03-2023 |
|---|---|---|
| Cost of materials consumed | | |
| Opening stock of raw materials and components | 925.40 | 874.87 |
| Add: Purchases | 23,759.70 | 20,146.77 |
| | **24,685.10** | **21,021.64** |
| Less: Closing stock of raw materials and components | 967.19 | 925.40 |
| | **23,717.91** | **20,096.24** |
| Purchases of stock-in-trade | **1,011.69** | **890.95** |
| Changes in inventories of finished goods, work-in-progress and stock-in-trade: | | |
| Opening stock: | | |
| Work-in-progress | 62.48 | 65.17 |
| Stock-in-trade | 295.35 | 345.32 |
| Finished goods | 470.37 | 276.78 |
| **(A)** | **828.20** | **687.27** |
| Closing stock: | | |
| Work-in-progress | 64.23 | 62.48 |
| Stock-in-trade | 555.72 | 295.35 |
| Finished goods | 532.60 | 470.37 |
| **(B)** | **1,152.55** | **828.20** |
| **(A)-(B)** | **(324.35)** | **(140.93)** |

# Notes to the Consolidated Financial Statements (Contd.)

## 28 Employee Benefits Expense

Rupees in Crores

| Particulars | Year Ended 31-03-2024 | Year Ended 31-03-2023 |
|---|---|---|
| Salaries, wages and bonus | 2,904.67 | 2,516.73 |
| Contribution to provident and other funds | 219.37 | 177.53 |
| Staff welfare expenses | 261.15 | 195.99 |
| | **3,385.19** | **2,890.25** |

## 29 Finance Costs

Rupees in Crores

| Particulars | Year Ended 31-03-2024 | Year Ended 31-03-2023 |
|---|---|---|
| Interest | 1,855.88 | 1,311.74 |
| Other borrowing cost | 11.60 | 11.80 |
| Interest on lease liabilities | 60.75 | 44.11 |
| Exchange differences | (0.51) | 0.24 |
| | **1,927.72** | **1,367.89** |

## 30 Depreciation and Amortisation Expense

Rupees in Crores

| Particulars | Year Ended 31-03-2024 | Year Ended 31-03-2023 |
|---|---|---|
| Depreciation on property plant and equipment | 535.56 | 523.37 |
| Amortisation on right of use asset | 217.84 | 137.77 |
| Amortisation on intangible assets | 221.72 | 197.72 |
| | **975.12** | **858.86** |

## 31 OTHER EXPENSES

Rupees in Crores

| Particulars | Year Ended 31-03-2024 | Year Ended 31-03-2023 |
|---|---|---|
| (a) Consumption of stores, spares and tools | 59.35 | 59.40 |
| (b) Power and fuel | 129.98 | 133.47 |
| (c) Repairs - buildings | 39.52 | 26.66 |
| (d) Repairs - plant and equipment | 160.31 | 123.44 |
| (e) Insurance | 49.20 | 39.58 |
| (f) Rates and taxes (excluding taxes on income) | 17.17 | 17.68 |
| (g) Audit fees | 3.31 | 2.71 |
| (h) Cost audit fees | 0.08 | 0.08 |
| (i) Packing and freight charges | 571.20 | 550.20 |
| (j) Advertisement and publicity | 596.37 | 384.75 |
| (k) Other marketing expenses | 590.95 | 358.75 |
| (m) Foreign exchange loss (Net) | 8.06 | - |
| (n) Loss allowance for expected credit losses relating to loans | 1127.04 | 629.14 |
| (o) Corporate social responsibility expenditure | 40.15 | 19.00 |
| (p) Contributions to electoral trust | 40.00 | 5.00 |
| (q) Miscellaneous expenses (under this head there is no expenditure which is in excess of 1% of revenue from operations or ₹10 lakh, whichever is higher) | 2378.20 | 1820.24 |
| | **5,810.89** | **4170.10** |

Notes to the Consolidated Financial Statements (Contd.)

## 32 Tax Expense and Reconciliation

(a) Tax expense

Rupees in Crores

| Particulars | Year Ended 31-03-2024 | Year Ended 31-03-2023 |
|---|---|---|
| Current tax: | | |
| Current tax on profits for the year | 1,012.63 | 704.65 |
| Adjustments for current tax of prior periods | - | (1.19) |
| **(A)** | **1,012.63** | **703.46** |
| Deferred tax: | | |
| Decrease / (increase) in deferred tax assets | (107.50) | (79.45) |
| (Decrease) / increase in deferred tax liabilities | 19.25 | 2.56 |
| **(B)** | **(88.25)** | **(76.89)** |
| **(A + B)** | **924.38** | **626.57** |

(b) Reconciliation of tax expense and the accounting profit multiplied by India's tax rate:

Rupees in Crores

| | Year Ended 31-03-2024 | Year Ended 31-03-2023 |
|---|---|---|
| **Profit before income tax expense** | **2702.92** | **1,936.03** |
| Tax expense at 25.168% (Previous year 25.168%) | 680.27 | 487.26 |
| Add/(Less): Taxes impact on | | |
| Capital receipts | - | (1.63) |
| Tax on income chargeable at lower rates | (39.40) | - |
| Expenses not admissible for deduction | 34.64 | 4.85 |
| Timing and Tax rate difference on subsidiaries losses | 234.49 | 125.34 |
| Tax relating to earlier years | | (1.19) |
| Others | 14.39 | 11.94 |
| | **924.38** | **626.57** |

## 33 Fair Value Measurements

Rupees in Crores

| Particulars | As at 31-03-2024 | | | As at 31-03-2023 | | |
|---|---|---|---|---|---|---|
| | FVTPL* | FVOCI * | Amortised cost | FVTPL* | FVOCI * | Amortised cost |
| Financial assets | | | | | | |
| Investments | | | | | | |
| - Equity instruments | 163.19 | 151.09 | - | 191.92 | 216.48 | - |
| - Preference shares | - | 74.67 | - | - | 16.33 | - |
| - Other non current investments | - | 32.79 | - | - | 40.07 | - |
| - Debt Instruments | 85.18 | - | 139.02 | 49.12 | - | 42.10 |
| Trade receivables | - | - | 1,839.42 | - | - | 1,256.42 |
| Loans (receivable from financing activity) | - | - | 25,471.81 | - | - | 20,546.58 |
| Fixed deposit with banks | - | - | 27.00 | - | - | 20.55 |
| Cash and cash equivalents | - | - | 2,355.80 | - | - | 1,851.19 |
| Earmarked balances with banks | - | - | 45.02 | - | - | 7.51 |
| Derivative financial asset | - | 90.67 | - | - | 176.78 | - |
| Other financial assets | - | - | 305.42 | - | - | 238.88 |
| **Total financial assets** | **248.37** | **349.22** | **30,183.49** | **241.04** | **449.66** | **23,963.23** |

# Notes to the Consolidated Financial Statements (Contd.)

Rupees in Crores

| Particulars | As at 31-03-2024 | | | As at 31-03-2023 | | |
|---|---|---|---|---|---|---|
| | FVTPL* | FVOCI * | Amortised cost | FVTPL* | FVOCI * | Amortised cost |
| Financial liabilities | | | | | | |
| Borrowings | - | - | 25,286.62 | - | - | 21,626.23 |
| Trade payables | - | - | 6,638.22 | - | - | 5,096.67 |
| Derivative financial liability | - | 15.29 | - | - | 5.94 | - |
| Lease liability | - | - | 719.08 | - | - | 749.35 |
| Other financial liability | - | - | 444.29 | - | - | 349.66 |
| **Total financial liabilities** | **-** | **15.29** | **33,088.21** | **-** | **5.94** | **27,821.91** |

* FVTPL - Fair Valued Through Profit and Loss FVOCI - Fair Valued 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 recognised and measured at fair value and that are measured at amortised cost, 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 Company 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

Rupees in Crores

| As at 31-03-2024 | Notes | Level 1 | Level 2 | Level 3 | Total |
|---|---|---|---|---|---|
| Financial assets | | | | | |
| Financial Investments at FVTPL | 5 | 163.19 | - | 85.18 | 248.37 |
| Financial Investments at FVOCI | 5 | 1.33 | 32.79 | 224.43 | 258.55 |
| Derivatives | 16 | - | 90.67 | - | 90.67 |
| | | **164.52** | **123.46** | **309.61** | **597.59** |
| Financial liabilities | | | | | |
| Derivatives | 23 | - | 15.29 | - | 15.29 |
| | | **-** | **15.29** | **-** | **15.29** |

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

Rupees in Crores

| As at 31-03-2024 | Notes | Level 1 | Level 2 | Level 3 | Total |
|---|---|---|---|---|---|
| **Financial assets** | | | | | |
| Investments | | | | | |
| Debt instruments | 5 | - | - | 139.02 | 139.02 |
| | | **-** | **-** | **139.02** | **139.02** |
| Borrowings | 18,21 | | | 25,286.62 | 25,286.62 |
| | | **-** | **-** | **25,286.62** | **25,286.62** |

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

Rupees in Crores

| As at 31-03-2023 | Notes | Level 1 | Level 2 | Level 3 | Total |
|---|---|---|---|---|---|
| **Financial assets** | | | | | |
| Financial Investments at FVTPL | 4 | - | - | 241.04 | 241.04 |
| Financial Investments at FVOCI | 4 | 1.00 | 40.07 | 231.81 | 272.88 |
| Derivatives | 6,14 | - | 176.78 | - | 176.78 |
| | | **1.00** | **216.85** | **472.85** | **690.70** |
| Financial liabilities | | | | | |
| Derivatives | 23 | - | 5.94 | - | 5.94 |
| | | **-** | **5.94** | **-** | **5.94** |

# Notes to the Consolidated Financial Statements (Contd.)

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

Rupees in Crores

| As at 31-03-2023 | Notes | Level 1 | Level 2 | Level 3 | Total |
|---|---|---|---|---|---|
| Financial assets | | | | | |
| Investments | | | | | |
| Debt instruments | 4 | - | - | 42.10 | 42.10 |
| | | **-** | **-** | **42.10** | **42.10** |
| Financial liabilities | | | | | |
| Borrowings | 18,21 | - | - | 21,626.23 | 21,626.23 |
| | | | | **21,626.23** | **21,626.23** |

Level 1: Level 1 hierarchy includes financial instruments measured using quoted prices. This includes listed equity instruments 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 end of 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 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 are not based on observable market data, the instrument is included in level 3. This is the case for unlisted equity securities, preference shares and other non current investments included in level 3.

There are no transfers among three levels.

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

(ii) Valuation technique used to determine fair value (Level 2)

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 interest rate swaps is calculated as the present value of estimated cash flows based on observable yield curves.
- the fair value of forward exchange contract and principal only swap is determined using forward exchange rate at the balance sheet date.
- the fair value of the remaining financial instruments is determined using discounted cash flow analysis.

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

Rupees in Crores

| Particulars | Unlisted Equity Shares | Preference shares | Debt instruments | Total |
|---|---|---|---|---|
| As at 31-03-2022 | 145.39 | 14.79 | - | 160.18 |
| Additions / (deletions) | 201.46 | - | 49.12 | 250.58 |
| Gains/(losses) recognised in profit or loss | 61.69 | - | - | 61.69 |
| Gains/(losses) recognised in other comprehensive income | (1.14) | 1.54 | - | 0.40 |
| **As at 31-03-2023** | **407.40** | **16.33** | **49.12** | **472.85** |
| Additions / (deletions) | 4.50 | 94.36 | - | 98.86 |
| Investment in associate - accounted using equity method | (76.58) | - | - | (76.58) |
| Reclassified from level 3 to Level 1 | (191.92) | - | | (191.92) |
| Gains/(losses) recognised in other comprehensive income | 6.40 | - | - | 6.40 |
| **As at 31-03-2024** | **149.80** | **110.69** | **49.12** | **309.61** |

# Notes to the Consolidated Financial Statements (Contd.)

(iv) Valuation inputs and relationships to fair value

Rupees in Crores

| Particulars | Fair value as at | | Significant unobservable input | | Probability weighted range for the year ended | |
|---|---|---|---|---|---|---|
| | 31-03-2024 | 31-03-2023 | | | 31-03-2024 | 31-03-2023 |
| Preference Shares | 74.67 | 16.33 | a) | Earnings growth rate | 1-3% | 1-3% |
| | | | b) | Risk adjusted discount rate | 8% | 8% |
| Debt Instruments | 85.18 | 49.12 | a) | Earnings growth rate | 1-3% | 1-3% |
| | | | b) | Risk adjusted discount rate | 8% | 8% |
| Unquoted Equity shares* | 312.95 | 407.40 | a) | Earnings growth rate | 1-3% | 1-3% |
| | | | b) | Risk adjusted discount rate | 8% | 8% |

* Sensitivity is not significant.

(v) Valuation processes

Discount rates are determined using a capital asset pricing model to calculate a pretax rate that reflects current market assessments of the time value of money and the risk specific to the asset. Earnings growth factor of preference shares are based on cash flow projections of future earnings of the Company and unlisted equity securities are estimated based on market information for similar types of companies. Risk adjustments have been derived based on the market risk premium adjusted for companies relevant financial data.

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

Rupees in Crores

| Particulars | As at 31-03-2024 | | As at 31-03-2023 | |
|---|---|---|---|---|
| | Carrying amount | Fair value | Carrying amount | Fair value |
| Financial assets | | | | |
| Investments | | | | |
| Preference shares | - | - | - | - |
| Debt instruments | 139.02 | 139.02 | 42.10 | 42.10 |
| | **139.02** | **139.02** | **42.10** | **42.10** |
| Financial liabilities | | | | |
| Borrowings | 25,286.62 | 25,286.62 | 21,626.23 | 21,626.23 |
| | **25,286.62** | **25,286.62** | **21,626.23** | **21,626.23** |

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

The fair values for preference shares and other debt instruments were calculated based on cash flows discounted using a current lending rate, which approximates the carrying value. 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 values of non-current borrowings are based on discounted cash flows using a current borrowing rate, which approximates the carrying value. They are classified as level 3 fair values in the fair value hierarchy due to the inclusion of unobservable inputs including own credit risk.

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

# Notes to the Consolidated Financial Statements (Contd.)

## 34 Financial Risk Management

The Group'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 manages the risk and the impact of hedge accounting in the financial statements.

| Risk | Exposure arising from | Risk Parameters and Mitigation |
|---|---|---|
| Credit risk | Cash, Cash equivalents and Trade receivables | Credit risk primarily arises from cash and cash equivalents, trade receivables and investments carried at amortised cost. 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 forward-looking information (more specifically described below). 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, when they fall due. This definition of default is determined by considering the business environment in which entity operates and other macro-economic factors. |
| | a. Cash and Cash Equivalents | Surplus cash is deposited only with banks / financial institutions with a high external credit rating. |
| | b. Domestic Trade Receivables | Domestic sales to the Dealers are based on advance payments received through banking channels or through inventory funding facilities availed by them from the banks. The Company extends limited credit to the dealers and such extension of credit is based on dealers' credit worthiness, ability to repay and past track record. The Company has extensive reporting and review system to constantly monitor the outstandings. |
| | c. Export Trade Receivables | The Company's export business is mostly based on Letters of credit. Export receivables are also covered through Insurance with ECGC Limited. |
| Liquidity risk | INR denominated borrowings [other than soft loans given by Govt. Authorities] | 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. The Company works out a detailed annual operating plans to assess the fund requirements - both short term and long term. Detailed month wise cash flow forecast is also carried out along with required sensitivities. Based on these factors adequate working capital credit limits are organised in advance. Company has pre-approved credit lines with various banks and these are constantly reviewed and approved by the Board. For long term fund requirements, Company targets various options such as rupee term loan, external commercial borrowing, debentures etc. The Company obtains a credit rating for the various borrowing facilities on annual basis. Company constantly monitors the free cash flow from operations to ensure that the borrowing is minimized. |
| Market risk | (i) Foreign exchange | The Company operates internationally and is exposed to foreign exchange risk arising from foreign currency transactions. 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 has a forex management policy which is duly approved by the Board. The objective of the hedges when taken is to minimise the volatility of the INR cash flows of highly probable forecast transactions. |
| | a. Export trade receivables and Import Payables | The company has a forex management policy duly approved by the Board. The Company's policy is to hedge most of its net currency exposure. Company reviews the forex exposure on a regular basis and also reports its adherence to the Board on a quarterly basis. The recording and reporting requirements are strictly adhered. |
| | b. Foreign currency denominated borrowings | The Company has hedged its borrowings by covering the principal repayments. |
| | (ii) Interest rate<br>Foreign currency denominated borrowings | 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. Company's policy is to maintain most of its borrowings at fixed rate using interest rate swaps to achieve this when necessary. The Company's fixed rate borrowings are carried at amortised cost. They are therefore not subject to interest rate risk as defined in Ind AS 107, since neither the carrying amount nor the future cash flows will fluctuate because of a change in market interest rates. |

# Notes to the Consolidated Financial Statements (Contd.)

## (A) Credit risk (except Loans from financing activity covered under Note: 35)

Basis of recognition of expected credit loss provision

| Rating | Category | Description of category | Investments | Loans and deposits | Trade receivables |
|---|---|---|---|---|---|
| 1 | High Quality assets, negligible credit risk | Assets where the counter-party has strong capacity to meet the obligations and where the risk of default is negligible or nil. | 12 month expected credit losses | 12 month expected credit losses | Life time expected credit losses (simplified approach) |
| 2 | Quality assets, low credit risk | Assets where there is low risk of default and where the counter-party has sufficient capacity to meet the obligations and where there has been low frequency of defaults in the past | | | |
| 3 | Standard Assets, moderate credit risk | Assets where the probability of default is considered moderate and where the counter-party's capacity to meet the obligations is not strong. | | | |
| 4 | Substandard Assets, relatively high credit risk | Assets where there has been a significant increase in credit risk since initial recognition. | Life time expected credit losses | | |
| 5 | Low quality assets, very high credit risk | Assets where there is a high probability of default. Also includes assets where the credit risk of counter-party has increased significantly though payments may not be more than 180 days past due. | | | |
| 6 | Doubtful assets, credit impaired | Assets are written off when there is no reasonable expectation of recovery, such as a debtor declaring bankruptcy or failing to engage in a repayment plan with the Company. Where loans or receivables have been written off, the Company continues to engage in enforcement activity to attempt to recover the receivable due. Where recoveries are made, these are recognised in profit or loss. | | Asset is written off | |

### As at 31-03-2024

a) Expected credit loss for investments, loans and other financial assets

Rupees in Crores

| Particulars | Internal rating | Assets/Asset group | Gross carrying amount | Expected probability of default | Expected credit loss | Carrying amount net of impairment provision |
|---|---|---|---|---|---|---|
| Loss allowance measured at 12 month expected credit loss | 2 | Investments at amortised cost | 139.02 | 0% | - | 139.02 |
| | 1 | Other financial assets | 305.42 | 0% | - | 305.42 |

b) Expected credit loss for trade receivables under simplified approach

Rupees in Crores

| Particulars | 0 to 180 days past due | More than 180 days past due | Total |
|---|---|---|---|
| Gross carrying amount | 1,243.54 | 644.22 | 1,887.76 |
| Expected loss rate | - | 8% | |
| Expected credit losses | - | 48.34 | 48.34 |
| Carrying amount of trade receivables | 1,243.54 | 595.88 | 1,839.42 |

# Notes to the Consolidated Financial Statements (Contd.)

### As at 31-03-2023

a) Expected credit loss for investments, loans and other financial assets

Rupees in Crores

| Particulars | Internal rating | Assets/Asset group | Gross carrying amount | Expected probability of default | Expected credit loss | Carrying amount net of impairment provision |
|---|---|---|---|---|---|---|
| Loss allowance measured at 12 month expected credit loss | 2 | Investments at amortised cost | 42.10 | 0% | - | 42.10 |
| | 1 | Other financial assets | 238.88 | 0% | - | 238.88 |

b) Expected credit loss for trade receivables under simplified approach

Rupees in Crores

| Particulars | 0 to 180 days past due | More than 180 days past due | Total |
|---|---|---|---|
| Gross carrying amount | 781.93 | 523.98 | 1,305.91 |
| Expected loss rate | - | 9% | |
| Expected credit losses | - | 49.49 | 49.49 |
| Carrying amount of trade receivables | 781.93 | 474.49 | 1,256.42 |

Reconciliation of loss allowance provision - Trade receivables

| | |
|---|---|
| Loss allowance 01-04-2022 | 52.63 |
| Changes in loss allowance | (3.14) |
| Loss allowance 31-03-2023 | 49.49 |
| Changes in loss allowance | (1.15) |
| Loss allowance 31-03-2024 | 48.34 |

## (B) Liquidity risk

### (i) Financing arrangements

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

Rupees in Crores

| Particulars | As at 31-03-2024 | As at 31-03-2023 |
|---|---|---|
| Floating rate | | |
| - Expiring within one year (bank overdraft and other facilities) | 6016.41 | 4,370.28 |
| - Expiring beyond one year (bank loans) | 43.63 | - |

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 except for one subsidiary in USD and have an average maturity ranging from 30 to 180 days.

# Notes to the Consolidated Financial Statements (Contd.)

**(ii) 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.

**As at 31-03-2024**

Rupees in Crores

| Contractual Maturities of Financial Liabilities | Less than 3 months | 3 months to 6 months | 6 months to 1 year | 1 year to 5 years | More than 5 years | Total |
|---|---|---|---|---|---|---|
| Borrowings | 2563.72 | 2,402.25 | 7,691.33 | 1,2094.42 | 536.61 | 25,288.33 |
| Lease Liabilities | 54.93 | 54.25 | 106.22 | 545.25 | 58.95 | 819.60 |
| Trade payables | 6,198.42 | 252.94 | 185.68 | 1.18 | - | 6,638.22 |
| Other financial liabilities | 444.29 | - | - | - | - | 444.29 |
| Derivatives | 15.29 | - | - | - | - | 15.29 |

**As at 31-03-2023**

Rupees in Crores

| Contractual Maturities of Financial Liabilities | Less than 3 months | 3 months to 6 months | 6 months to 1 year | 1 year to 5 years | More than 5 years | Total |
|---|---|---|---|---|---|---|
| Borrowings | 3,709.49 | 1,732.78 | 7,119.88 | 8,861.09 | 208.45 | 21,631.69 |
| Lease Liabilities | 48.80 | 46.42 | 90.62 | 596.77 | 75.28 | 857.89 |
| Trade payables | 4,514.69 | 290.86 | 291.12 | - | - | 5,096.67 |
| Other financial liabilities | 349.66 | - | - | - | - | 349.66 |
| Derivatives | 5.94 | - | - | - | - | 5.94 |

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 exchange risk**

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

Rupees in Crores

| | 31-03-2024 | | 31-03-2023 | |
|---|---|---|---|---|
| Exposure in foreign currency | USD | EUR | USD | EUR |
| **Financial assets** | | | | |
| Trade receivables | 1,544.44 | 87.45 | 1,275.23 | 66.88 |
| Investments | 146.67 | 8.46 | 137.10 | 8.47 |
| Derivative assets | | | | |
| Foreign exchange forward contracts | | | | |
| Sell foreign currency | (888.20) | (87.45) | (847.89) | (62.75) |
| **Financial liabilities** | | | | |
| Foreign currency loan | 1123.61 | - | 2931.78 | - |
| Trade payables | 135.70 | 15.25 | 560.91 | 7.54 |
| Derivative liabilities | | | | |
| Foreign exchange forward contracts | | | | |
| Buy foreign currency | 8.46 | - | 4.14 | - |
| Principal swap | | | | |
| Buy foreign currency | (833) | - | (2669.98) | - |

# Notes to the Consolidated Financial Statements (Contd.)

Sensitivity

The sensitivity of profit or loss to changes in the exchange rates arises mainly from foreign currency denominated financial instruments and the impact on other components of equity arises from foreign forward exchange contracts designated as cash flow hedges.

Rupees in Crores

| | Impact on profit after tax* | | Impact on other components of equity* | |
|---|---|---|---|---|
| | As at 31-03-2024 | As at 31-03-2023 | As at 31-03-2024 | As at 31-03-2023 |
| **USD sensitivity** | | | | |
| INR/USD increases by 10% | 60.04 | 37.87 | (56.84) | (54.92) |
| INR/USD decreases by 10% | (60.04) | (37.87) | 56.84 | 54.92 |
| SGD/USD increases by 10% | 11.72 | 3.40 | 4.85 | 6.28 |
| SGD/USD decreases by 10% | (11.72) | (3.40) | (4.85) | (6.28) |
| IDR/USD increases by 10% | 13.54 | (10.38) | - | - |
| IDR/USD decreases by 10% | (13.54) | 10.38 | - | - |
| **EURO sensitivity** | | | | |
| INR/EURO increases by 10% | 4.95 | 4.01 | (5.76) | (4.25) |
| INR/EURO decreases by 10% | (4.95) | (4.01) | 5.76 | 4.25 |
| SGD/EURO increases by 10% | - | - | 0.56 | 0.57 |
| SGD/EURO decreases by 10% | - | - | (0.56) | (0.57) |

*Holding all other variables constant

**ii) Interest Rate risk**

Domestic INR borrowings are based on fixed rate of interest. Normally for short term borrowings the marginal cost of lending rate of the bank is followed. Whenever, Company resorts to short term borrowing through Commercial Paper the rate of interest is fixed in advance. In respect of foreign currency borrowings for longer period the interest rates are covered through interest rate swaps (IRS).

Rupees in Crores

| Particulars | As at 31-03-2024 | As at 31-03-2023 |
|---|---|---|
| Variable rate borrowings | 15,522.78 | 9,772.10 |
| Fixed rate borrowings | 9,765.53 | 11,859.68 |

Rupees in Crores

| Sensitivity | Impact on profit after tax | |
|---|---|---|
| | As at 31-03-2024 | As at 31-03-2023 |
| Increase in interest rates by 100 bps | (102.14) | (66.10) |
| Decrease in interest rates by 100 bps | 102.14 | 66.10 |

**iii) Price risk**

The company's exposure to equity securities price risk arises from investments held by the Company and classified in the balance sheet either as fair value through OCI or at fair value through profit or loss. To manage its price risk from investments in equity securities, the Company diversifies its portfolio. The impact of the changes in price risk is not material.

# Notes to the Consolidated Financial Statements (Contd.)

## (D) Impact of hedging activities

### i) Disclosure of effects of hedge accounting on financial position

**a) Disclosure of effects of hedge accounting on financial position as at 31-03-2024**

Rupees in Crores

| Type of hedge and risks | Nominal value | | Carrying amount of hedging instrument | | Maturity date | Changes in fair value of hedging instrument | Changes in the value of hedged item used as the basis for recognising hedge effectiveness |
|---|---|---|---|---|---|---|---|
| | Assets | Liabilities | Assets | Liabilities | | | |
| Cash flow hedge | | | | | | | |
| Foreign exchange forward contracts, PCFC | 975.65 | 8.46 | - | 15.29 | Apr'24 to Dec'24 | (15.29) | 15.29 |
| Foreign currency loan | | | | | | | - |
| Principal swap | - | 833.00 | 90.67 | - | Jun'24 to Dec'24 | 90.67 | (90.67) |
| Interest rate swap | - | 833.00 | - | - | | - | - |

**b) Disclosure of effects of hedge accounting on financial position as at 31-03-2023**

Rupees in Crores

| Type of hedge and risks | Nominal value | | Carrying amount of hedging instrument | | Maturity date | Changes in fair value of hedging instrument | Changes in the value of hedged item used as the basis for recognising hedge effectiveness |
|---|---|---|---|---|---|---|---|
| | Assets | Liabilities | Assets | Liabilities | | | |
| Cash flow hedge: | | | | | | | |
| Foreign exchange forward contracts, PCFC | 910.64 | (4.14) | 4.45 | | Apr'23 to June'23 | 4.45 | (4.45) |
| Foreign currency loan | | | | | | | |
| Principal swap | - | 2669.98 | 167.84 | - | Jun'23 to Dec'27 | 167.84 | (167.84) |
| Interest rate swap | - | 2669.98 | 0.26 | - | | 0.26 | (0.26) |

### ii) Disclosure of effects of hedge accounting on financial performance:

**a) for the year ended 31-03-2024**

Rupees in Crores

| Type of hedge | Change in the value of hedging instrument recognised in other comprehensive income | Hedge ineffectiveness recognised in profit and loss | Amount reclassified from cash flow hedging reserve to profit or loss | Line item affected in statement of profit and loss because of the reclassification |
|---|---|---|---|---|
| Cash flow hedge: | | | | Revenue and Borrowing cost |
| Foreign exchange risk/ POS/ IRS | (17.32) | - | (1.35) | |

# Notes to the Consolidated Financial Statements (Contd.)

**b) for the year ended 31-03-2023**

Rupees in Crores

| Type of hedge | Change in the value of hedging instrument recognised in other comprehensive income | Hedge ineffectiveness recognised in profit and loss | Amount reclassified from cash flow hedging reserve to profit or loss | Line item affected in statement of profit and loss because of the reclassification |
|---|---|---|---|---|
| Cash flow hedge: | | | | Revenue and Borrowing cost |
| Foreign exchange risk/ POS/ IRS | (6.02) | - | (16.98) | |

## 35 Financial Risk Management Relating to Loan Receivable from Financing Activity

### (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 gross carrying amount.

Rupees in Crores

| Particulars | March 31, 2024 | March 31, 2023 |
|---|---|---|
| Gross Carrying value of Loans | | |
| Stage-1 (Less than 30 Days) | 24,359.13 | 19,694.90 |
| Stage-2 (30-90 Days)# | 1305.94 | 989.54 |
| Stage-3 (More than 90 Days)* | 742.80 | 573.71 |
| **Total Gross Carrying value on Reporting Date** | **26,407.87** | **21,258.15** |

#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.

# Notes to the Consolidated Financial Statements (Contd.)

The Company categorises loan assets into stages based on the Days Past Due status:

- Stage 1: 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 financial services business 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 financial services business 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 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 financial services business considers both quantitative and qualitative information and analysis based on the business historical experience, including forward-looking information. The financial services business 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 March 27, 2020 and April 17, 2020 relating to 'COVID-19 – Regulatory Package', the Group has offered moratorium upto six months on the payment of installments falling due between March 1, 2020 and August 31, 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 Company. 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.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 August 6, 2020 and RBI/2 021- 22/31/DOR.STR. REC.11 /21.04.048/2021-22 dated 5 May 2021 in Stage 2 irrespective of days past due status on the reporting date.

Group's assessments of impairment loss allowance on its loans are subject to a number of management judgements and estimates. Since the Group's impairment loss allowance estimates are inherently uncertain, actual results may differ from these estimates.

**Definition of default**

The Company considers a financial instrument is in defaulted when the borrower becomes 90 days past due on its contractual payments. The financial services business considers Loans under default as 'credit impaired' and classified as Stage-3 except for restructured contracts as disclosed above.

# Notes to the Consolidated Financial Statements (Contd.)

**Impairment loss**

The expected credit loss allowance provision is determined as follows:

Rupees in Crores

| Particulars | Stage 1 | Stage 2 | Stage 3 | Grand Total |
|---|---|---|---|---|
| Gross Balance as at March 31, 2024 | 24,359.13 | 1,305.94 | 742.80 | 26,407.87 |
| Expected Credit Loss | 289.49 | 253.53 | 393.04 | 936.06 |
| Expected Credit Loss Rate | 1.19% | 19.41% | 52.91% | 3.54% |
| Net of Impairment Provision | 24,069.64 | 1,052.41 | 349.76 | 25,471.81 |

Rupees in Crores

| Particulars | Stage 1 | Stage 2 | Stage 3 | Grand Total |
|---|---|---|---|---|
| Gross Balance as at March 31, 2023 | 19,693.40 | 989.54 | 573.71 | 21,256.65 |
| Expected Credit Loss | 264.75 | 138.78 | 306.54 | 710.07 |
| Expected Credit Loss Rate | 1.34% | 14.02% | 53.43% | 3.34% |
| Net of Impairment Provision | 19,428.65 | 850.76 | 267.17 | 20,546.58 |

**Reconciliation of Expected Credit Loss**

Rupees in Crores

| Particulars | Stage 1 | Stage 2 | Stage 3 | Grand Total |
|---|---|---|---|---|
| **Balance as at April 01, 2022** | **87.82** | **33.25** | **267.61** | **388.68** |
| Transfer from Stage 1 | (6.38) | 3.96 | 2.42 | - |
| Transfer from Stage 2 | 2.16 | (8.41) | 6.25 | - |
| Transfer from Stage 3 | 11.64 | 2.96 | (14.60) | - |
| Loans that have derecognised during the period | (22.10) | (9.86) | (141.35) | (173.31) |
| New Loans originated during the year | 118.95 | 46.44 | 48.07 | 213.46 |
| Net Remeasurement of Loss Allowance | 72.66 | 70.44 | 138.14 | 281.24 |
| **Balance as at March 31, 2023** | **264.75** | **138.78** | **306.54** | **710.07** |
| Transfer from Stage 1 | (15.17) | 8.74 | 18.25 | 11.82 |
| Transfer from Stage 2 | 13.19 | (55.32) | 41.91 | (0.22) |
| Transfer from Stage 3 | 8.78 | 4.45 | (13.17) | 0.06 |
| Loan that have derecognised during the period | (39.36) | (48.01) | (113.34) | (200.71) |
| New Loans originated during the year | 114.54 | 59.15 | 49.21 | 222.90 |
| Net Remeasurement of Loss Allowance | (57.24) | 145.74 | 103.64 | 192.14 |
| **Balance as at March 31, 2024** | **289.49** | **253.53** | **393.04** | **936.06** |

**Concentration of Credit Risk**

The business manages concentration of risk primarily by geoghraphical region. The following details show the geographical concentrations of the loans at the year end:

Rupees in Crores

| Particulars | Year Ended 31-03-2024 | Year Ended 31-03-2023 |
|---|---|---|
| Carrying value | | |
| Concentration by geographical region in India | | |
| South | 10,637.99 | 8,472.49 |
| West | 7,256.11 | 5,917.79 |
| East | 4,252.84 | 3,307.58 |
| North | 4,260.93 | 3,558.79 |
| **Total Loans as at reporting period** | **26,407.87** | **21,256.65** |

# Notes to the Consolidated Financial Statements (Contd.)

## 36 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 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 group's strategy is to maintain an optimum gearing ratio. The gearing ratios were as follows:

Rupees in Crores

| Particulars | As at 31-03-2024 | As at 31-03-2023 |
|---|---|---|
| Net debt | 22,930.82 | 19,775.04 |
| Total equity | 6,783.51 | 5,505.00 |
| **Net debt to equity ratio** | **3.4** | **3.6** |

The company also monitors Interest coverage ratio:

Company's earnings before interest and taxes (EBIT) divided by Interest

The Company's strategy is to maintain an optimum interest coverage ratio. The Interest coverage ratio are as follows:

Rupees in Crores

| | As at 31-03-2024 | As at 31-03-2023 |
|---|---|---|
| EBIT (before exceptional item) | 2,211.35 | 1,628.52 |
| Interest | 210.00 | 155.50 |
| **Interest coverage ratio (times)** | **10.5** | **10.5** |

### (b) Dividends

Rupees in Crores

| Particulars | As at 31-03-2024 | As at 31-03-2023 |
|---|---|---|
| (i) Equity shares | | |
| Interim dividends for the year ended 31-03-2024 of ₹8.00 (31-03-2023 of ₹5.00) per fully paid share | 380.07 | 237.54 |
| (iii) Dividends not recognised at the end of the reporting period | - | - |

## 37 Business Combination

On 1st October 2015, our Subsidiary Sundaram Auto Components Limited (SACL) acquired an automobile seat manufacturing business at Nalagarh, Himachal Pradesh to expand its business"

On 7th September 2017, the Company acquired 16,20,000 (81%) equity shares of M/s. TVS Motor Services Limited, Chennai. This would further strengthen the retail financing for the customers of the Company through its subsidiaries.

During the year ended March 31, 2022, our subsidiary TVS Motor (Singapore) Pte. Ltd. acquired majority stake in two E-Mobility companies in Europe to establish its presence in e-personal mobility space.

On 16th September 2021, 91,20,858 (80%) equity shares of The GO Corporation (The GO AG) and on 27th January 2022, 1,14,658 (75%) equity shares of Swiss E-Mobility Group (Holding) AG (SEMG) were acquired.

During the year ended March 31, 2023, our subsidiary TVS Motor (Singapore) Pte. Ltd. acquired majority stake in two E-Mobility companies in Europe to further strengthen its presence in e-personal mobility space.

# Notes to the Consolidated Financial Statements (Contd.)

On 1st April 2022, 70 (70%) equity shares of EBCO Limited, UK were acquired. Further on 12th April 2022, (100%) equity shares of Alexand'Ro Edouard'O Passion Vélo Sàrl ("Passion Vélo"), Germany were acquired through its subsidiary Swiss E-Mobility Group (Holding) AG (SEMG).

Details of the purchase consideration and goodwill are follows:

Rupees in Crores

| Particulars | Business acquired by SACL | TVS Motor Services | GO AG | SEMG | EBCO | Passion Velo |
|---|---|---|---|---|---|---|
| Consideration transferred | 9.00 | 1.62 | 131.46 | 488.60 | 11.64 | 23.96 |
| Non-controlling interest in the acquired entity | - | 136.05 | (1.12) | 55.52 | (1.32) | - |
| Acquisition date fair value of previously held equity interest | - | 0.38 | - | - | - | - |
| Less: Net identifiable assets acquired | 6.80 | (48.06) | 71.23 | 222.07 | (4.40) | 11.10 |
| **Goodwill on consolidation** | **2.20** | **186.11** | **59.11** | **322.05** | **14.72** | **12.86** |
| **Total goodwill recognised in books** | | | | | | **597.05** |

The goodwill is attributable to the expected synergies on acquisition of the financial services business and e-personal mobility business.

"Goodwill is tested for impairment on an annual basis and whenever there is an indication that goodwill may be impaired, relying on a number of factors including operating results, business plans and future cash flows. For the purpose of impairment testing, goodwill acquired in a business is allocated to the Group's cash generating units (CGU) or groups of CGUs expected to benefit from the synergies arising from the business combination.

Total impairment loss of a CGU is allocated first to reduce the carrying amount of goodwill allocated to the CGU and then to the other assets of the CGU pro-rate on the basis of carrying amount of each asset in CGU. An impairment loss on goodwill is recognized in net profit in the Consolidated Statement of Profit and Loss and is not reversed in the subsequent period."

Company assessed impairment of goodwill based on the expected earnings growth of the acquired business.

## 38 Employee Benefit Obligations

Defined benefit plans as per actuarial valuation

Rupees in Crores

| Particulars | Funded Plan | | | Unfunded Plans |
|---|---|---|---|---|
| | Gratuity | | | Pension |
| | Present value of obligation | Fair value of plan assets | Net amount | Present value of obligation |
| **As at 01-04-2022** | **194.92** | **(191.47)** | **3.45** | **158.49** |
| Balance from Incumbent subsidiary: | - | - | - | - |
| Current service cost | 34.70 | - | 34.70 | - |
| Interest expense/(income) | 14.88 | (14.10) | 0.74 | 10.01 |
| **Total amount recognised in profit or loss** | **49.58** | **(14.10)** | **35.48** | **10.01** |
| **Remeasurements** | | | | |
| Return on plan assets, excluding amounts included in interest expense/(income) | - | 3.17 | 3.17 | - |
| (Gain)/loss from change in financial assumptions | 3.66 | - | 3.66 | (20.49) |
| Sale of subsidiary | (0.62) | | (0.62) | |
| Experience (gains)/losses | 3.42 | - | 3.42 | 12.32 |
| **Total amount recognised in other comprehensive income** | **6.46** | **3.17** | **9.63** | **(8.17)** |

# Notes to the Consolidated Financial Statements (Contd.)

Rupees in Crores

| Particulars | Funded Plan | | | Unfunded Plans |
|---|---|---|---|---|
| | Gratuity | | | Pension |
| | Present value of obligation | Fair value of plan assets | Net amount | Present value of obligation |
| Employer contributions | - | (53.15) | (53.15) | - |
| Benefit payments | (23.48) | 21.04 | (2.44) | (4.01) |
| **As at 31-03-2023** | **227.44** | **(234.51)** | **(7.07)** | **156.32** |
| Current service cost | 42.30 | - | 42.30 | - |
| Interest expense/(income) | 17.53 | (17.04) | 0.49 | 11.87 |
| **Total amount recognised in profit or loss** | **59.82** | **(17.04)** | **42.79** | **11.87** |
| **Remeasurements** | | | | |
| Return on plan assets, excluding amounts included in interest expense/(income) | - | 6.84 | 6.84 | - |
| (Gain)/loss from change in financial/ demographic assumptions | 4.61 | - | 4.61 | 1.34 |
| Experience (gains)/losses | (0.41) | - | (0.41) | 16.63 |
| **Total amount recognised in other comprehensive income** | **4.20** | **6.84** | **11.04** | **17.97** |
| Employer contributions | - | (50.48) | (50.48) | - |
| Benefit payments | (18.62) | 18.62 | - | (4.72) |
| **As at 31-03-2024** | **272.84** | **(276.57)** | **(3.73)** | **181.44** |

Certain Companies in the group has an obligation towards gratuity, a defined benefit retirement plan covering eligible employees and have created an Employees' Group Gratuity Fund which has taken a Group Gratuity Assurance Scheme with the Life Insurance Corporation of India. Company's contributions are based on actuarial valuation arrived at the end of each year and charged to Statement of Profit and Loss.

The significant actuarial assumptions were as follows:

Rupees in Crores

| Particulars | As at 31-03-2024 | As at 31-03-2023 |
|---|---|---|
| Discount rate (Gratuity) | 6.95% to 7.0% | 5.3% to 7.3% |
| Discount rate (Pension) | 6.95% to 7.0% | 5.7% to 6.1% |
| Salary growth rate | 5.5% to 6% | 5.5% to 10% |
| Pre-retirement Mortality rate | IALM (2006-08) Ultimate | |
| Post-retirement Mortality rate | LIC Ann (1996-98) | |

Assumptions regarding future mortality for pension 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 age 58.

### (i) Sensitivity analysis

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

Rupees in Crores

| Particulars | Impact on defined benefit obligation - Gratuity | | | | | |
|---|---|---|---|---|---|---|
| | Change in assumption | | Increase in assumption | | Decrease in assumption | |
| | Year ended | | | | | |
| | 31-03-2024 | 31-03-2023 | 31-03-2024 | 31-03-2023 | 31-03-2024 | 31-03-2023 |
| Discount rate | 0.50% | 0.50% | 262.44 | 218.66 | 283.24 | 236.10 |
| Salary growth rate | 0.50% | 0.50% | 283.33 | 236.19 | 262.27 | 218.50 |
| Mortality | 5.00% | 5.00% | 272.51 | 227.11 | 272.42 | 227.03 |

# Notes to the Consolidated Financial Statements (Contd.)

Rupees in Crores

| Particulars | Impact on defined benefit obligation - Pension | | | | | |
|---|---|---|---|---|---|---|
| | Change in assumption | | Increase in assumption | | Decrease in assumption | |
| | Year ended | | | | | |
| | 31-03-2024 | 31-03-2023 | 31-03-2024 | 31-03-2023 | 31-03-2024 | 31-03-2023 |
| Discount rate | 1.00% | 1.00% | 164.38 | 141.38 | 201.63 | 174.82 |
| Salary growth rate | 1.00% | 1.00% | 202.73 | 175.80 | 163.27 | 140.40 |
| Mortality | 5.00% | 5.00% | 179.95 | 155.42 | 183.02 | 157.98 |

The above sensitivity analysis is 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.

### (ii) 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 underperform this yield, this will create a deficit.

**Changes in bond:** A decrease in bond yields will increase plan liabilities, although this will be partially offset by an yield 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 obligations are 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.

### (iii) Defined contribution plans:

The Company's contribution to defined contribution plan i.e., provident fund of ₹ 86.15 crores (previous year ₹68.79 crores) has been recognised in the Statement of Profit and Loss.

## 39 Related Party Disclosure

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

**Holding company:**

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

**Subsidiaries:**

Sundaram Auto Components Limited, Chennai

TVS Digital Limited, Chennai (Formerly known as TVS Housing Limited, Chennai)

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

Harita ARC Services Private Limited, Chennai

# Notes to the Consolidated Financial Statements (Contd.)

Harita Two Wheeler Mall Private Limited, Chennai (Formerly known as TVS 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

Colag E-Mobility GmBH, Germany

Alexand'Ro Edouard'O Passion Vélo Sàrl, Switzerland

**Associate company:**

Ultraviolette Automotive Private Limited, Bengaluru

Tagbox Solutions Private Limited, Bengaluru [upto 30th March 2024]

DriveX Mobility Private Limited, Coimbatore

Indian Foundation for Quality Management, Bengaluru [From 15th Feb 2024]

Emerald Haven Realty Ltd., Chennai (Upto 14th June 2023)

### (ii) Other related parties and their relationship where transaction exists

**Associate / Joint venture of holding / subsidiary / fellow subsidiary company:**

Predictronics Corp, USA

Emerald Haven Realty Ltd., Chennai (from 16th June 2023)

Emerald Haven Development Limited, Chennai

ION Mobility Pte. Ltd., Singapore [From 14.03.2024]

### (iii) Enterprises under Common control

Sundaram - Clayton Limited, Chennai (Formerly known as Sundaram-Clayton DCD Limited)

**Enterprises in which directors are interested:**

Dua Associates, Delhi

Dua Consulting Private Limited, Delhi

McCann-Erickson (India) Private Limited, Delhi

Trichur Sundaram Santhanam & Family Private Limited, Chennai

T.V Sundram Iyengar & Sons Private Limited, Madurai

Lakshmi Energy and Environment Design Private Limited, Coimbatore

TVS Organics Private Limited, Chennai

Adwaith Lakshmi Industries Private Limited, Coimbatore (From 01st April 2023)

# Notes to the Consolidated Financial Statements (Contd.)

**Key Management personnel**

**Executive Directors:**

Mr. Venu Srinivasan, Chairman Emeritus & Managing Director

Mr Sudarshan Venu, Managing Director

Mr K N Radhakrishnan, Director & Chief Executive Officer

**Non-Executive Directors:-**

*Independent Directors:*

Mr. C R Dua

Mr. R Gopalan (upto 2nd Mar 2024)

Dr. Deepali Pant Joshi (from 11th September 2023)

Mrs. Lalita D Gupte (upto 22nd October 2023)

Mr. T Kannan (upto 23rd May 2023)

Mr. Kuok Meng Xiong

Mr. Vijay Sankar (from 20th March 2024)

Mr. Hemant Krishan SIngh

Mr. B Sriram

*Non-Independent Directors:*

Sir Ralf Dieter Speth

Dr. Lakshmi Venu

*Chief Financial Officer*

K. Gopala Desikan

*Company Secretary*

K.S. Srinivasan

*Post Employment benefit plans:*

TVS Motor Company Employees' Gratuity Fund

TVS Motor Company Employees' Provident Fund

# Notes to the Consolidated Financial Statements (Contd.)

**(b) Transactions with related parties: (Transactions from the date of becoming/ upto the date of ceasing to be related party)**

Rupees in Crores

| Particulars | | As at / Year ended 31-03-2024 | As at / Year Ended 31-03-2023 |
|---|---|---|---|
| **(i)** | **Purchase of goods (Including sales reversal)** | | |
| | **Holding company** | | |
| | TVS Holdings Limited, Chennai - (Formerly known as Sundaram-Clayton Limited, Chennai) | 126.75 | 412.62 |
| | **- Associate / joint venture** | | |
| | Tagbox Solutions Private Limited, Bengaluru | 0.73 | 1.43 |
| | Ultraviolette Automotive Private Limited, Bengaluru | 0.67 | - |
| | **- Enterprises under Common control** | | |
| | Sundaram - Clayton Limited, Chennai (Formerly known as Sundaram-Clayton DCD Limited) | 255.24 | - |
| | **- Enterprises in which directors are interested** | | |
| | T.V Sundram Iyengar & Sons Private Limited, Madurai | - | 0.23 |
| | TVS Organics Private Limited, Chennai | 0.69 | 0.19 |
| | Adwaith Lakshmi Industries Private Limited, Coimbatore | 0.01 | - |
| **(ii)** | **Sale of goods** | | |
| | **Holding company** | | |
| | TVS Holdings Limited, Chennai - (Formerly known as Sundaram-Clayton Limited, Chennai) | 471.96 | 439.61 |
| | **Associate company** | | |
| | DriveX Mobility Private Limited, Coimbatore | 0.06 | - |
| | **- Enterprises under Common control** | | |
| | Sundaram - Clayton Limited, Chennai (Formerly known as Sundaram-Clayton DCD Limited) | 9.60 | - |
| **(iii)** | **Purchase of assets** | | |
| | **Holding company** | | |
| | TVS Holdings Limited, Chennai - (Formerly known as Sundaram-Clayton Limited, Chennai) | 39.00 | - |
| | **- Associate / joint venture** | | |
| | Ultraviolette Automotive Private Limited, Bengaluru | - | 3.00 |
| | Tagbox Solutions Private Limited, Bengaluru | 0.61 | - |
| | **- Associate / joint venture of holding / subsidiary / fellow subsidiary company** | | |
| | Predictronics Corporation, USA | - | 0.07 |
| **(iv)** | **Sale of assets** | | |
| | **- Associate / Joint venture of holding / subsidiary / fellow subsidiary company** | | |
| | Emerald Haven Realty Limited, Chennai | 2.58 | - |
| | **- Enterprises under Common control** | | |
| | Sundaram - Clayton Limited, Chennai (Formerly known as Sundaram-Clayton DCD Limited) | 0.29 | - |
| | **- Key Management personnel** | - | 0.12 |
| **(v)** | **Rendering of services** | | |
| | **Holding company** | | |
| | TVS Holdings Limited, Chennai - (Formerly known as Sundaram-Clayton Limited, Chennai) | 2.72 | 8.58 |
| | **- Associate / joint venture** | | |
| | DriveX Mobility Private Limited, Coimbatore | - | 0.66 |
| | **- Associate / joint venture of holding / subsidiary / fellow subsidiary company** | | |
| | Emerald Haven Realty Limited, Chennai | 1.34 | 0.07 |
| | **- Enterprises under Common control** | | |
| | Sundaram - Clayton Limited, Chennai (Formerly known as Sundaram-Clayton DCD Limited) | 6.74 | - |

# Notes to the Consolidated Financial Statements (Contd.)

Rupees in Crores

| Particulars | | As at / Year ended 31-03-2024 | As at / Year Ended 31-03-2023 |
|---|---|---|---|
| **(vi)** | **Availing of services (includes sub-contract charges paid)** | | |
| | **Holding company** | | |
| | TVS Holdings Limited, Chennai - (Formerly known as Sundaram-Clayton Limited, Chennai) | 139.93 | 68.94 |
| | **- Associate / joint venture** | | |
| | Tagbox Solutions Private Limited, Bengaluru | - | 0.16 |
| | **- Associate / joint venture of holding / subsidiary / fellow subsidiary company** | | |
| | Scienaptic Systems Inc., USA | - | 3.03 |
| | Emerald Haven Realty Limited, Chennai | - | 0.01 |
| | **- Enterprises under Common control** | | |
| | Sundaram - Clayton Limited, Chennai (Formerly known as Sundaram-Clayton DCD Limited) | 4.81 | - |
| | **- Enterprises in which directors are interested** | | |
| | Dua Associates. Delhi | 0.35 | 0.70 |
| | Dua Consulting Private Limited, Delhi | 4.57 | 4.33 |
| | McCann-Erickson (India) Private Limited, Delhi | 3.59 | 3.47 |
| | Lakshmi Energy and Environment Design Private Limited, Coimbatore | 0.20 | 0.20 |
| | T.V Sundram Iyengar & Sons Private Limited, Madurai | - | 0.83 |
| | Trichur Sundaram Santhanam & Family Private Limited, Chennai | 0.65 | 0.12 |
| **(vii)** | **Investments made during the year** | | |
| | **- Associate / joint venture** | | |
| | DriveX Mobility Private Limited, Coimbatore | - | 87.17 |
| | **- Associate / joint venture of holding / subsidiary / fellow subsidiary company** | | |
| | Indian Foundation for Quality Management, Bengaluru [From 15.02.2024] | 25.00 | - |
| | Killwatt GmbH, Germany [From 14.04.2023] | 71.50 | - |
| | ION Mobility Ltd., Singapore [From 14.03.2024] | 45.38 | - |
| **(viii)** | **Remuneration to key management personnel:** | | |
| | Short-term employee benefits | 68.21 | 104.92 |
| | Post-employment benefits | 0.65 | 1.08 |
| **(ix)** | **Contributions to post employment benefit plans:** | | |
| | TVS Motor Company Employees' Gratuity Fund | 98.51 | 43.71 |
| | TVS Motor Company Employees' Provident Fund | 114.30 | 92.25 |
| | (Including Employee and Employer Contributions) | | |
| **(x)** | **Loan and Advances given** | | |
| | **- Associate / joint venture of holding / subsidiary / fellow subsidiary company** | | |
| | Emerald Haven Realty Limited, Chennai | - | 3.00 |
| **(xi)** | **Loan and Advances repaid (incl interest)** | | |
| | **- Associate / Joint venture of holding / subsidiary / fellow subsidiary company** | | |
| | Emerald Haven Realty Limited, Chennai | - | 3.06 |

# Notes to the Consolidated Financial Statements (Contd.)

Rupees in Crores

| Particulars | | As at / Year ended 31-03-2024 | As at / Year Ended 31-03-2023 |
|---|---|---|---|
| (c) | **Balances with related parties: (Balances of parties as at March 31st 2024, who are ceased to be related parties are not furnished)** | | |
| (i) | **Trade receivables / Other current assets** | | |
| | **Holding company** | | |
| | TVS Holdings Limited, Chennai - (Formerly known as Sundaram-Clayton Limited, Chennai) | 74.23 | 17.36 |
| | - **Associate company** | | |
| | Tagbox Solutions Private Limited, Bengaluru | - | 0.16 |
| | DriveX Mobility Private Limited, Coimbatore | - | 0.44 |
| | Ultraviolette Automotive Private Limited, Bengaluru | 0.18 | |
| | - **Associate / joint venture of holding / subsidiary / fellow subsidiary company** | | |
| | Emerald Haven Realty Limited, Chennai | 11.91 | 4.31 |
| | - **Enterprises in which directors are interested** | | |
| | Trichur Sundaram Santhanam & Family Private Limited, Chennai | 0.52 | - |
| | McCann-Erickson (India) Private Limited, Delhi | 0.02 | - |
| | - **Enterprises under Common control** | | |
| | Sundaram - Clayton Limited, Chennai (Formerly known as Sundaram-Clayton DCD Limited) | 1.25 | - |
| (ii) | **Trade payables** | | |
| | **Holding** | | |
| | TVS Holdings Limited, Chennai - (Formerly known as Sundaram-Clayton Limited, Chennai) | 7.89 | - |
| | - **Associate / joint venture** | | |
| | Predictronics Corporation, USA | 0.07 | 0.07 |
| | DriveX Mobility Private Limited, Coimbatore | 0.04 | - |
| | - **Associate / joint venture of holding / subsidiary / fellow subsidiary company** | | |
| | Scienaptic Systems Inc., USA | - | 0.45 |
| | - **Enterprises under Common control** | | |
| | Sundaram - Clayton Limited, Chennai (Formerly known as Sundaram-Clayton DCD Limited) | 0.27 | - |
| | - **Enterprises in which directors are interested** | | |
| | Dua Consulting Private Limited, Delhi | 0.32 | 0.32 |
| | McCann-Erickson (India) Private Limited, Delhi | - | 0.32 |
| | T.V Sundram Iyengar & Sons Private Limited, Madurai | 0.07 | 0.03 |
| | Lakshmi Energy and Environment Design Private Limited, Coimbatore | - | 0.06 |
| | TVS Organics Private Limited, Chennai | 0.03 | - |

The transactions with related parties are made on terms equivalent to those that prevail in arm's length transactions. Outstanding balances at the year end are unsecured and settlement occurs in cash.

# Notes to the Consolidated Financial Statements (Contd.)

## 40 Revenue From Contract With Customers

### A 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 Group 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:

Rupees in Crores

| Particulars | | For the year ended 31-03-2024 | For the year ended 31-03-2023 |
|---|---|---|---|
| **A.** | **Type of goods or service** | | |
| 1. | Automobiles | 29,493.96 | 24,232.76 |
| 2. | Parts and accessories | 3,170.53 | 2,705.13 |
| 3. | Automotive components | 333.89 | 439.45 |
| 4. | Services - IT Services | 24.98 | 50.55 |
| 5. | Services - Royalty | 13.27 | 8.01 |
| 6. | Others | 5,108.82 | 3,753.29 |
| | | **38,145.45** | **31,189.19** |
| **B.** | **Geographical markets** | | |
| 1. | Domestic | 30,329.44 | 23,660.58 |
| 2. | Exports | 7,816.01 | 7,528.61 |
| | | **38,145.45** | **31,189.19** |

B The Group operates in the segments of automotive vehicle and its parts, Automotive components and financial services. The information provided above is in line with the segmental information provided under Ind AS 108 in Note. 46

C Reconciliation of contracts with customers

Movement of contract liabilities for the reporting period given below:

Rupees in Crores

| Particulars | For the year ended 31-03-2024 | For the year ended 31-03-2023 |
|---|---|---|
| Contract Liabilities at the beginning of the period | 338.00 | 277.57 |
| Add / (Less): | | |
| Consideration received during the year as advance | 265.58 | 338.00 |
| Revenue recognized from contract liability | (338.00) | (277.57) |
| Contract Liabilities at the end of the period | 265.58 | 338.00 |

Payment is 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.

D Transaction price allocated to the remaining performance obligations

The Group's contracts with customers are short term(i.e., the performance obligations are expected to be met within one year or less). Therefore, taking the practical expedient, the details on transaction price allocated to the remaining performance obligations are not disclosed.

E Reconciliation of revenue with contract price

Rupees in Crores

| Sl. No. | Particulars | For the year ended 31-03-2024 | For the year ended 31-03-2023 |
|---|---|---|---|
| (i) | Contract price | 39,377.56 | 32,052.96 |
| (ii) | Adjustments: | | |
| | Incentive schemes | 705.62 | 450.97 |
| | Transport cost | 526.49 | 412.80 |
| (iii) | Revenue from sale of products and services | 38,145.45 | 31,189.19 |

# Notes to the Consolidated Financial Statements (Contd.)

## 41 Earnings Per Share

Rupees in Crores

| Particulars | As at / Year ended 31-03-2024 | As at / Year ended 31-03-2023 |
|---|---|---|
| Profit after tax | 1,686.37 | 1,328.67 |
| Number of equity shares | 47,50,87,114 | 47,50,87,114 |
| Face value of the share (in rupees) | 1.00 | 1.00 |
| Weighted average number of equity shares | 47,50,87,114 | 47,50,87,114 |
| Basic and diluted earnings per share for continued operations (in rupees) | 35.50 | 27.97 |
| Basic and diluted earnings per share for discontinued operations (in rupees) | - | - |
| Basic and diluted earnings per share for continued and discontinued operations (in rupees) | 35.50 | 27.97 |

## 42 Warranty Provision

Rupees in Crores

| Particulars | As at / Year ended 31-03-2024 | As at / Year ended 31-03-2023 |
|---|---|---|
| Opening balance | 55.11 | 41.32 |
| Add: Provision for the year (Net) | 88.32 | 55.11 |
| | **143.43** | **96.43** |
| Less: Payments / debits (Net) | 55.11 | 41.32 |
| **Closing balance** | **88.32** | **55.11** |

## 43 Contingent Liabilities and Commitments not Provided for

Rupees in Crores

| Particulars | As at / Year ended 31-03-2024 | As at / Year ended 31-03-2023 |
|---|---|---|
| (a) Claims against the company not acknowledged as debts: | | |
| (i) Excise | 31.14 | 52.44 |
| (ii) Service tax | 8.08 | 8.65 |
| (iii) Customs | - | 39.67 |
| (iv) Sales tax | 2.00 | 2.74 |
| (v) Income tax | 517.86 | 73.67 |
| (vi) GST | 9.03 | 3.46 |
| (vii) Legal cases filed by customers | - | 4.04 |
| (viii) Legal cases filed by borrowers against the Company | 6.15 | - |
| The future cash flows on the above items are determinable only on receipt of the decisions / judgements 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. | | |
| (b) Other money for which the company is contingently liable: | | |
| (i) On bills discounted with banks | 250.99 | 146.91 |
| (c) Commitments: | | |
| (i) Estimated amount of contracts remaining to be executed on capital account and not provided for | 252.41 | 281.43 |
| (ii) On Investments | 1.88 | 3.90 |
| (iii) Undrawn loans sanctioned to customers by financial enterprises | 63.47 | 43.58 |
| (iv) Estimated Indemnity amount on account of tax paid due to interpretational difference in GST tax rate | 15.94 | - |
| | **1,158.95** | **244.72** |

# Notes to the Consolidated Financial Statements (Contd.)

## 44 Company As A Lessee

The company has taken land, warehouses and sales offices across the country on lease for lease period ranging from 6-99 years. Company also has other assets on leases, the lease term here ranges from 2-9 Years.

Wherever the lease includes extension option and it is reasonably certain to exercise that option, the same is considered for computing the lease term. In other cases, the term is limited to initial lease period. Lease term includes non-cancellable period and expected lease period.

Payment made towards short term leases during the year is ₹121.76 Cr (Previous year: ₹95.11 Cr)

Payment made towards low value asset leases during the year is Nil (Previous year: Nil)

Payment relating to leases are disclosed in Cash flow statement

Income from sub-leasing of Right of use asset ₹ NIL (Previous year: ₹ 7.47 Cr.)

## 45 Additional Regulatory Disclosures as per Schedule III of Companies Act, 2013

(i) As per the Group's accounting policy, Property, Plant and Equipment (including Right of Use Assets) and intangible assets are carried at historical cost (less accumulated depreciation & impairment, if any), hence the revaluation related disclosures required as per Additional Regulatory Information of Schedule III (revised) to the Companies Act, is not applicable /do not apply

(ii) The Group 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.

(iii) No proceedings have been initiated or pending against any Company in the Group for holding any Benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and the rules made thereunder.

(iv) The Group has sanctioned facilities from banks on the basis of security of current assets. The periodic returns filed by the Company with such banks are in agreement with the books of accounts of the Company.

(v) All the Companies in the Group has adhered to debt repayment and interest service obligations on time. "Wilful defaulter" related disclosures required as per Additional Regulatory Information of Schedule III (revised) to the Companies Act, is not applicable /do not apply

(vi) There are no transactions with the companies whose names were struck off under section 248 of The Companies Act, 2013 or section 560 of Companies Act, 1956 during the year ended 31 March 2024.

(vii) The Group 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.

(viii) The Group has not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall:

(a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company (ultimate beneficiaries) or

(b) provide any guarantee, security or the like to or on behalf of the ultimate beneficiary

(ix) The Group has not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the 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 Group has not operated in any crypto currency or Virtual Currency transactions

(xi) During the year no Company in the Group 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.

# Notes to the Consolidated Financial Statements (Contd.)

## 46 Segment Information

### For the Year ended 31-03-2024

Rupees in Crores

| Particulars | Business Segment | | | | |
|---|---|---|---|---|---|
| | Automotive vehicles & parts | Automotive components | Financial Services | Others | Total |
| Revenue | | | | | |
| External sales - domestic | 24,958.15 | 365.40 | 5,784.40 | 3.85 | 31,111.80 |
| - exports | 8,032.94 | - | - | - | 8,032.94 |
| Inter segment sales | 5.55 | 398.39 | 6.10 | - | 410.04 |
| Total sales | 32,996.64 | 763.79 | 5,790.50 | 3.85 | 39,554.78 |
| Less: Inter segment sales | 5.55 | 398.39 | 6.10 | - | 410.04 |
| Net revenue | 32,991.09 | 365.40 | 5,784.40 | 3.85 | 39,144.74 |
| Segment-wise results before interest and tax | 2,221.94 | 40.06 | 758.10 | 0.37 | 3,020.47 |
| Less: interest | 259.42 | 11.33 | 3.33 | - | 274.08 |
| Profit before tax | 1,962.52 | 28.73 | 754.77 | 0.37 | 2,746.39 |
| Less: Tax expenses | 724.38 | 9.58 | 190.32 | 0.10 | 924.38 |
| Profit after tax | 1,238.14 | 19.15 | 564.45 | 0.27 | 1,822.01 |
| Share of profit of Associates | (43.47) | - | - | - | (43.47) |
| Profit / Loss for the period | 1,194.67 | 19.15 | 564.45 | 0.27 | 1,778.54 |
| Segment assets | 13,135.45 | 395.41 | 28,683.77 | 5.83 | 42,220.46 |
| Segment liabilities | 10,175.22 | 255.12 | 24,277.32 | 1.69 | 34,709.35 |
| Segment depreciation / amortisation | 925.18 | 22.55 | 27.39 | - | 975.12 |

### For the Year ended 31-03-2023

Rupees in Crores

| Particulars | Business Segment | | | | |
|---|---|---|---|---|---|
| | Automotive vehicles & parts | Automotive components | Financial Services | Others | Total |
| Revenue | | | | | |
| External sales - domestic | 19,532.65 | 460.09 | 4,150.31 | 3.82 | 24,146.88 |
| - exports | 7,825.38 | 1.74 | - | - | 7,827.11 |
| Inter segment sales | 10.28 | 364.38 | 6.04 | - | 380.70 |
| Total sales | 27,368.31 | 826.21 | 4,156.35 | 3.82 | 32,354.69 |
| Less: Inter segment sales | 10.28 | 364.38 | 6.04 | - | 380.70 |
| Net revenue | 27,358.03 | 461.83 | 4,150.31 | 3.82 | 31,973.99 |
| Segment-wise results before interest and tax | 1,617.77 | (15.39) | 570.69 | 3.30 | 2,176.37 |
| Less: interest | 182.37 | 17.21 | - | 0.03 | 199.61 |
| Profit before tax | 1,435.40 | (32.60) | 570.69 | 3.27 | 1,976.76 |
| Less: Tax expenses | 496.00 | 8.58 | 121.98 | 0.01 | 626.57 |
| Profit after tax | 939.40 | (41.18) | 448.71 | 3.26 | 1,350.19 |
| Share of profit of Associates | (40.73) | - | - | - | (40.73) |
| Profit / Loss for the period | 898.67 | (41.18) | 448.71 | 3.26 | 1,309.46 |
| Segment assets | 11,461.49 | 433.70 | 23,335.33 | 2.39 | 35,232.91 |
| Segment liabilities | 9,035.62 | 283.97 | 20,001.98 | 1.49 | 29,323.06 |
| Segment depreciation / amortisation | 793.82 | 43.48 | 21.43 | 0.13 | 858.86 |

The Company on standalone basis is having operations in (a) Automotive Undertaking – Automotive Vehicles & Parts and related investments and (b) Financial Undertaking - Financial Services and Investments.

Accordingly, the Company operates in three verticals viz., (a) Automotive Vehicles & Parts business and related investments, (b) Investments held in Automotive Components business and (c) Investments held in financial services.

The same is reflected in the above segmental reporting.

# Notes to the Consolidated Financial Statements (Contd.)

## 47 Additional Information on Net Assets and Share of Profits and Other Comprehensive Income for the year ended 31-03-2024

Rupees in Crores

| Name of the entity | Net Assets (Total Assets - Total Liabilities) | | Share in profit or (loss) | | Share in other comprehensive income | | Share in total comprehensive income | |
|---|---|---|---|---|---|---|---|---|
| | As % of consolidated net assets | Amount ₹ in crores | As % of consolidated profit or loss | Amount ₹ in crores | As % of consolidated other comprehensive income | Amount ₹ in crores | As % of consolidated total comprehensive income | Amount ₹ in crores |
| 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 |
| **Parent** | | | | | | | | |
| TVS Motor Company Limited, Chennai | 7.92% | 594.56 | 114.00% | 2,027.56 | 36.92% | (19.74) | 116.39% | 2,007.82 |
| **Subsidiaries - Indian** | | | | | | | | |
| Sundaram Auto Components Limited, Chennai | 1.87% | 140.29 | 1.08% | 19.15 | -0.26% | 0.14 | 1.12% | 19.29 |
| TVS Credit Services Limited, Chennai | 41.82% | 3,140.88 | 26.07% | 463.59 | 31.34% | (16.76) | 25.90% | 446.83 |
| TVS Motor Services Limited, Chennai | 4.42% | 332.06 | -0.03% | (0.55) | 5.39% | (2.88) | -0.20% | (3.43) |
| TVS Digital Limited, Chennai (Formerly known as TVS Housing Limited, Chennai) | 0.06% | 4.14 | 0.02% | 0.27 | 0.00% | - | 0.02% | 0.27 |
| Intellicar Telematics private limited, Bengaluru | 0.00% | - | 0.00% | - | 0.00% | - | 0.00% | - |
| TVS Electric Mobility ltd, Chennai | 0.01% | 1.00 | 0.00% | - | 0.00% | - | 0.00% | - |
| **Subsidiaries - Foreign** | | | | | | | | |
| TVS Motor (Singapore) Pte Limited, Singapore | 5.88% | 441.30 | -0.52% | (9.31) | -12.51% | 6.69 | -0.15% | (2.62) |
| TVS Motor Company Europe B.V. Amsterdam | 0.00% | (0.23) | -0.06% | (1.06) | 0.11% | (0.06) | -0.06% | (1.12) |
| PT. TVS Motor Company Indonesia, Jakarta | 9.21% | 691.44 | 0.85% | 15.05 | 18.87% | (10.09) | 0.29% | 4.96 |
| Sundaram Holdings USA Inc.Delaware, USA | 0.00% | - | 0.00% | - | 0.00% | - | 0.00% | - |
| The Norton Motorcycle Co.Limited, UK | 3.73% | 280.07 | -22.15% | (393.88) | -17.75% | 9.49 | -22.28% | (384.39) |
| TVS Digital Pte Limited, Singapore | -1.41% | (105.67) | -3.73% | (66.42) | 0.32% | (0.17) | -3.86% | (66.59) |
| The GO AG, Germany | 1.86% | 139.64 | -3.28% | (58.34) | 25.12% | (13.43) | -4.16% | (71.77) |
| Swiss E-Mobility Group (Holding) AG, Switzerland | 7.81% | 586.53 | -13.54% | (240.73) | -8.70% | 4.65 | -13.69% | (236.08) |
| Celerity Motor GmbH, Germany | 0.40% | 29.91 | -0.88% | (15.57) | 9.43% | (5.04) | -1.19% | (20.61) |
| EBCO Limited, UK | 0.40% | 30.34 | -0.56% | (9.91) | 0.65% | (0.35) | -0.59% | (10.26) |
| Non-controlling Interest in all subsidiaries | 9.69% | 727.60 | 5.18% | 92.17 | 11.09% | (5.93) | 5.00% | 86.24 |

# Notes to the Consolidated Financial Statements (Contd.)

Rupees in Crores

| Name of the entity | Net Assets (Total Assets - Total Liabilities) | | Share in profit or (loss) | | Share in other comprehensive income | | Share in total comprehensive income | |
|---|---|---|---|---|---|---|---|---|
| | As % of consolidated net assets | Amount ₹ in crores | As % of consolidated profit or loss | Amount ₹ in crores | As % of consolidated other comprehensive income | Amount ₹ in crores | As % of consolidated total comprehensive income | Amount ₹ in crores |
| 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 |
| **Associates - Indian** | | | | | | | | |
| (Investment as per the equity method) | | | | | | | | |
| Emerald Haven Realty Limited, Chennai | 0.00% | 0.00 | -0.21% | (3.65) | | | -0.21% | (3.65) |
| Ultraviolette Automotive Private Limited, Bengaluru | 1.32% | 98.94 | -1.03% | (18.35) | | | -1.06% | (18.35) |
| Tag Box Solutions Private Limited, Bengaluru | 0.00% | 0.00 | -0.02% | (0.34) | | | -0.02% | (0.34) |
| Drivex Mobility Private Limited, Coimbatore | 0.91% | 68.65 | -0.84% | (14.96) | -0.02% | 0.01 | -0.87% | (14.95) |
| Indian Foundation for Quality Management, Bengaluru | 0.33% | 25.00 | 0.00% | - | | | 0.00% | - |
| **Associates - Foreign** | | | | | | | | |
| Predictronics Corp, USA | 0.24% | 17.85 | -0.06% | (1.04) | | | -0.06% | (1.04) |
| Tag Box Pte limited, Singapore | 0.01% | 0.98 | -0.02% | (0.32) | | | -0.02% | (0.32) |
| Scienaptics Systems Inc., USA | 0.72% | 54.07 | 0.01% | 0.24 | | | 0.01% | 0.24 |
| Altizon Inc, USA | 0.31% | 23.27 | 0.00% | (0.08) | | | 0.00% | (0.08) |
| Killwatt GmbH | 0.89% | 66.68 | -0.27% | (4.82) | | | -0.28% | (4.82) |
| ION Mobility | 1.62% | 121.81 | -0.01% | (0.15) | | | -0.01% | (0.15) |
| **Total** | **1.00** | **7,511.11** | **1.00** | **1,778.54** | **100.00%** | **(53.47)** | **100.00%** | **1,725.07** |

Previous year's figures have been regrouped wherever necessary to conform to the current year's classification

## 48 Previous Year's Figures have been regrouped wherever necessary to conform to The Current Year's classification.

| | | | |
|---|---|---|---|
| **PROF. SIR RALF DIETER SPETH** | **SUDARSHAN VENU** | **K.N. RADHAKRISHNAN** | As per our report annexed |
| Chairman | Managing Director | Director & Chief Executive Officer | For **Sundaram & Srinivasan** |
| DIN: 03318908 | DIN: 03601690 | DIN: 02599393 | Chartered Accountants |
| | | | Firm Regn. No.004207S |
| | | | **S USHA** |
| Place: Chennai | **K. GOPALA DESIKAN** | **K.S.SRINIVASAN** | Partner |
| Date: 8th May 2024 | Chief Financial Officer | Company Secretary | Membership No.:211785 |

Notes to the Consolidated Financial Statements (Contd.)

## Annexure

### Form AOC-I

**Statement containing salient features of the financial statement of subsidiaries / associate companies.**
(Pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of Companies (Accounts) Rules, 2014)

**Part A - Subsidiaries**

Information in respect of each subsidiary

Rupees in Crores

| S.No | Particulars | Indian Subsidiaries | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|
| | | Sundaram Auto Components Limited | TVS Digital Limited (Formerly known as TVS Housing Limited) | TVS Motor Services Limited | TVS Credit Services Limited | TVS Two-Wheeler Mall Private Limited | Harita ARC Private Limited | TVS Housing Finance Private Limited | TVS Electric Mobility Ltd. |
| | | (1) | (2) | (3) | (4) | (5) | (6) | (7) | (8) |
| 1 | Date on which subsidiary was acquired | 01-04-2003 | 21-06-2010 | 07-09-2017 | 07-09-2017 | 07-09-2017 | 07-09-2017 | 08-09-2017 | 13-12-2021 |
| 2 | Reporting period | 01-04-2023 to 31-03-2024 | | | | | | | |
| 3 | Reporting currency | Indian Rupees | | | | | | | |
| | Closing Exchange rate | Not applicable. | | | | | | | |
| 4 | Share capital | 11.94 | 3.05 | 149.63 | 246.60 | ^ | ^ | 12.00 | 1.00 |
| 5 | Reserves & Surplus | 133.85 | 1.09 | 19.13 | 3618.88 | (0.02) | (0.02) | 3.49 | - |
| 6 | Total assets | 400.95 | 5.83 | 224.72 | 28,137.55 | - | - | 15.72 | 1.00 |
| 7 | Total Liabilities | 255.16 | 1.69 | 55.96 | 24272.06 | 0.02 | 0.02 | 0.24 | - |
| 8 | Investments | 3.12 | - | 30.96 | 109.71 | - | - | - | - |
| 9 | Turnover | 764.72 | 3.85 | 3.41 | 5789.57 | - | - | 0.96 | - |
| 10 | Profit before taxation | 28.83 | 0.37 | (0.55) | 761.94 | - | - | 0.96 | - |
| 11 | Provision for taxation | 9.58 | 0.10 | - | 190.11 | - | - | 0.23 | - |
| 12 | Profit after taxation | 19.25 | 0.27 | (0.55) | 571.83 | - | - | 0.73 | - |
| 13 | Proposed Dividend | - | - | - | - | - | - | - | - |
| 14 | % of shareholding | 100 | 100 | 100 | 80.97 | 80.97 | 80.97 | 80.97 | 100 |

^ Share capital of ₹ 25,000.

# Notes to the Consolidated Financial Statements (Contd.)

Rupees in Crores

| S.No | Particulars | Foreign Subsidiaries | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| | | TVS Motor Company (Europe) B.V.* | PT TVS Motor Company Indonesia | TVS Motor (Singapore) Pte. Ltd. | The Norton Motorcycle Co. Limited | TVS Digital Pte Limited | The GO Corporation* | Swiss E-Mobility Group (Holding) AG * | Celerity Motor Gmbh* | EBCO Ltd. |
| | | (9) | (10) | (11) | (12) | (13) | (14) | (15) | (16) | (17) |
| 1 | Date on which subsidiary was acquired | 21-07-2005 | 05-09-2005 | 21-10-2005 | 03-04-2020 | 24-05-2021 | 16-09-2021 | 27-01-2022 | 06-12-2022 | 01-04-2022 |
| 2 | Reporting period | 01-04-2023 to 31-03-2024 | | | | | | | | |
| 3 | Reporting currency | USD | IDR | SGD | GBP | SGD | CHF | CHF | EUR | GBP |
| | Closing Exchange rate | ₹ 83.41/USD | ₹ 0.53/ IDR 100 | ₹ 61.74/SGD | ₹ 105.03/ GBP | ₹ 61.74/SGD | ₹ 92.04/CHF | ₹ 92.04/CHF | ₹ 89.88/EUR | ₹ 105.03/ GBP |
| 4 | Share capital | 126.52 | 906.08 | 3,689.66 | 1091.44 | 138.78 | 1.75 | 1.23 | 0.22 | ^ |
| 5 | Reserves & Surplus | (128.23) | (632.06) | (181.32) | (846.91) | (141.65) | (10.20) | (165.11) | (23.30) | (25.30) |
| 6 | Total assets | 0.08 | 1062.46 | 3861.11 | 648.97 | 138.71 | 105.63 | 886.70 | 29.52 | 33.38 |
| 7 | Total Liabilities | 1.79 | 788.44 | 352.77 | 404.44 | 141.59 | 114.08 | 1050.58 | 52.60 | 58.68 |
| 8 | Investments | - | - | 2,554.52 | - | - | - | - | - | - |
| 9 | Turnover | (0.01) | 818.70 | 151.79 | 45.18 | 15.15 | 48.75 | 648.79 | 4.19 | 6.66 |
| 10 | Profit before taxation | (1.06) | 26.50 | (9.55) | (397.85) | (66.42) | (55.50) | (200.07) | (15.57) | (14.16) |
| 11 | Provision for taxation | - | 11.45 | (0.24) | (3.97) | - | (0.01) | (24.56) | - | - |
| 12 | Profit after taxation | (1.06) | 15.05 | (9.31) | (393.88) | (66.42) | (55.49) | (224.63) | (15.57) | (14.16) |
| 13 | Proposed Dividend | - | - | - | - | - | - | - | - | - |
| 14 | % of shareholding | 100 | 100 | 100 | 100 | 100 | 82.82 | 100 | 100 | 70 |

* Unaudited financial statement.

^ Share capital of GBP 100.

1. The GO AG, Switzerland includes the consolidation of its subsidiary viz, EGO Movement Stuttgart, GmbH, Germany.
2. Swiss E-Mobility Group (Holding) AG include the consolidation of its subsidiaries viz, Swiss E-Mobility Group (Schweiz) AG, Zurich, Switzerland, Colag E-Mobility GmBH, Nuremberg, Germany and Alexand'Ro Edouard'O Passion Vélo Sàrl ("Passion Vélo"), Germany.

**Notes:**

1. Subsidiaries which are yet to commence operations: (1) TVS Two Wheeler Mall Private Ltd., (2) Harita ARC Private Ltd., (3) TVS Electric Mobility Ltd.

# Notes to the Consolidated Financial Statements (Contd.)

**Part B – Associates**

Statement pursuant to Section 129 (3) of the Companies Act, 2013 related to Associate Companies

Rupees in Crores

| S.No | Name of Associate | Ultraviolette Automotive Private Limited* | DriveX Mobility Pvt. Ltd. | Indian foundation for Quality Management | Predictronics Corp* | Tagbox Pte Limited* | Scienaptic Systems Inc.* | Altizon Inc* | Kilwatt Gmbh* | ION Mobility |
|---|---|---|---|---|---|---|---|---|---|---|
| 1. | Latest audited Balance Sheet Date | 31-03-2023 | 31-03-2024 | NA | 31-12-2022 | 31-03-2023 | ** | ** | ** | 31-03-2022 |
| 2. | Date on which the Associate was acquired | 09-08-2018 | 15-10-2022 | 15-02-2024 | 17-08-2019 | 08-05-2019 | 28-09-2020 | 01-02-2021 | 04-04-2023 | 02-02-2024 |
| 3. | Shares of Associate held by the company on the year end | | | | | | | | | |
| | (i) No. of shares | 27,166 | 9,766 | 2,50,00,000 | 24,827 | 2,43,243 | 28,05,357 | 8,06,429 | 24,500 | 49,64,524 |
| | (ii) Amount of investment in Associates/Joint Venture | 121.00 | 87.17 | 25.00 | 22.36 | 15.42 | 64.81 | 25.34 | 71.50 | 121.96 |
| | (iii) Extent of holding % | 30.83 | 48.27 | 28.57 | 23.49 | 24.32 | 21.03 | 20.00 | 49.00 | 25.64 |
| 4. | Description of how there is significant influence. | Holding more than 20% of share capital | | | Subsidiary holding more than or equal to 20% of share capital | | | | | |
| 5. | Reason why the associate/ joint venture is not consolidated | Not applicable | | | | | | | | |
| 6. | Net worth attributable to Shareholding as per latest audited Balance Sheet | 106.84 | 20.90 | 25.00 | 1.59 | 2.91 | (0.55) | 0.87 | 27.56 | 18.89 |
| 7. | Profit / Loss for the year: | | | | | | | | | |
| | (i) Considered in consolidation | (18.35) | (14.96) | - | 1.04 | (0.32) | 0.24 | (0.08) | (4.82) | (0.15) |
| | (ii) Not considered in consolidation | Not Applicable | | | | | | | | |

* Unaudited financial statements up to 31-03-2024 has been consolidated.

** Audit of financial statements are not mandated by the regulations of the respective country in which the Company is incorporated.

**Notes:**

1. Associates which have been liquidated or sold during the year – Tagbox Solutions Private Limited and Emerald Haven Realty Limited

**PROF. SIR RALF DIETER SPETH**
Chairman
DIN: 03318908

**SUDARSHAN VENU**
Managing Director
DIN: 03601690

**K.N. RADHAKRISHNAN**
Director & Chief Executive Officer
DIN: 02599393

As per our report annexed
For **Sundaram & Srinivasan**
Chartered Accountants
Firm Regn. No.004207S

**S USHA**
Partner
Membership No.:211785

Place: Chennai
Date: 8th May 2024

**K. GOPALA DESIKAN**
Chief Financial Officer

**K.S.SRINIVASAN**
Company Secretary

# INDEPENDENT AUDITORS' REPORT FOR THE YEAR ENDED 31ST MARCH 2023

## To the members of TVS Motor Company Limited

**Report on the Audit of the Standalone financial statements**

**Opinion**

We have audited the Standalone financial statements of TVS Motor Company Limited ("the Company"), which comprise the balance sheet as at 31st March 2023, 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 Standalone financial statements, including a summary of significant 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 ("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, 2023, 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 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 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 on the standalone financial statements.

**Key Audit Matters**

Key audit matters are those matters that, in our professional judgment, 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:

| Key Audit Matter | Principal Audit Procedures |
|---|---|
| **1. Government Grants**<br>Government has announced various Grants to manufacturers of automobiles. The company in turn is availing the said grants on fulfilling the conditions attached to that.<br>The recognition of Government grants is considered to be key audit matter because of significance of amount of grants and management judgements involved in fulfilling the conditions to receive the grant.<br>The management periodically reviews, during the year, compliance of relevant conditions attached to each grant whether there is a reasonable assurance that the grants will be received, in order to determine the timing and amounts of grants to be recognized in the financial statements. | Determined the appropriateness of the accounting policy for government grants as per the relevant accounting standard;<br>Examined the Company's key internal financial controls over recognition of government grants with regard to its design and implementation. Tested the operating effectiveness of such controls for the transactions selected.<br>Verified documents, on sample basis, submitted to the various government authorities relating to the grants received and receivable and checked the compliance of conditions attached to the respective grants.<br>Considered the basis of management's judgement towards fulfilment of conditions attached to the grants and evaluated the reasonable assurance that grants will be received.<br>Reviewed the appropriateness of the disclosures made in accordance with the relevant accounting standard. |
| **2. Investments**<br>The Company has significant investments in its subsidiaries and associates.<br>Management reviews regularly whether there are any indicators of impairment of the investments by reference to the requirements under Ind AS 36 "Impairment of Assets".<br>For investments where impairment indicators exist, significant judgments are required to determine the key assumptions used in the valuation model and methodology, such as | Obtained and read the valuation report used by the management for determining the fair value ('recoverable amount') of its investments;<br>Considered the independence, competence and objectivity of the management specialist involved in determination of valuation;<br>Tested the fair value of the investment as mentioned in the valuation report to the carrying value in books;<br>Made inquiries with management to understand key drivers of the cash flow forecasts, discount rates, etc. |





| Key Audit Matter | Principal Audit Procedures |
|---|---|
| revenue growth, discount rates, etc.<br>Considering, the impairment assessment which involves significant assumptions and judgement of the management and the same has been considered as key audit matter.. | Assessed the disclosures made in the financial statements regarding such investments to comply with the requirements of Standards. |
| **3. Evaluation of Uncertain Direct tax and Indirect Tax positions**<br>The Company has material uncertain tax positions, including matters under dispute relating Excise, Customs Duty, Value Added Tax (Indirect Taxes) and Income Tax (Direct Tax). These matters involve significant judgment to determine the possible outcome of these disputes. | We obtained details of demands relating to Direct Tax and indirect tax, for the year ended 31st March 2023.<br>We considered legal precedence and other rulings, obtained external opinions and discussed with company's internal legal team in evaluating management's position on these uncertain tax positions.<br>Satisfied ourselves that it is not probable that an outflow of economic benefits will be required and disclosed such obligation as a contingent liability. |

**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 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 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 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 are 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, total comprehensive income, R 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 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, 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 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 judgement 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 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 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
- 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 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 auditors' 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 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 Standalone Balance Sheet, the Standalone Statement of Profit and Loss (including Other Comprehensive Income), the Standalone Statement of Changes in Equity and the Standalone Statement of Cash Flows dealt with by this Report are in agreement with the books of accounts and with the returns received from the branches not visited by us;

   (d) In our opinion, the aforesaid Standalone 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 2023 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March 2023 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 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:

      a. The Company has disclosed the impact of pending litigations on its financial position in its standalone financial statements - Refer Note No. 40 (a)to the standalone financial statements.

      b. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses - refer Note 30 (D) to the Standalone financial statements;







   c. There has been no delay in transferring amounts, 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 42 (xii), 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 42 (xiii)), 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. Proviso to Rule 3 (1) of the Companies (Accounts) Rules, 2014 for maintaining books of accounts using accounting software which has a feature of recording audit trail (edit log) facility is applicable to the company with effect from April 1 ,2023, and accordingly, reporting under Rule 11(g) of Companies (Audit and Auditors) Rules, 2014 is not applicable for the financial year ended March 31, 2023.

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 Section 197(16) which are required to be commented upon by us.

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

S. VENKATARAMAN
*Partner*
*Membership No.: 023116*
*UDIN: 23023116BGXEKQ2719*

Place : Chennai
Date : 4th May 2023

## Annexure A to Independent Auditors' Report - 31st March 2023
## (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, 2023.

e) According to the information and explanations 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 accounts.

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 ₹ 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:

i. Has made investments in Companies.

ii. Has not made investments in firms, Limited Liability Partnerships or any other parties.

iii. Has not provided loans, advances in the nature of loans, 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.

iv. Has provided the guarantee of ₹ 41.09 Crores to its subsidiaries and the balance outstanding as at balance sheet date is ₹ 123.26 Crores.

b) According to the information and explanations given to us and the records of the Company examined by us, the investments made, and guarantee provided 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 sections 185 and 186 of the Act, in respect of Investments made and Guarantee given. The Company has not granted any loan or provided securities during the year.

(v) According to the information and explanations 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 Act and the rules made thereunder, to the extent applicable. Therefore, the clause (v) of para 3 of the order is not applicable to the Company.

(vi) According to the information and explanations given to us, the Central Government has prescribed the maintenance of cost records under Section 148(1) of the Act in respect of products manufactured by the Company. We have broadly reviewed the books of accounts maintained by the Company pursuant to the rules made by the Central Government for the maintenance of cost records u/s 148 (1) of the Act and are of the opinion that, *prima facie*, the prescribed accounts and records have been made and maintained. However, we have not made detailed examination of the records with a view to determine whether they are accurate or complete.

(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 2023 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 2023 other than the following on account of dispute, as given below.

(₹ In Crores)

| Name of the Statute / (Nature of dues) | Period of dues | Demand | Amount paid under protest/ Deposit against appeal | Forum where dispute is pending |
|---|---|---|---|---|
| Central Excise Act, 1944 (Cenvat / Excise Duty) | 1998-2017 | 32.50 | 0.29 | Central Excise and Service Tax Appellate Tribunal, Chennai |
| | 2011-2016 | | | Assistant / Deputy / Commissioner of Central Excise, Hosur and Mysore |
| | 2019-2020 | | | |
| Finance Act, 1994 (Service Tax) | 2002-2016 | 0.95 | 0.04 | Central Excise and Service Tax Appellate Tribunal, Chennai / Bangalore |
| Customs Act, 1962 (Customs Duty) | 2015-2020 | 39.27 | – | Hon'ble High Court of Judicature, Chennai |
| Sales Tax / VAT Laws (Sales Tax) | 1998-2016 | 2.94 | 1.54 | Assessing officer |
| | 2004-2005 | | | Joint Commissioner (Appeals) |
| | 1998-2010 | | | Tribunals |

(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. Accordingly, the requirement to report on Clause 3(viii) of the Order is not applicable to the Company.

(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,

a) the Company has not defaulted in repayment of loans or other borrowings or in the payment of interest thereon to any lender.

b) the Company is not declared willful defaulter by any bank or financial institution or any government authority.

c) the term loans were applied for the purpose for which the loans were obtained.

d) the Company has not utilized funds raised on short-term basis for long-term purposes.

e) the Company has not taken funds from any entities and persons on account of or to meet the obligations of its subsidiaries or associates.

f) the Company has not raised loans during the year on the pledge of securities held in its subsidiaries or associate companies. Hence, the requirement to report on Clause (ix)(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 by way of initial public offer or further public offer (including debt instruments) during the year and 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 or 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 Standalone 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 fraud by the Company or no material fraud 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, the Secretarial Auditor and the Cost Auditor have not filed report in Form ADT - 4 as prescribed under Rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government.

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 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 Standalone financial statements as required by the applicable accounting standards.

(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,

a) 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.

b) the Company has not conducted any Non-Banking Financial or Housing Finance activities.

c) 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 (xvi)(c) of the Order is not applicable to the Company.

d) there is no Core Investment Company as a part of the Group, 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 standalone 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. 32 to the Standalone financial statements, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the Standalone 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. 45 to the Standalone 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 Companies Act. This matter has been disclosed in note no. 45 to the Standalone financial statements.

(xxi) On the basis of review of Companies (Auditor's Report) Order (CARO) reports of the Companies incorporated in India and included in the consolidated financial statement, we report that there are no qualifications or adverse remarks by the respective auditors in their CARO reports.

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

S. VENKATARAMAN
*Partner*
*Membership No.: 023116*
*UDIN: 23023116BGXEKQ2719*

Place : Chennai
Date : 4th May 2023

## Annexure - B to the Independent Auditors' Report - 31st March 2023
## (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 over financial reporting of TVS Motor Company Limited ("the Company") as of March 31, 2023 in conjunction with our audit of the Ind AS Standalone 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 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 (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.

**Auditors' Responsibility**

3. Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting 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, 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 over financial reporting 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 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 judgment, including the assessment of the risks of material misstatement of the Standalone 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 system over financial reporting.

**Meaning of Internal Financial Controls over Financial Reporting**

6. 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 Standalone 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 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 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 Standalone financial statements.

**Inherent Limitations of Internal Financial Controls over Financial Reporting**

7. 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**

8. In our opinion, the Company has, in all material respects, an adequate internal financial Control system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2023, 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 Control over Financial Reporting issued by the Institute of Chartered Accountants of India.

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

S. VENKATARAMAN
*Partner*
*Membership No.: 023116*
*UDIN: 23023116BGXEKQ2719*

Place : Chennai
Date : 4th May 2023





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## Balance Sheet as at 31st March 2023

Rupees in crores

| | Notes | As at 31-03-2023 | As at 31-03-2022 |
|---|---|---|---|
| ASSETS | | | |
| **Non-current assets** | | | |
| Property, plant and equipment | 2 | 3,260.17 | 2,939.80 |
| Capital work-in-progress | 2 | 274.12 | 246.22 |
| Other intangible assets | 2 | 335.72 | 366.82 |
| Intangible assets under development | 2 | 353.61 | 178.26 |
| Financial assets | | | |
| i. Investments | 3 | 5,491.95 | 4,585.75 |
| ii. Other financial assets | 4 | 482.54 | 65.29 |
| Non-Current tax assets (Net) | | 26.72 | 40.54 |
| Other non-current assets | 5 | 100.06 | 77.80 |
| | | 10,324.89 | 8,500.48 |
| **Current assets** | | | |
| Inventories | 6 | 1,236.36 | 1,122.68 |
| Financial assets | | | |
| i. Investments | 3 | 191.92 | 130.23 |
| ii. Trade receivables | 7 | 955.07 | 972.75 |
| iii. Cash and cash equivalents | 8 | 234.35 | 328.75 |
| iv. Bank balances other than (iii) above | 9 | 7.61 | 72.54 |
| v. Other financial assets | 10 | 45.78 | 49.53 |
| Current tax assets (Net) | | – | 1.40 |
| Other current assets | 11 | 996.41 | 723.95 |
| | | 3,667.50 | 3,401.83 |
| Total assets | | 13,992.39 | 11,902.31 |
| EQUITY AND LIABILITIES | | | |
| **Equity** | | | |
| Equity share capital | 12 | 47.51 | 47.51 |
| Other equity | 13 | 6,000.34 | 4,774.53 |
| | | 6,047.85 | 4,822.04 |
| **Liabilities** | | | |
| **Non-current liabilities** | | | |
| Financial liabilities | | | |
| i. Borrowings | 14 | 1,211.54 | 1,167.14 |
| ii. Lease liabilities | | 313.24 | 280.70 |
| Provisions | 15 | 175.88 | 148.60 |
| Deferred tax liabilities (Net) | 16 | 198.20 | 197.87 |
| Other Non current liabilities | | 37.14 | 44.88 |
| | | 1,936.00 | 1,839.19 |
| **Current liabilities** | | | |
| Financial liabilities | | | |
| i. Borrowings | 17 | 1,033.04 | 433.43 |
| ii. Lease liabilities | | 105.54 | 81.45 |
| iii. Trade payables | 18 | | |
| a. Total outstanding dues of micro and small enterprises | | 45.42 | 56.85 |
| b. Total outstanding dues of other than (iii) (a) above | | 4,085.14 | 3,972.73 |
| iv. Other financial liabilities | 19 | 121.64 | 165.79 |
| Other current liabilities | 20 | 513.29 | 433.65 |
| Provisions | 15 | 98.54 | 97.18 |
| Current Tax Liabilities (net) | | 5.93 | – |
| | | 6,008.54 | 5,241.08 |
| Total liabilities | | 7,944.54 | 7,080.27 |
| Total equity and liabilities | | 13,992.39 | 11,902.31 |
| Significant accounting policies | 1 | | |
| See the accompanying notes to the financial statements | | | |

PROF. SIR RALF DIETER SPETH
*Chairman*
DIN: 03318908

SUDARSHAN VENU
*Managing Director*
DIN: 03601690

K.N.RADHAKRISHNAN
*Director &*
*Chief Executive Officer*
DIN: 02599393

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

S. VENKATARAMAN
*Partner*
*Membership No.: 023116*

Place : Chennai
Date : 4th May 2023

K. GOPALA DESIKAN
*Chief Financial Officer*

K.S. SRINIVASAN
*Company Secretary*



TVS MOTOR COMPANY LIMITED

STANDALONE FINANCIAL STATEMENTS OF TVS MOTOR COMPANY LIMITED

## Statement of Profit and Loss for the year ended 31st March 2023

Rupees in crores

| | | Notes | Year ended 31-03-2023 | Year ended 31-03-2022 |
|---|---|---|---|---|
| I | Revenue from operations | 21 | 26,378.09 | 20,790.51 |
| II | Other income | 22 | 100.57 | 18.99 |
| III | Total income (I + II) | | 26,478.66 | 20,809.50 |
| IV | Expenses : | | | |
| | Cost of materials consumed | 23 | 19,609.61 | 15,546.65 |
| | Purchase of stock-in-trade | 23 | 378.00 | 286.05 |
| | Changes in inventories of finished goods, stock-in-trade and work-in-progress | 23 | 5.21 | (24.53) |
| | Employee benefits expense | 24 | 1,345.09 | 1,136.95 |
| | Finance costs | 25 | 140.66 | 125.92 |
| | Depreciation and amortisation expense | 26 | 631.23 | 611.44 |
| | Other expenses | 27 | 2,365.49 | 1,883.65 |
| | Total expenses | | 24,475.29 | 19,566.13 |
| V | Profit before exceptional items and tax (III - IV) | | 2,003.37 | 1,243.37 |
| VI | Exceptional items | | – | (30.16) |
| VII | Profit before tax (V + VI) | | 2,003.37 | 1,213.21 |
| VIII | Tax expense / (credit) | 28 | | |
| | i. Current tax | | 503.65 | 300.02 |
| | ii. Deferred tax | | 8.69 | 19.63 |
| | Total Tax expense (i + ii) | | 512.34 | 319.65 |
| IX | Profit for the year (VII - VIII) | | 1,491.03 | 893.56 |
| X | Other comprehensive income | | | |
| | A. Items that will not be reclassified to profit or loss: | | | |
| | Remeasurements of post employment benefit obligations | | (26.39) | (82.35) |
| | Fair value changes of equity instruments | | (13.66) | (1.88) |
| | Income tax relating to these items | | 9.37 | 17.89 |
| | B. Items that will be reclassified to profit or loss: | | | |
| | Fair value changes on cash flow hedges | | 4.01 | 2.71 |
| | Income tax relating to these items | | (1.01) | (0.68) |
| | Other comprehensive income for the year, net of tax | | (27.68) | (64.31) |
| XI | Total comprehensive income for the year (IX + X) | | 1,463.35 | 829.25 |
| XII | Earnings per equity share (Face value of Re.1/- each) | | | |
| | Basic & Diluted earnings per share (in rupees) | 36 | 31.38 | 18.81 |
| Significant accounting policies | | 1 | | |
| See the accompanying notes to the financial statements | | | | |

PROF. SIR RALF DIETER SPETH
*Chairman*
DIN: 03318908

SUDARSHAN VENU
*Managing Director*
DIN: 03601690

K.N.RADHAKRISHNAN
*Director &*
*Chief Executive Officer*
DIN: 02599393

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

S. VENKATARAMAN
*Partner*
*Membership No.: 023116*

Place : Chennai
Date : 4th May 2023

K. GOPALA DESIKAN
*Chief Financial Officer*

K.S. SRINIVASAN
*Company Secretary*

## Statement of changes in Equity

### a Equity Share Capital

Rupees in crores

| | |
|---|---|
| As at 01-04-2021 | 47.51 |
| Changes in Equity Share capital due to prior period errors | – |
| Restated balance as at 01-04-2021 | 47.51 |
| Changes in equity share capital during the year | – |
| As at 31-03-2022 | 47.51 |
| Changes in Equity Share capital due to prior period errors | – |
| Restated balance as at 01-04-2022 | 47.51 |
| Changes in equity share capital during the year | – |
| As at 31-03-2023 | 47.51 |

### b Other Equity

| Particulars | Reserves & Surplus | | | Other Reserves | | Total |
|---|---|---|---|---|---|---|
| | General reserve | Capital reserve | Retained earnings | Equity Instruments Fair Valued through Other Comprehensive Income | Hedging reserve | |
| **Balance as at 01-04-2021** | 865.64 | 6.43 | 3,156.74 | 98.31 | (3.68) | 4,123.44 |
| Add : Profit for the year 2021-22 | – | – | 893.56 | – | – | 893.56 |
| Add : Other comprehensive income for the year 2021-22 | – | – | (61.62) | (4.72) | – | (66.34) |
| Add : Transfer of realised gain | – | – | 80.94 | (80.94) | – | – |
| Less : Reclassification to profit or loss, net of tax | – | – | – | – | (3.68) | (3.68) |
| Less : Change in fair value of hedging instruments, net of tax | – | – | – | – | 1.65 | 1.65 |
| Less : Distribution to shareholders: | | | | | | |
| 2021-22 Interim dividend declared | – | – | 178.16 | – | – | 178.16 |
| **Balance as at 31-03-2022** | 865.64 | 6.43 | 3,891.46 | 12.65 | (1.65) | 4,774.53 |
| Add : Profit for the year 2022-23 | – | – | 1,491.03 | – | – | 1,491.03 |
| Add : Other comprehensive income for the year 2022-23 | – | – | (19.75) | (10.93) | – | (30.68) |
| Less : Reclassification to profit or loss, net of tax | – | – | – | – | (1.65) | (1.65) |
| Less : Change in fair value of hedging instruments, net of tax | – | – | – | – | (1.35) | (1.35) |
| Less : Distribution to shareholders : | | | | | | |
| 2022-23 Interim dividend paid | – | – | 237.54 | – | – | 237.54 |
| **Balance as at 31-03-2023** | 865.64 | 6.43 | 5,125.20 | 1.72 | 1.35 | 6,000.34 |

### Nature and purpose of Other Reserves

1. General reserve is available for distribution to shareholders.
2. Capital reserve
   - i. On shares forfeited (₹ 55,200) – 
   - ii. On surplus arising out of amalgamation 6.43
   
   6.43
3. Hedging Reserve - Refer Note No. 30(D)

| | | | |
|---|---|---|---|
| PROF. SIR RALF DIETER SPETH<br>*Chairman*<br>DIN: 03318908 | SUDARSHAN VENU<br>*Managing Director*<br>DIN: 03601690 | K.N.RADHAKRISHNAN<br>*Director &*<br>*Chief Executive Officer*<br>DIN: 02599393 | As per our report annexed<br>For V. Sankar Aiyar & Co.<br>*Chartered Accountants*<br>*Firm Regn. No.: 109208W* |
| Place : Chennai<br>Date : 4th May 2023 | K. GOPALA DESIKAN<br>*Chief Financial Officer* | K.S. SRINIVASAN<br>*Company Secretary* | S. VENKATARAMAN<br>*Partner*<br>*Membership No.: 023116* |





TVS MOTOR COMPANY LIMITED

STANDALONE FINANCIAL STATEMENTS OF TVS MOTOR COMPANY LIMITED

## Cash Flow Statement for the year ended 31st March 2023

Rupees in crores

| | | Year ended 31-03-2023 | | Year ended 31-03-2022 | |
|---|---|---|---|---|---|
| **A. Cash flow from operating activities** | | | | | |
| Profit before tax | | | 2,003.37 | | 1,213.21 |
| Add: | | | | | |
| Depreciation and amortisation for the year | | 631.23 | | 611.44 | |
| (Profit) on sale of property, plant and equipment (Net) | | (2.82) | | (2.58) | |
| (Gain) on fair valuation / sale of investments (Net) | | (83.70) | | (0.23) | |
| Unrealised exchange loss / (gain) (Net) | | 0.63 | | (5.66) | |
| (Gain) on lease preclosure (Net) | | (0.01) | | – | |
| Dividend income | | (2.25) | | (3.81) | |
| Interest income | | (6.21) | | (6.74) | |
| Finance cost | | 140.66 | | 125.92 | |
| Provisions | | 2.60 | | (27.83) | |
| | | | 680.13 | | 690.51 |
| Operating profit before working capital changes | | | 2,683.50 | | 1,903.72 |
| Adjustments for: | | | | | |
| Trade receivables | | 13.21 | | (97.39) | |
| Inventories | | (113.68) | | 29.13 | |
| Other current assets | | (272.46) | | (249.47) | |
| Other financial assets | | (6.18) | | (13.02) | |
| Trade payables | | 104.82 | | 107.41 | |
| Other financial liabilities | | (3.72) | | 3.66 | |
| Other current liabilities | | 79.64 | | 90.71 | |
| Other non - current assets | | (9.66) | | 32.82 | |
| | | | (208.03) | | (96.15) |
| Cash generated from operations | | | 2,475.47 | | 1,807.57 |
| Direct taxes paid (Net of refunds) | | | (482.61) | | (310.00) |
| Net cash from operating activities | (A) | | 1,992.86 | | 1,497.57 |
| **B. Cash flow from investing activities** | | | | | |
| Purchase of property, plant and equipment, intangible assets, including capital advances | | (1,015.56) | | (741.33) | |
| Proceeds from sale of property, plant and equipment | | 18.74 | | 13.45 | |
| Share application money paid | | (445.41) | | (20.17) | |
| Investments in subsidiaries and associates | | (745.48) | | (1,355.43) | |
| Purchase of investments | | (131.26) | | (132.01) | |
| Sale / redemption of investments | | – | | 83.57 | |
| Interest received | | 4.92 | | 7.07 | |
| Dividends received | | 2.25 | | 3.81 | |
| | | | (2,311.80) | | (2,141.04) |
| Net cash used in investing activities | (B) | | (2,311.80) | | (2,141.04) |

## Cash Flow Statement for the year ended 31st March 2023 – *(continued)*

Rupees in crores

| | | Year ended 31-03-2023 | | Year ended 31-03-2022 | |
|---|---|---|---|---|---|
| C. Cash flow from financing activities | | | | | |
| Borrowings: | | | | | |
| Non-current borrowings availed | | 347.59 | | 352.45 | |
| Current borrowings availed | | 310.00 | | 130.00 | |
| Other bank balances | | 65.03 | | (1.15) | |
| Finance cost paid | | (137.10) | | (123.06) | |
| Repayment of lease liabilities | | (69.17) | | (54.60) | |
| Dividend paid | | (291.81) | | (190.40) | |
| | | | 224.54 | | 113.24 |
| Net cash from financing activities | (C) | | 224.54 | | 113.24 |
| Total (A+B+C) | | | (94.40) | | (530.23) |
| Cash and cash equivalents at the beginning of the year | | | 328.75 | | 858.98 |
| Cash and cash equivalents at the end of the year | | | 234.35 | | 328.75 |
| D. Net decrease in cash and cash equivalents | | | (94.40) | | (530.23) |

Note : The above statement of cash flow is prepared using indirect method.

Change in liability arising from financing activities:

| Particulars | As at 01-04-2022 | Cash flow | Foreign exchange movement | Amortisation | As at 31-03-2023 |
|---|---|---|---|---|---|
| Non-current borrowings (Including current maturities) | 1,470.57 | 347.59 | (14.09) | 0.51 | 1,804.58 |
| Current borrowings | 130.00 | 310.00 | – | – | 440.00 |

Non-cash investing activities:

| | 2022-23 | 2021-22 |
|---|---|---|
| Acquisition of right-of-use assets | 125.85 | 293.30 |
| Acquisition of investment | 45.00 | – |

PROF. SIR RALF DIETER SPETH
*Chairman*
DIN: 03318908

SUDARSHAN VENU
*Managing Director*
DIN: 03601690

K.N.RADHAKRISHNAN
*Director &*
*Chief Executive Officer*
DIN: 02599393

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

S. VENKATARAMAN
*Partner*
*Membership No.: 023116*

Place : Chennai
Date : 4th May 2023

K. GOPALA DESIKAN
*Chief Financial Officer*

K.S. SRINIVASAN
*Company Secretary*







## Notes to the Financial Statements

### 1 SIGNIFICANT ACCOUNTING POLICIES

The accounting policies mentioned herein are relating to the standalone financial statements of the Company.

#### a) Brief description of the Company

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

The Company manufactures two wheelers, three wheelers, parts and accessories thereof. The Company has manufacturing plants located at Hosur in Tamil Nadu, Mysuru in Karnataka and Nalagarh in Himachal Pradesh.

#### b) Basis of preparation

The financial statements comply in all material aspects with Indian Accounting Standards (Ind AS) notified under Companies (Indian Accounting Standards) Rules, 2015 (as amended) read with Section 133 of the Companies Act, 2013 ("the Act"), 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 2023 have been approved and authorized for issue by the board of directors at its meeting on 4th May 2023.

#### 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 are 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 judgements

The areas involving critical estimates or judgments are:

i) Estimation of fair value of unlisted securities - refer Note 29

ii) Defined benefit obligation - refer Note 33

iii) Estimation of useful life of Property, Plant and Equipment - refer Note 1(f) and 1(g)

iv) Estimation and evaluation of provisions and contingencies relating to tax litigations - refer Note 40(a).

#### e) Revenue recognition

Performance obligation:

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

Sale of products:

The Company earns revenue primarily from sale of automotive vehicles, parts and accessories.

Payment for the sale is made as per the credit terms in the agreements with the customers.The credit period is generally short term, thus there is no significant financing component.

The Company's contracts with customers do not provide for any right to returns, refunds or similar obligations. The Company's obligation to repair or replace faulty products under standard warranty terms is recognised as a provision. (Refer Note 37)

Notes to the Financial Statements - *(continued)*

1 SIGNIFICANT ACCOUNTING POLICIES - *(continued)*

Revenue is recognised when the performance obligations are satisfied and the control of the goods is transferred, being when the goods are delivered as per the relevant terms of the contract at which point in time the Company has a right to payment for the goods, customer has possession and legal title to the goods, customer bears significant risk and rewards of ownership and the customer has accepted the goods or the Company has objective evidence that all criteria for acceptance have been satisfied.

Sale of services:

The Company also earns revenue from providing Technical / IT services and Royalty on usage of Company's technical knowhow.

In respect of Technical / IT service, the revenue is recognised on a time proportion basis as the customer simultaneously receives and consumes the benefits as the obligations are performed. Payment for the services provided are received as per the credit terms agreed with the customers. The credit period is generally short term, and thus there is no significant financing component.

In respect of Royalty, the performance obligation is, to provide the right-to-use the Company's technical knowhow by the customers, for which usage-based royalty is charged. Payment for the services provided is received as per the credit terms as agreed with the customers. The credit period is generally short term, and thus there is no significant financing component

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

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. Freehold Land is carried at historical cost. All other items of Property, Plant and Equipment are stated at cost of acquisition or construction less accumulated depreciation /amortization,and impairment if any. Cost includes purchase price, taxes and duties, labour cost and directly attributable overheads incurred up to the date the asset is ready for its intended use net of cost reimbursed if any. However, cost excludes Goods and Services Tax to the extent credit of the tax is availed of.

Such assets are classified to the appropriate categories of property, plant and equipment when completed and ready for its intended use. Property, plant and equipment not ready for the intended use, on the date of Balance sheet, are disclosed as "Capital work-in progress".

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 separate asset is derecognised when replaced. All other repairs and maintenance are charged to Profit and 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.

g) Depreciation and amortization

i) Depreciation on property, plant and equipment is charged over the estimated useful life of the asset or part of the asset (after considering the required number of shifts in use) 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.





TVS MOTOR COMPANY LIMITED

STANDALONE FINANCIAL STATEMENTS OF TVS MOTOR COMPANY LIMITED

Notes to the Financial Statements - *(continued)*

1 SIGNIFICANT ACCOUNTING POLICIES - *(continued)*

ii) 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 | 5 to 61 |
| Plant and machinery | 5 to 29 |
| Electrical equipment | 15 |
| Furniture and fixtures | 10 |
| Computers and information systems | 3 to 4 |
| Material handling equipment | 5 |
| Mobile phone | 2 |
| Vehicles | 3 to 6 |

iii) Tools and dies are generally depreciated based on quantity of components manufactured, subject to a maximum of 5 years. Tools and dies used for low volume models are depreciated over a period of 9 years.

iv) Residual values and useful lives are reviewed and adjusted, if appropriate, for each reporting period.

v) On property, plant and equipment added / disposed of during the year, depreciation is charged on pro-rata basis from the date of addition / till the date of disposal.

vi) Depreciation in respect of tangible assets costing less than Rs.5,000/- is provided at 100%.

h) Intangible assets

Intangible assets acquired separately:

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, viz., 2-3 years in the case of software and 6 to 10 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.

i) Impairment

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.

j) Foreign currency translation

(i) Functional and presentation currency

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., Indian Rupee (INR) and all values are rounded off to nearest crores except otherwise indicated.

## Notes to the Financial Statements - *(continued)*

### 1 SIGNIFICANT ACCOUNTING POLICIES - *(continued)*

(ii) Transactions and balances

Transactions in foreign currencies are recorded at the exchange rates prevailing on the date of transaction.

i) Foreign currency monetary assets and liabilities such as cash, receivables, payables etc., are translated at year end exchange rates.

ii) 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. Non-monetary investments measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined. The gain or loss arising on account of such translation is recognized in OCI or Profit and Loss in line with the designation of the respective item.

iii) Exchange differences arising on settlement of transactions and translation of monetary items are recognised as income or expense in the year in which they arise.

#### k) Hedge accounting

Derivatives are initially recognised at fair value on the date when a derivative contract is entered into and are subsequently remeasured 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 recognised assets or liabilities or a firm commitment (fair value hedges), or
- hedges of a particular risk associated with the cash flows of recognised 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 29. Movements in the hedging reserve in shareholders' equity are shown in Note 30 (D). 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 and loss.

When forward contracts are used to hedge forecasted 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 recognised in the cash flow hedging reserve within equity.

Amounts accumulated in equity are reclassified to profit and loss in the periods when the hedged item affects profit and loss (for example, when the forecasted 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 forecasted transaction occurs. When the forecasted 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 and loss.



TVS MOTOR COMPANY LIMITED

STANDALONE FINANCIAL STATEMENTS OF TVS MOTOR COMPANY LIMITED

Notes to the Financial Statements - *(continued)*

1 SIGNIFICANT ACCOUNTING POLICIES - *(continued)*

#### l) Inventories

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

i) Cost of raw materials, components, stores and spares are ascertained on a moving average basis.

ii) Cost of finished goods and work-in-progress comprise of direct materials, direct labour and an appropriate proportion of variable and fixed overhead, the latter being allocated on the basis of normal operating capacity. Costs are assigned to individual items of inventory on the basis of 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 and supplies held for use in production of inventories 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 material, obsolescence, defective inventories are duly provided for.

#### m) 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 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 at 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. Remeasurements as a result of experience adjustments and changes in actuarial assumptions are recognised in other comprehensive income.

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 for its eligible employees, pension plan for its eligible senior managers; and

b) Defined contribution plans such as provident fund.

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 at the end of each reporting period 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.

Remeasurement 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 (net-off deferred tax). They are included in retained earnings in the statement of changes in equity and in the balance sheet.

## Notes to the Financial Statements - *(continued)*

### 1 SIGNIFICANT ACCOUNTING POLICIES - *(continued)*

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

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 an irrevocable trust set up by the Company. 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.

iv) Bonus plans:

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

#### n) 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. 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 income tax is provided in full, using the balance sheet 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 and loss. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantively 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 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 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 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 as deferred tax assets.



TVS MOTOR COMPANY LIMITED

STANDALONE FINANCIAL STATEMENTS OF TVS MOTOR COMPANY LIMITED

Notes to the Financial Statements - *(continued)*

1 SIGNIFICANT ACCOUNTING POLICIES - *(continued)*

#### o) 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 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.

In case of waiver of duty under EPCG license, such grant is considered as revenue grant and recognized in statement of profit and loss on positive evidence of completion of export obligation as approved by the Regulatory Authorities.

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.

#### p) Provisions and contingent liabilities

i) Provision:

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. 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 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 recognised 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.

#### q) Segment reporting

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

#### r) 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 buildings, 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

Notes to the Financial Statements - *(continued)*

1 SIGNIFICANT ACCOUNTING POLICIES - *(continued)*

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 company's incremental borrowing rate is used, being the rate that the Company 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 Company 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 and loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the lease liability for each period. The carrying amount of lease liability is reduced by net lease payments (i.e. lease payments net off finance cost).

Variable lease payments that depend on sales are recognised in profit and 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 and 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.

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 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, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities in the balance sheet.

t) Trade receivables

Trade receivables are measured at their transaction price on initial recognition, unless it contains a significant financing component or pricing adjustments embedded in the contract in which cases,it is recognised at fair value. Trade receivables are held with the objective of collecting the contractual cash flows and therefore are subsequently measured at amortised cost less allowance for expected credit loss.

u) Contract liabilities

A contract liability is the obligation to transfer goods to a customer for which the Company has received consideration (or an amount of consideration is due) from the customer. If a customer pays consideration before the Company transfers goods or services to the customer, a contract liability is recognised when the consideration is received. Contract liabilities are recognised as revenue when the Company performs under the contract.





TVS MOTOR COMPANY LIMITED

STANDALONE FINANCIAL STATEMENTS OF TVS MOTOR COMPANY LIMITED

Notes to the Financial Statements - *(continued)*

1 SIGNIFICANT ACCOUNTING POLICIES - *(continued)*

v) 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 Fair value through other comprehensive income (FVTOCI) or Fair Value through profit or loss (FVTPL); 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 transaction cost (in the case of a financial asset not at FVTPL) 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 and 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 three 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 instrument that is subsequently measured at amortised cost and is not part of a hedging relationship is recognised in profit and loss when the asset is de-recognised or impaired. Interest income from these financial assets is included in other income using the effective interest rate method.

- Fair Value Through Other Comprehensive Income:

  Assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at FVTOCI. Movements in the carrying amount are taken through OCI, except for the recognition of impairment gains or losses, interest income and foreign exchange gains and losses which are recognised in profit and loss.

- Fair Value Through Profit or Loss:

  Assets that do not meet the criteria for amortised cost or FVTOCI are measured FVTPL. A gain or loss on a debt investment that is subsequently measured at FVTPL and is not part of a hedging relationship is recognised in profit and loss and presented in the statement of profit and loss 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 / associates) 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 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 or loss, changes in the fair value of such financial assets are recognised in the statement of profit and loss.

Investment in subsidiaries / associates:

Investment in subsidiaries / associates are measured at cost less provision for impairment.

Notes to the Financial Statements - *(continued)*

1 SIGNIFICANT ACCOUNTING POLICIES - *(continued)*

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 methodology 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) Derecognition of financial assets

A financial asset is derecognised only when:

a) the Company has transferred the rights to receive cash flows from the financial asset or

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

Where the entity has transferred a financial 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) Income recognition

Interest Income:

Interest income from debt instruments is recognised using the effective interest rate method. The effective interest rate is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the gross carrying value of a financial asset. 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 recognised in profit and 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.

w) 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 recognised in 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 recognised in profit and 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.





TVS MOTOR COMPANY LIMITED

STANDALONE FINANCIAL STATEMENTS OF TVS MOTOR COMPANY LIMITED

Notes to the Financial Statements - *(continued)*

x) Borrowing costs

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.

y) 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 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 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.

z) Earnings Per Share (EPS):

Basic earnings per share is computed by dividing the profit after tax by the weighted average number of equity shares outstanding during the year/period. Diluted earnings per share is computed by dividing the profit after tax as adjusted for dividend, interest and other charges to expense or income relating to the dilutive potential equity shares, by the weighted average number of equity shares considered for deriving basic earnings per share and the weighted average number of equity shares which could have been issued on the conversion of all dilutive potential equity shares.

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. On March 31, 2023, MCA amended the Companies (Indian Accounting Standards) Amendment Rules, 2023, as below:

(i) Ind AS 1 - Presentation of Financial Statements - This amendment requires the entities to disclose their material accounting policies rather than their significant accounting policies. The effective date for adoption of this amendment is annual periods beginning on or after April 1, 2023. The Company has evaluated the amendment and the impact of the amendment is insignificant in the standalone financial statements.

(ii) Ind AS 8 - Accounting Policies, Changes in Accounting Estimates and Errors - This amendment has introduced a definition of 'accounting estimates' and included amendments to Ind AS 8 to help entities distinguish changes in accounting policies from changes in accounting estimates. The effective date for adoption of this amendment is annual periods beginning on or after April 1, 2023. The Company has evaluated the amendment and there is no impact on its standalone financial statements.

(iii) Ind AS 12 - Income Taxes - This amendment has narrowed the scope of the initial recognition exemption so that it does not apply to transactions that give rise to equal and offsetting temporary differences. The effective date for adoption of this amendment is annual periods beginning on or after April 1, 2023. The Company has evaluated the amendment and there is no impact on its standalone financial statement.

## Notes to the Financial Statements - *(continued)*

### 2 PROPERTY, PLANT & EQUIPMENT AND OTHER INTANGIBLE ASSETS - 31st March 2023

Rupees in crores

| Description | Property, Plant & Equipment | | | | | | | | Other Intangible | | |
|---|---|---|---|---|---|---|---|---|---|---|---|
| | Land | Buildings | Plant & equipment | Furniture & fixtures | Vehicles | Office equipment | Right of Use Asset | Total | Software | Design Develop-ment | Total |
| Cost of assets | | | | | | | | | | | |
| Gross carrying value as at 01-04-2022 | 226.17 | 870.30 | 4,600.48 | 95.08 | 40.01 | 197.20 | 453.96 | 6,483.20 | 156.18 | 567.06 | 723.24 |
| Additions | 171.39 | 90.27 | 391.70 | 16.86 | 13.78 | 36.18 | 125.85 | 846.03 | 40.96 | 50.44 | 91.40 |
| Sub-total | 397.56 | 960.57 | 4,992.18 | 111.94 | 53.79 | 233.38 | 579.81 | 7,329.23 | 197.14 | 617.50 | 814.64 |
| Sales / deletion | – | 1.11 | 125.03 | 0.66 | 1.57 | 6.29 | 0.04 | 134.70 | 19.79 | 1.46 | 21.25 |
| Total | 397.56 | 959.46 | 4,867.15 | 111.28 | 52.22 | 227.09 | 579.77 | 7,194.53 | 177.35 | 616.04 | 793.39 |
| Depreciation / Amortisation | | | | | | | | | | | |
| Upto 31-03-2022 | – | 278.05 | 2,908.92 | 68.62 | 27.21 | 145.61 | 114.99 | 3,543.40 | 119.89 | 236.53 | 356.42 |
| For the year | – | 35.86 | 350.04 | 8.17 | 6.85 | 26.74 | 81.07 | 508.73 | 33.32 | 89.18 | 122.50 |
| Sub-total | – | 313.91 | 3,258.96 | 76.79 | 34.06 | 172.35 | 196.06 | 4,052.13 | 153.21 | 325.71 | 478.92 |
| Withdrawn on assets sold / deleted | – | 0.25 | 109.79 | 0.38 | 1.29 | 6.06 | - | 117.77 | 19.79 | 1.46 | 21.25 |
| Total | – | 313.66 | 3,149.17 | 76.41 | 32.77 | 166.29 | 196.06 | 3,934.36 | 133.42 | 324.25 | 457.67 |
| Carrying value As at 31-03-2023 | 397.56 | 645.80 | 1,717.98 | 34.87 | 19.45 | 60.80 | 383.71 | 3,260.17 | 43.93 | 291.79 | 335.72 |

a) Cost of buildings includes ₹ 35.11 crores pertaining to buildings constructed on leasehold lands.

b) Land includes lease hold land of ₹ 0.51 crores, whose ownership is transferrable at the end of the lease term.

c) Borrowing cost capitalised during the year - Nil

**Capital work-in-progress (at cost) as at 31-03-2023**

| | |
|---|---|
| (a) Building | 62.37 |
| (b) Plant & equipment | 211.75 |
| Total | 274.12 |

(i) Ageing of Capital work-in-progress as at 31-03-2023:

| Particulars | Amount in Capital work-in-progress for a period of | | | | |
|---|---|---|---|---|---|
| | <1 Year | 1-2 years | 2-3 years | More than 3 years | Total |
| Projects in progress | 153.06 | 83.82 | 20.58 | 16.66 | 274.12 |

Intangible assets under development (at cost) as at 31-03-2023

(ii) Ageing of Intangible assets under development as at 31-03-2023:

| Particulars | Amount in Intangible assets under development for a period of | | | | |
|---|---|---|---|---|---|
| | <1 Year | 1-2 years | 2-3 years | More than 3 years | Total |
| Projects in progress | 216.68 | 109.39 | 22.93 | 4.61 | 353.61 |

Capital work-in-progress and Intangible asset under development: There is no capital work-in-progress and Intangible asset under development whose completion is overdue or has exceeded it's cost compared to it's original plan.



TVS MOTOR COMPANY LIMITED

STANDALONE FINANCIAL STATEMENTS OF TVS MOTOR COMPANY LIMITED

## Notes to the Financial Statements - *(continued)*

### 2 PROPERTY, PLANT & EQUIPMENT AND OTHER INTANGIBLE ASSETS - 31st March 2022

Rupees in crores

| Description | Property, Plant & Equipment | | | | | | | | Other Intangible | | |
|---|---|---|---|---|---|---|---|---|---|---|---|
| | Land | Buildings | Plant & equipment | Furniture & fixtures | Vehicles | Office equipment | Right of Use Asset | Total | Software | Design Develop-ment | Total |
| Cost of assets | | | | | | | | | | | |
| Gross carrying value as at 01-04-2021 | 174.27 | 846.83 | 4,363.01 | 93.64 | 37.76 | 169.39 | 160.66 | 5,845.56 | 107.83 | 417.64 | 525.47 |
| Additions | 51.90 | 23.47 | 311.63 | 3.32 | 6.81 | 32.71 | 293.30 | 723.14 | 48.40 | 149.42 | 197.82 |
| Sub-total | 226.17 | 870.30 | 4,674.64 | 96.96 | 44.57 | 202.10 | 453.96 | 6,568.70 | 156.23 | 567.06 | 723.29 |
| Sales / deletion | – | – | 74.16 | 1.88 | 4.56 | 4.90 | – | 85.50 | 0.05 | – | 0.05 |
| Total | 226.17 | 870.30 | 4,600.48 | 95.08 | 40.01 | 197.20 | 453.96 | 6,483.20 | 156.18 | 567.06 | 723.24 |
| Depreciation / Amortisation | | | | | | | | | | | |
| Upto 31-03-2021 | – | 244.52 | 2,602.33 | 60.45 | 20.46 | 124.39 | 47.87 | 3,100.02 | 96.30 | 164.36 | 260.66 |
| For the year | – | 33.53 | 369.74 | 8.90 | 10.24 | 26.10 | 67.12 | 515.63 | 23.64 | 72.17 | 95.81 |
| Sub-total | – | 278.05 | 2,972.07 | 69.35 | 30.70 | 150.49 | 114.99 | 3,615.65 | 119.94 | 236.53 | 356.47 |
| Withdrawn on assets sold / deleted | – | – | 63.15 | 0.73 | 3.49 | 4.88 | – | 72.25 | 0.05 | – | 0.05 |
| Total | – | 278.05 | 2,908.92 | 68.62 | 27.21 | 145.61 | 114.99 | 3,543.40 | 119.89 | 236.53 | 356.42 |
| Carrying value As at 31-03-2022 | 226.17 | 592.25 | 1,691.56 | 26.46 | 12.80 | 51.59 | 338.97 | 2,939.80 | 36.29 | 330.53 | 366.82 |

a) Cost of buildings includes ₹ 26.36 crores pertaining to buildings constructed on leasehold lands.

b) Land includes lease hold land of ₹ 0.51 crores, whose ownership is transferrable at the end of the lease term.

c) Borrowing cost capitalised during the year - Nil

**Capital work-in-progress (at cost) as at 31-03-2022**

| | |
|---|---|
| (a) Building | 83.29 |
| (b) Plant & equipment | 162.93 |
| Total | 246.22 |

(i) Ageing of Capital work-in-progress as at 31-03-2022:

| Particulars | Amount in Capital work-in-progress for a period of | | | | |
|---|---|---|---|---|---|
| | <1 Year | 1-2 years | 2-3 years | More than 3 years | Total |
| Projects in progress | 205.03 | 24.40 | 0.95 | 15.84 | 246.22 |

**Intangible assets under development (at cost) as at 31-03-2022**

(ii) Ageing of Intangible assets under development as at 31-03-2022:

| Particulars | Amount in Intangible assets under development for a period of | | | | |
|---|---|---|---|---|---|
| | <1 Year | 1-2 years | 2-3 years | More than 3 years | Total |
| Projects in progress | 145.80 | 27.85 | 3.24 | 1.37 | 178.26 |

Capital work-in-progress and Intangible assets under development: There is no capital work-in-progress and intangible asset under development whose completion is overdue or has exceeded its cost compared to it's original plan.

## Notes to the Financial Statements - *(continued)*

### 3 INVESTMENTS

### 3A NON CURRENT INVESTMENTS

| Sl No. | Particulars | Subsidiary/ associate | No. of shares / units | | Face Value | Currency | Rupees in crores | |
|---|---|---|---|---|---|---|---|---|
| | | | As at 31-03-2023 | As at 31-03-2022 | | | As at 31-03-2023 | As at 31-03-2022 |
| 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 |
| **(a)** | **Investment in Equity Instruments: Fair Value through OCI:** | | | | | | | |
| | **Quoted :** | | | | | | | |
| (i) | Ucal Fuel Systems Limited, Chennai | | 91,760 | 91,760 | 10.00 | INR | 1.00 | 1.03 |
| | **Unquoted :** | | | | | | | |
| (ii) | Green Infra BTV Limited, New Delhi | | 32,50,000 | 32,50,000 | 10.00 | INR | 1.75 | 1.62 |
| (iii) | TVS Lanka (Private) Limited, Colombo | | 50,00,000 | 50,00,000 | 10.00 | LKR | 4.38 | 5.75 |
| (iv) | Green Infra Wind Power Projects Limited, New Delhi | | 1,11,600 | 1,11,600 | 10.00 | INR | 0.08 | 0.08 |
| (v) | Green Infra Wind Power Generation Limited, New Delhi | | 2,16,000 | 2,16,000 | 10.00 | INR | 0.17 | 0.16 |
| (vi) | Condivision Solutions Pvt. Limited, Bengaluru | | 6,760 | 6,760 | 10.00 | INR | - | - |
| (vii) | Mulanur Renewable Energy Pvt. Limited, Chennai | | 15,000 | 15,000 | 10.00 | INR | 0.02 | 0.02 |
| (viii) | Atria Wind Power Bijapur 1 Limited, Bengaluru | | 1,01,217 | 1,01,217 | 10.00 | INR | 2.00 | 2.00 |
| (ix) | Altizon Systems Private Limited, Pune | | 10 | 10 | 10.00 | INR | 0.01 | 0.01 |
| (x) | Roppen Transportation Services Private Limited, Hyderabad | | 10 | - | 1.00 | INR | 0.05 | - |
| (xi) | Roppen Transportation Services Private Limited, Hyderabad$ | | 23,985 | - | 10.00 | INR | 113.93 | - |
| (xii) | Green Infra Wind Energy Generation Limited, Gurugram | | 23,45,000 | - | 10.00 | INR | 2.35 | - |
| | **Valued at Cost (Unquoted):** | | | | | | | |
| (i) | Sundaram Auto Components Limited, Chennai | Subsidiary | 4,45,69,000 | 4,45,69,000 | 10.00 | INR | 336.20 | 336.20 |
| (ii) | TVS Motor Company (Europe) B.V., Amsterdam | Subsidiary | 2,25,301 | 2,25,301 | 100.00 | EUR | 1.80 | 1.80 |
| (iii) | TVS Motor (Singapore) Pte. Limited, Singapore | Subsidiary | 42,01,55,810 | 39,69,03,850 | 1.00 | SGD | 2,021.12 | 1,892.64 |
| (iv) | PT.TVS Motor Company Indonesia, Jakarta | Subsidiary | 85,97,000 | 85,97,000 | 97,400.00 | IDR | 389.06 | 389.06 |
| (v) | TVS Housing Limited, Chennai | Subsidiary | 50,000 | 50,000 | 10.00 | INR | 0.05 | 0.05 |
| (vi) | TVS Motor Services Limited, Chennai | Subsidiary | 14,96,33,814 | 14,96,33,814 | 10.00 | INR | 148.68 | 148.68 |
| (vii) | TVS Credit Services Limited, Chennai | Subsidiary | 19,54,24,754 | 16,83,97,728 | 10.00 | INR | 1,960.99 | 1,460.99 |
| (viii) | Intellicar Telematics Private Limited, Bengaluru | Subsidiary | - | 60,241 | 10.00 | INR | - | 15.00 |
| (ix) | TVS Electric Mobility Limited, Chennai | Subsidiary | 10,00,000 | 10,00,000 | 10.00 | INR | 1.00 | 1.00 |
| (x) | Emerald Haven Realty Limited, Chennai | Associate | 11,12,19,512 | 11,12,19,512 | 10.00 | INR | 111.22 | 111.22 |
| (xi) | Ultraviolette Automotive Private Limited, Bengaluru | Associate | 14,850 | 14,850 | 10.00 | INR | 11.00 | 11.00 |
| (xii) | Ultraviolette Automotive Private Limited, Bengaluru$ | Associate | 12,316 | 12,316 | * | INR | 110.00 | 110.00 |
| (xiii) | Tagbox Solutions Private Limited, Bengaluru | Associate | 45,710 | 45,710 | 1.00 | INR | 1.19 | 1.19 |
| (xiv) | Tagbox Solutions Private Limited, Bengaluru$ | Associate | 3,83,983 | 3,83,983 | 16.00 | INR | 9.99 | 9.99 |
| (xv) | DriveX Mobility Pvt Ltd, Coimbatore | Associate | 9,766 | - | 10.00 | INR | 87.17 | - |
| | **Total value of Equity Instruments (a)** | | | | | | **5,315.21** | **4,499.49** |
| **(b)** | **Investments in Preference Shares (Unquoted): Fair valued through OCI :** | | | | | | | |
| (i) | Axiom Research Labs Private Limited, Delhi | | 82 | 82 | 10.00 | INR | - | - |
| (ii) | Pinnacle Engines Inc., USA (face value 0.01 cent) | | 24,09,638 | 24,09,638 | 0.0001 | USD | - | - |
| | **Valued at Amortised Cost:** | | | | | | | |
| (iii) | Intellicar Telematics Private Limited, Bengaluru | Subsidiary | - | 30,121 | 10.00 | INR | - | 8.14 |
| | **Fair valued through Profit and Loss :** | | | | | | | |
| (iv) | TVS Motor Services Limited, Chennai | Subsidiary | 5,00,00,000 | - | 10.00 | INR | 50.00 | - |
| | **Total value of Preference shares (b)** | | | | | | **50.00** | **8.14** |
| **(c)** | **Investment in Debt Instruments (unquoted): Valued at Amortised Cost :** | | | | | | | |
| (i) | Fabric IOT Private Limited, Bengaluru | | | | | INR | 16.28 | - |
| | *Pension Funds / Government Securities* | | | | | | | |
| (ii) | ICICI Prudential Life Insurance Group Superannuation Fund, Mumbai | | | | | INR | 6.39 | 6.28 |
| (iii) | Life Insurance Corporation Pension Policy, Mumbai | | | | | INR | 19.00 | 19.46 |
| | **Fair valued through Profit and Loss :** | | | | | | | |
| (iv) | Fabric IOT Private Limited, Bengaluru | | | | | INR | 45.00 | - |
| | **Total value of Debt instruments (c)** | | | | | | **86.67** | **25.74** |
| **(d)** | **Other non-current Investments (Unquoted): Fair valued through OCI:** | | | | | | | |
| (i) | Autotech Fund I, L.P., USA | | | | | **USD** | **40.07** | **52.38** |
| | **Total value of other non-current investments (d)** | | | | | | **40.07** | **52.38** |
| | **Total (a) + (b) + (c) + (d)** | | | | | | **5,491.95** | **4,585.75** |
| | Aggregate amount of quoted investments and market value thereof | | | | | | 1.00 | 1.03 |
| | Aggregate amount of unquoted investments | | | | | | 5,490.95 | 4,584.72 |
| | Total | | | | | | 5,491.95 | 4,585.75 |

All investments are fully paid up.
$ Preference shares in the nature of equity instruments

| * Particulars of Preference shares held in Ultraviolette Automotive Private Limited, Bengaluru | No. of shares / units | | Face Value (in ₹) |
|---|---|---|---|
| | As at 31-03-2023 | As at 31-03-2022 | |
| Series A2 Preference Shares | 990 | 990 | 50,545 |
| Series B Preference Shares | 7,387 | 7,387 | 40,616 |
| Series C Preference Shares | 3,939 | 3,939 | 190,384 |
| **Total** | **12,316** | **12,316** | |





## Notes to the Financial Statements – *(continued)*

### 3B CURRENT INVESTMENTS

| Sl. No. | Particulars | Subsidiary / associate | No. of shares / units | | Face Value | Currency | Rupees in crores | |
|---|---|---|---|---|---|---|---|---|
| | | | As at 31-03-2023 | As at 31-03-2022 | | | As at 31-03-2023 | As at 31-03-2022 |
| **(a)** | **Investment in Equity Instruments Fair valued through Profit or Loss:** | | | | | | | |
| | **Unquoted:** | | | | | | | |
| (i) | TVS Supply Chain Solutions Limited, Chennai | | 1,06,62,200 | 1,06,62,200 | 1.00 | INR | 191.92 | 130.23 |
| | Total (a) | | | | | | 191.92 | 130.23 |
| | Aggregate amount of unquoted investments | | | | | | 191.92 | 130.23 |
| | Total | | | | | | 191.92 | 130.23 |

All investments are fully paid up.

Rupees in crores

| | As at 31-03-2023 | As at 31-03-2022 |
|---|---|---|
| **4 OTHER FINANCIAL ASSETS - NON CURRENT** | | |
| Other bank balances (Bank deposit) | – | 0.24 |
| Claims receivable | 37.13 | 44.88 |
| Share application money paid (pending allotment) | 445.41 | 20.17 |
| | 482.54 | 65.29 |
| **5 OTHER NON-CURRENT ASSETS** | | |
| Capital advances | 69.70 | 57.21 |
| Advances other than capital advances: | | |
| Deposits made | 30.36 | 20.59 |
| | 100.06 | 77.80 |
| **6 INVENTORIES** | | |
| Raw materials and components | 655.57 | 625.26 |
| Goods-in-transit - Raw materials and components | 107.41 | 27.37 |
| Work-in-progress | 46.06 | 43.07 |
| Finished goods | 255.24 | 278.72 |
| Stock-in-trade | 113.86 | 98.58 |
| Stores and spares | 58.22 | 49.68 |
| | 1,236.36 | 1,122.68 |

The cost of inventories recognised as an expense during the year is disclosed in Note No. 23 and it includes write down of inventory to Net realisable value as expense and reversal of provision for write down recorded as (gain). (current year - Rs. 0.89 crore / previous year Rs. (1.50) crores)

Refer Note No. 1(l) for mode of valuation.

| | | |
|---|---|---|
| **7 TRADE RECEIVABLES** | | |
| Secured, considered good | 11.53 | 10.34 |
| Unsecured, considered good* | 970.47 | 990.64 |
| | 982.00 | 1,000.98 |
| Less: Loss allowance | 26.93 | 28.23 |
| | 955.07 | 972.75 |

* Balances include balance with related parties [refer Note 34(c)(i)]

## Notes to the Financial Statements – *(continued)*

Rupees in crores

Ageing for trade receivable as on 31-03-2023

| Particulars | Outstanding for following periods from due date of payment | | | | | |
|---|---|---|---|---|---|---|
| | 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 | 700.49 | 224.44 | 15.55 | 15.34 | 13.14 | 968.96 |
| (ii) Undisputed Trade Receivables - which have significant increase in credit risk | – | – | – | – | – | – |
| (iii) Undisputed Trade Receivables - credit impaired | – | – | – | – | – | – |
| (iv) Disputed Trade Receivables- considered good | 0.06 | – | – | 1.31 | 11.67 | 13.04 |
| (v) Disputed Trade Receivables - which have significant increase in credit risk | – | – | – | – | – | – |
| (vi) Disputed Trade Receivables - credit impaired | – | – | – | – | – | – |
| Total | 700.55 | 224.44 | 15.55 | 16.65 | 24.81 | 982.00 |

Ageing for trade receivable as on 31-03-2022

| Particulars | Outstanding for following periods from due date of payment | | | | | |
|---|---|---|---|---|---|---|
| | 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 | 780.59 | 152.18 | 22.16 | 11.70 | 20.31 | 986.94 |
| (ii) Undisputed Trade Receivables - which have significant increase in credit risk | – | – | – | – | – | – |
| (iii) Undisputed Trade Receivables - credit impaired | – | – | – | – | – | – |
| (iv) Disputed Trade Receivables - considered good | 0.08 | 0.03 | 1.43 | 6.03 | 6.47 | 14.04 |
| (v) Disputed Trade Receivables - which have significant increase in credit risk | – | – | – | – | – | – |
| (vi) Disputed Trade Receivables - credit impaired | – | – | – | – | – | – |
| Total | 780.67 | 152.21 | 23.59 | 17.73 | 26.78 | 1,000.98 |

| | As at 31-03-2023 | As at 31-03-2022 |
|---|---|---|
| **8 CASH AND CASH EQUIVALENTS** | | |
| Balances with banks | 234.20 | 328.23 |
| Cheques / drafts on hand | – | 0.38 |
| Cash on hand | 0.15 | 0.14 |
| | 234.35 | 328.75 |
| Cash and cash equivalents for the purpose of cash flow statement | 234.35 | 328.75 |
| **9 OTHER BANK BALANCES** | | |
| Earmarked balances with banks | 7.51 | 72.54 |
| Deposits with maturity of more than three month and less than one year from the date of deposit | 0.10 | – |
| | 7.61 | 72.54 |





## Notes to the Financial Statements – *(continued)*

Rupees in crores

| | As at 31-03-2023 | As at 31-03-2022 |
|---|---|---|
| **10 OTHER FINANCIAL ASSETS - CURRENT** | | |
| Unsecured, considered good: | | |
| - Employee advances | 11.16 | 9.54 |
| - Other bank balances (Bank deposit) | 0.14 | –- |
| - Security deposits | 4.75 | 5.22 |
| - Claims receivable | 23.82 | 18.76 |
| - Hedge asset - receivable | 5.91 | 16.01 |
| | 45.78 | 49.53 |
| **11 OTHER CURRENT ASSETS** | | |
| Balances with tax authorities | 370.72 | 475.87 |
| Prepaid expense | 50.50 | 32.89 |
| Vendor advance* | 97.23 | 85.76 |
| Trade deposits | 0.67 | 0.51 |
| Incentive receivable from Government ^ | 472.10 | 128.92 |
| Employee benefit assets (Refer Note 33) | 7.42 | – |
| | 998.64 | 723.95 |
| Less: Loss allowance | 2.23 | – |
| | 996.41 | 723.95 |

* Includes balances with related parties [refer Note 34(c)(i)].

^ Includes EV subsidy receivable of Rs. 448.40 crores (Previous Year : Rs. 30.11 crores).

**12 EQUITY SHARE CAPITAL**

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

| Particulars | As at 31-03-2023 | | As at 31-03-2022 | |
|---|---|---|---|---|
| | Number | Rupees in crores | Number | Rupees in crores |
| Authorised: | | | | |
| Equity shares of ₹ 1/- each | 50,00,00,000 | 50.00 | 50,00,00,000 | 50.00 |
| Issued, subscribed and fully paid up: | | | | |
| Equity shares of ₹ 1/- each | 47,50,87,114 | 47.51 | 47,50,87,114 | 47.51 |
| | 47,50,87,114 | 47.51 | 47,50,87,114 | 47.51 |

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

| Particulars | As at 31-03-2023 | | As at 31-03-2022 | |
|---|---|---|---|---|
| | Number | Rupees in crores | Number | Rupees in crores |
| Shares outstanding at the beginning of the year | 47,50,87,114 | 47.51 | 47,50,87,114 | 47.51 |
| Shares issued during the year | – | – | – | – |
| Shares outstanding at the end of the year | 47,50,87,114 | 47.51 | 47,50,87,114 | 47.51 |

(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 31-03-2023 | | As at 31-03-2022 | |
|---|---|---|---|---|---|
| | | Number of shares held | % of holding | Number of shares held | % of holding |
| Sundaram-Clayton Limited, Chennai (Holding Company) | Equity | 23,87,82,786 | 50.26 | 23,87,82,786 | 50.26 |

Notes to the Financial Statements – *(continued)*

Rupees in crores

12 EQUITY SHARE CAPITAL - *(continued)*

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

| Name of shareholder | Class of share | As at 31-03-2023 | | As at 31-03-2022 | |
|---|---|---|---|---|---|
| | | Number of shares held | % of holding | Number of shares held | % of holding |
| ICICI Prudential Mutual Fund | Equity | 4,44,08,126 | 9.35 | 4,67,41,798 | 9.84 |
| Life Insurance Corporation of India | Equity | 1,39,56,650 | 2.94 | 3,01,12,473 | 6.34 |

(f) Shares held by Promoters at the end of the year 31-03-2023

| Promoter name | Class of share | As at 31-03-2023 | | As at 31-03-2022 | | % Change during the year |
|---|---|---|---|---|---|---|
| | | Number of shares held | % of holding | Number of shares held | % of holding | |
| Sundaram-Clayton Limited | Equity | 23,87,82,786 | 50.26 | 23,87,82,786 | 50.26 | - |

Shares held by Promoters at the end of the year 31-03-2022

| Promoter name | Class of share | As at 31-03-2022 | | As at 31-03-2021 | | % Change during the year |
|---|---|---|---|---|---|---|
| | | Number of shares held | % of holding | Number of shares held | % of holding | |
| Sundaram-Clayton Limited | Equity | 23,87,82,786 | 50.26 | 27,26,82,786 | 57.40 | (7.14) |

13 OTHER EQUITY

| Particulars | As at 31-03-2023 | As at 31-03-2022 |
|---|---|---|
| General reserve | 865.64 | 865.64 |
| Capital reserve | 6.43 | 6.43 |
| Retained earnings | 5,125.20 | 3,891.46 |
| Other Reserves | 3.07 | 11.00 |
| | 6,000.34 | 4,774.53 |

14 NON-CURRENT LIABILITIES - FINANCIAL LIABILITIES - BORROWINGS

| Description | Frequency | No. of instal-ments due | Maturity | As at 31-03-2023 | As at 31-03-2022 |
|---|---|---|---|---|---|
| Secured: | | | | | |
| ECB Loan from Bank I | – | – | – | – | 227.17 |
| State owned corporation | Yearly | 3 | Apr 2030 | 84.68 | 84.31 |
| Unsecured: | | | | | |
| Non Convertible Debentures - I | End of Tenure | 1 | May 2023 | 499.93 | 499.03 |
| Non Convertible Debentures - II | End of Tenure | 1 | Mar 2026 | 124.81 | – |
| Non-Convertible Zero Coupon Debentures # | End of Tenure | 1 | Dec 2032 | 310.00 | – |
| Term loan from Bank - I | Quarterly | 16 | Mar 2027 | 479.93 | 489.90 |
| Term loan from Bank - II | Quarterly | 8 | Mar 2026 | 199.20 | – |
| ECB Loan from Bank - II | Half Yearly | 1 | Sep 2023 | 27.39 | 75.79 |
| Sales Tax Deferral | Yearly | 5 | Jun 2027 | 78.64 | 94.37 |
| Total Long-term Borrowings: | | | | 1,804.58 | 1,470.57 |
| Less : Current Maturities of Long-term Borrowings | | | | 593.04 | 303.43 |
| Total Long-term Borrowings (net) | | | | 1,211.54 | 1,167.14 |

Details of securities created:

(i) Soft loan - State owned corporation viz., SIPCOT - First charge on the specific plant and equipment and also secured by equitable mortgage created by way of deposit of title deeds of land.

# due to related parties [Refer Note 34 (b)(xi)].





TVS MOTOR COMPANY LIMITED

STANDALONE FINANCIAL STATEMENTS OF TVS MOTOR COMPANY LIMITED

Notes to the Financial Statements – *(continued)*

Rupees in crores

14 NON-CURRENT LIABILITIES - FINANCIAL LIABILITIES - BORROWINGS - *(continued)*

Amount payable in each instalments:

| Description | Currency | Amount* | Rate of Interest |
|---|---|---|---|
| State owned corporation | INR | ₹ 75.40 crores, ₹ 4.45 crores and ₹ 9.24 crores (Three instalments between April 2024 and April 2030) | 0.10% |
| Non Convertible Debentures - I (5000 numbers, face value of ₹ 10 lakhs each) | INR | ₹ 500 crores at the end of the term - May 2023 | 7.50% |
| Non Convertible Debentures - II (12500 numbers, face value of ₹ 1 lakh each) | INR | ₹ 125 crores at the end of the term - March 2026 | Repo Rate plus Margin |
| Non Convertible Zero Coupon Debentures (310 numbers, face value of ₹ 1 crore each) | INR | ₹ 310 crores at the end of the term - December 2032 | Nil |
| Term Loan from Bank - I | INR | 16 quarterly unequated instalments from 30th June 2023 | 6.30% |
| Term Loan from Bank - II | INR | 8 quarterly equated instalments beginning from 30th June 2024 | Repo Rate plus Margin |
| ECB Loan from Bank - II | USD | 1 instalment of USD 3.33 mn in September 2023 | 3 Month USD LIBOR plus Margin |
| Sales tax deferral | INR | ₹ 15.73 crores per annum from June - 2023 to June - 2027 | Nil |

* undiscounted cash outflows

15 PROVISIONS

| Particulars | As at 31-03-2023 | | As at 31-03-2022 | |
|---|---|---|---|---|
| | Current | Non-current | Current | Non-current |
| Provision for employee benefits | | | | |
| (a) Pension | 48.39 | 94.44 | 55.32 | 86.24 |
| (b) Leave salary | 8.82 | 67.66 | 7.43 | 52.03 |
| (c) Gratuity | – | – | 3.44 | – |
| Others: | | | | |
| (a) Warranty | 41.33 | 13.78 | 30.99 | 10.33 |
| | 98.54 | 175.88 | 97.18 | 148.60 |

16 DEFERRED TAX LIABILITIES (NET)

The balance comprises temporary differences attributable to:

| Particulars | | As at 31-03-2023 | As at 31-03-2022 |
|---|---|---|---|
| Deferred tax liability consists of tax impact on: | | | |
| - Depreciation | | 290.80 | 295.48 |
| - Others | | 33.81 | 26.64 |
| Total deferred tax liability | (A) | 324.61 | 322.12 |
| Deferred tax asset consists of tax impact on: | | | |
| - Employee benefit expenses | | 42.82 | 47.32 |
| - Warranty provision | | 15.59 | 12.12 |
| - Others | | 68.00 | 64.81 |
| Total deferred tax assets | (B) | 126.41 | 124.25 |
| Net deferred tax liability | (A)-(B) | 198.20 | 197.87 |

Movement in deferred tax:

| Particulars | Depreciation | Others | Total |
|---|---|---|---|
| As at 31-03-2021 | | | 195.45 |
| Charged / (credited): | | | |
| - to profit or loss | 37.58 | (17.95) | 19.63 |
| - to other comprehensive income | – | (17.21) | (17.21) |
| As at 31-03-2022 | | | 197.87 |
| Charged / (credited): | | | |
| - to profit or loss | (4.68) | 13.37 | 8.69 |
| - to other comprehensive income | – | (8.36) | (8.36) |
| As at 31-03-2023 | | | 198.20 |

## Notes to the Financial Statements – *(continued)*

Rupees in crores

| | As at 31-03-2023 | As at 31-03-2022 |
|---|---|---|
| **17 FINANCIAL LIABILITIES - BORROWINGS CURRENT** | | |
| Borrowings repayable on demand from banks | | |
| Unsecured | 440.00 | 130.00 |
| Current Maturities of long term borrowings: | | |
| Secured | – | 227.17 |
| Unsecured | 593.04 | 76.26 |
| | 1,033.04 | 433.43 |
| Interest rate for borrowings repayable on demand from banks 4.2% to 7.85% p.a. | | |
| **18 TRADE PAYABLES** | | |
| Dues to Micro and Small Enterprises ** | 45.42 | 56.85 |
| Dues to enterprises other than Micro and Small Enterprises # | 4,085.14 | 3,972.73 |
| | 4,130.56 | 4,029.58 |

** 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. The entire closing balance represents the principal amount payable to these enterprises. There is no principal or interest due theron and remaining unpaid at the end of the year. (Refer Note 38)

# Includes balances due to related parties [Refer Note 34(c)(ii)].

Ageing for trade payable as on 31-03-2023

| Particulars | Outstanding for following periods from due date of payment | | | | | |
|---|---|---|---|---|---|---|
| | Not due | <1 year | 1-2 years | 2-3 years | More than 3 years | Total |
| (i) Micro and Small Enterprises (MSME) | 45.42 | - | - | - | - | 45.42 |
| (ii) Others | 831.14 | 2,601.99 | 18.68 | 7.56 | 16.33 | 3,475.70 |
| (iii) Disputed dues – MSME | - | - | - | - | - | - |
| (iv) Disputed dues – Others | - | - | - | - | - | - |
| Total (i) to (iv) | 876.56 | 2,601.99 | 18.68 | 7.56 | 16.33 | 3,521.12 |
| Accured expenses | | | | | | 609.44 |
| Total | | | | | | 4,130.56 |

Ageing for trade payable as on 31-03-2022

| Particulars | Outstanding for following periods from due date of payment | | | | | |
|---|---|---|---|---|---|---|
| | Not due | <1 year | 1-2 years | 2-3 years | More than 3 years | Total |
| (i) Micro and Small Enterprises (MSME) | 56.85 | - | - | - | - | 56.85 |
| (ii) Others | 2,360.62 | 896.18 | 8.43 | 7.76 | 20.62 | 3,293.61 |
| (iii) Disputed dues – MSME | - | - | - | - | - | - |
| (iv) Disputed dues – Others | - | - | - | - | - | - |
| Total (i) to (iv) | 2,417.47 | 896.18 | 8.43 | 7.76 | 20.62 | 3,350.46 |
| Accured expenses | | | | | | 679.12 |
| Total | | | | | | 4,029.58 |



TVS MOTOR COMPANY LIMITED

STANDALONE FINANCIAL STATEMENTS OF TVS MOTOR COMPANY LIMITED

## Notes to the Financial Statements – *(continued)*

Rupees in crores

| | As at 31-03-2023 | As at 31-03-2022 |
|---|---|---|
| **19 OTHER FINANCIAL LIABILITIES** | | |
| Interest accrued but not due on loans | 37.96 | 34.91 |
| Trade deposits received | 32.75 | 36.56 |
| Unclaimed dividends (Not due for transfer to Investor Education and Protection Fund) | 3.88 | 3.79 |
| Dividend declared but not paid | – | 54.27 |
| Payables against capital goods | 47.05 | 36.26 |
| | 121.64 | 165.79 |
| **20 OTHER CURRENT LIABILITIES** | | |
| Statutory dues | 117.70 | 126.85 |
| Employee related | 159.74 | 134.97 |
| Advance received from customers | 228.10 | 164.08 |
| Deferred income | 7.75 | 7.75 |
| | 513.29 | 433.65 |

| | Year ended 31-03-2023 | Year ended 31-03-2022 |
|---|---|---|
| **21 REVENUE FROM OPERATIONS** | | |
| Sale of products | 25,938.78 | 20,361.14 |
| Sale of services | 69.28 | 75.70 |
| Other operating revenue# | 370.03 | 353.67 |
| | 26,378.09 | 20,790.51 |

# Includes Government Grants of ₹ 234.10 crores (Last year ₹ 278.65 crores)

| | | Year ended 31-03-2023 | Year ended 31-03-2022 |
|---|---|---|---|
| **22 OTHER INCOME** | | | |
| Dividend income from: | | | |
| (i) | Subsidiaries | 2.23 | – |
| (ii) | Other investments designated as Fair Value through OCI | 0.02 | 3.81 |
| Interest income | | 6.21 | 6.74 |
| Profit on sale of investments (Net) | | 22.01 | 0.23 |
| Profit on sale of property, plant and equipment (Net) | | 2.82 | 2.58 |
| Gain on valuation of investments Fair Valued through profit and loss (Net) | | 61.69 | – |
| Other non-operating income | | 5.59 | 5.63 |
| | | 100.57 | 18.99 |

Notes to the Financial Statements – *(continued)*

Rupees in crores

| | | Year ended 31-03-2023 | Year ended 31-03-2022 |
|---|---|---|---|
| **23 MATERIAL COST** | | | |
| Cost of materials consumed : | | | |
| Opening stock of raw materials and components | | 625.26 | 570.22 |
| Add: Purchases | | 19,639.92 | 15,601.69 |
| | | 20,265.18 | 16,171.91 |
| Less: Closing stock of raw materials and components | | 655.57 | 625.26 |
| | | 19,609.61 | 15,546.65 |
| Purchases of stock-in-trade : | | | |
| Spare parts | | 202.53 | 163.37 |
| Engine oil | | 175.47 | 122.68 |
| | | 378.00 | 286.05 |
| Changes in inventories of finished goods, work-in-progress and stock-in-trade: | | | |
| Opening stock: | | | |
| Work-in-progress | | 43.07 | 36.00 |
| Stock-in-trade | | 98.58 | 83.87 |
| Finished goods | | 278.72 | 275.97 |
| | (A) | 420.37 | 395.84 |
| Closing stock: | | | |
| Work-in-progress | | 46.06 | 43.07 |
| Stock-in-trade | | 113.86 | 98.58 |
| Finished goods | | 255.24 | 278.72 |
| | (B) | 415.16 | 420.37 |
| | (A)-(B) | 5.21 | (24.53) |
| **24 EMPLOYEE BENEFITS EXPENSE** | | | |
| Salaries, wages and bonus | | 1,149.19 | 964.25 |
| Contribution to provident and other funds | | 92.85 | 75.07 |
| Staff welfare expenses | | 103.05 | 97.63 |
| | | 1,345.09 | 1,136.95 |
| **25 FINANCE COSTS** | | | |
| Interest on borrowings | | 109.16 | 95.01 |
| Interest on lease liabilities | | 31.26 | 30.18 |
| Exchange differences | | 0.24 | 0.73 |
| | | 140.66 | 125.92 |
| **26 DEPRECIATION AND AMORTISATION EXPENSE** | | | |
| Depreciation on property, plant and equipment | | 427.66 | 448.51 |
| Amortisation on right of use asset | | 81.07 | 67.12 |
| Amortisation on intangible assets | | 122.50 | 95.81 |
| | | 631.23 | 611.44 |



TVS MOTOR COMPANY LIMITED

STANDALONE FINANCIAL STATEMENTS OF TVS MOTOR COMPANY LIMITED

Notes to the Financial Statements – *(continued)*

Rupees in crores

| | | Year ended 31-03-2023 | Year ended 31-03-2022 |
|---|---|---|---|
| **27 OTHER EXPENSES** | | | |
| (a) Consumption of stores, spares and tools | | 52.43 | 49.49 |
| (b) Power and fuel | | 101.93 | 93.12 |
| (c) Repairs - buildings | | 21.62 | 14.09 |
| (d) Repairs - plant and equipment | | 74.68 | 63.14 |
| (e) Insurance | | 35.04 | 26.96 |
| (f) Rates and taxes (excluding taxes on income) | | 5.59 | 4.27 |
| (g) Audit fees (Refer Note no. 39) | | 1.15 | 1.15 |
| (h) Cost audit fees | | 0.08 | 0.06 |
| (i) Packing and freight charges | | 499.72 | 497.30 |
| (j) Advertisement and publicity | | 328.56 | 317.11 |
| (k) Other marketing expenses | | 343.81 | 179.42 |
| (l) Corporate Social Responsibility expenditure (Refer Note no. 45) | | 19.00 | 17.01 |
| (m) Contributions to Electoral Trust / Bond | | 5.00 | 5.00 |
| (n) Miscellaneous expenses (under this head there is no expenditure which is in excess of 1% of revenue from operations or ₹ 10 lakhs whichever is higher) | | 876.88 | 615.53 |
| | | 2,365.49 | 1,883.65 |
| **28 TAX EXPENSE AND RECONCILIATION** | | | |
| (a) Tax expense | | | |
| Current tax: | | | |
| On profits for the year | | 504.82 | 300.02 |
| Adjustments for prior periods | | (1.17) | – |
| | (A) | 503.65 | 300.02 |
| Deferred tax: | | | |
| Decrease / (increase) in deferred tax assets | | (54.04) | (69.88) |
| (Decrease) / increase in deferred tax liabilities | | 62.73 | 89.51 |
| | (B) | 8.69 | 19.63 |
| | (A + B) | 512.34 | 319.65 |
| (b) Reconciliation of tax expense and the accounting profit multiplied by India's tax rate: | | | |
| Profit before income tax expense | | 2,003.37 | 1,213.21 |
| Tax expense at 25.168% | | 504.21 | 305.34 |
| Add / (Less) : Tax Impact on | | | |
| Capital receipts | | (1.63) | (3.44) |
| Expenses not admissible for deduction | | 10.93 | 14.02 |
| Others | | – | 3.73 |
| Tax relating to earlier years | | (1.17) | – |
| Tax expense | | 512.34 | 319.65 |

Rupees in crores

## 29 FAIR VALUE MEASUREMENTS

| Particulars | As at 31-03-2023 | | | As at 31-03-2022 | | |
|---|---|---|---|---|---|---|
| | FVTPL[$] | FVTOCI * | Amortised cost | FVTPL[$] | FVTOCI * | Amortised cost |
| Financial assets | | | | | | |
| Investments | | | | | | |
| - Equity instruments | 191.92 | 125.74 | – | 130.23 | 10.67 | – |
| - Preference shares | 50.00 | – | – | – | – | 8.14 |
| - Other non-current investments | – | 40.07 | – | – | 52.38 | – |
| - Debt Instruments | 45.00 | – | 41.67 | – | – | 25.74 |
| Trade receivables | – | – | 955.07 | – | – | 972.75 |
| Derivative financial asset | – | 5.91 | – | – | 16.01 | – |
| Cash and cash equivalents | – | – | 234.35 | – | – | 328.75 |
| Other bank balances - Bank deposit | – | – | 0.24 | – | – | 0.24 |
| Earmarked balances with banks | – | – | 7.51 | – | – | 72.54 |
| Other financial assets | – | – | 76.86 | – | – | 78.40 |
| | 286.92 | 171.72 | 1,315.70 | 130.23 | 79.06 | 1,486.56 |
| Financial liabilities | | | | | | |
| Borrowings | – | – | 2,244.58 | – | – | 1,600.57 |
| Trade payables | – | – | 4,130.56 | – | – | 4,029.58 |
| Lease liability | – | – | 418.78 | – | – | 362.15 |
| Other financial liability | – | – | 121.64 | – | – | 165.79 |
| | – | – | 6,915.56 | – | – | 6,158.09 |

* FVTOCI - Fair Value Through Other Comprehensive Income [$] FVTPL- Fair Value Through Profit or Loss.

(i) Fair value hierarchy

This section explains the judgements and estimates made in determining the fair values to be disclosed in the financial instruments that are recognised and measured at fair value and that are measured at amortised cost. To provide an indication about the reliability of the inputs used in determining fair value, the Company 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

| As at 31-03-2023 | Notes | Level 1 | Level 2 | Level 3 | Total |
|---|---|---|---|---|---|
| Financial assets | | | | | |
| Financial investments at FVTPL | 3A & 3B | – | – | 286.92 | 286.92 |
| Financial investments at FVTOCI | 3A | 1.00 | 40.07 | 124.74 | 165.81 |
| Derivatives | 10 | – | 5.91 | – | 5.91 |
| | | 1.00 | 45.98 | 411.66 | 458.64 |

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

| As at 31-03-2023 | Notes | Level 1 | Level 2 | Level 3 | Total |
|---|---|---|---|---|---|
| Financial assets | | | | | |
| *Investments* | | | | | |
| Debt instruments | 3A | – | – | 41.67 | 41.67 |
| | | – | – | 41.67 | 41.67 |
| Financial liabilities | | | | | |
| Borrowings | 14 & 17 | – | – | 2,244.58 | 2,244.58 |
| | | – | – | 2,244.58 | 2,244.58 |





Rupees in crores

## 29 FAIR VALUE MEASUREMENTS - *(continued)*

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

| As at 31-03-2022 | Notes | Level 1 | Level 2 | Level 3 | Total |
|---|---|---|---|---|---|
| Financial assets | | | | | |
| Financial Investments at FVTPL | 3B | – | – | 130.23 | 130.23 |
| Financial Investments at FVTOCI | 3A | 1.03 | 52.38 | 9.64 | 63.05 |
| Derivatives | 10 | – | 16.01 | – | 16.01 |
| | | 1.03 | 68.39 | 139.87 | 209.29 |

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

| As at 31-03-2022 | Notes | Level 1 | Level 2 | Level 3 | Total |
|---|---|---|---|---|---|
| Financial assets | | | | | |
| Investments | | | | | |
| Preference shares | 3A | – | – | 8.14 | 8.14 |
| Debt instruments | 3A | – | – | 25.74 | 25.74 |
| | | – | – | 33.88 | 33.88 |
| Financial liabilities | | | | | |
| Borrowings | 14 & 17 | – | – | 1,600.57 | 1,600.57 |
| | | – | – | 1,600.57 | 1,600.57 |

Level 1: Level 1 hierarchy includes financial instruments measured using quoted prices. This includes listed equity instruments that have quoted price. The fair value of all equity instruments (including bonds) which are traded in the stock exchanges are valued using the closing price as at the end of 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 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, preference shares and other non current investments included in level 3.

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

During the reporting period, there are no transfer among the three levels.

(ii) Valuation technique used to determine fair value (Level 2)

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 interest rate swaps is calculated as the present value of estimated cash flows based on observable yield curves.
- the fair value of forward exchange contract and principal only swap is determined using forward exchange rate at the balance sheet date.
- the fair value of the remaining financial instruments is determined using discounted cash flow analysis.

## Notes to the Financial Statements – *(continued)*

### 29 FAIR VALUE MEASUREMENTS – *(continued)*

Rupees in crores

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

| Particulars | Unlisted Equity Shares | Unlisted Preference Shares | Debt Instruments | Total |
|---|---|---|---|---|
| As at 01-04-2021 | 11.63 | – | – | 11.63 |
| Additions / (Deletions) | 130.34 | – | – | 130.34 |
| Reclassified from amortised cost | 12.70 | – | – | 12.70 |
| Gains / (losses) recognised in profit or loss | 0.23 | – | – | 0.23 |
| Gains / (losses) recognised in other comprehensive income | (15.03) | – | – | (15.03) |
| As at 31-03-2022 | 139.87 | – | – | 139.87 |
| Additions / (Deletions) | 116.41 | 50.00 | 45.00 | 211.41 |
| Gains / (losses) recognised in profit or loss | 61.69 | – | – | 61.69 |
| Gains / (losses) recognised in other comprehensive income | (1.31) | – | – | (1.31) |
| As at 31-03-2023 | 316.66 | 50.00 | 45.00 | 411.66 |

(iv) Valuation inputs and relationships to fair value

| Particulars | Fair value as at | | Significant unobservable input | Probability weighted range | | Sensitivity |
|---|---|---|---|---|---|---|
| | 31-03-2023 | 31-03-2022 | | 31-03-2023 | 31-03-2022 | |
| Preference Share | 50.00 | – | a) Earnings growth rate<br>b) Risk adjusted discount rate | 1-3%<br>8% | 1-3%<br>8% | Not significant |
| Debt Instrument | 45.00 | – | a) Earnings growth rate<br>b) Risk adjusted discount rate | 1-3%<br>8% | 1-3%<br>8% | Not significant |
| Unquoted Equity shares | 221.66 | 139.87 | a) Earnings growth rate<br>b) Risk adjusted discount rate | 1-3%<br>8% | 1-3%<br>8% | Not significant |

(v) Valuation processes

Discount rates are determined using a capital asset pricing model to calculate a pretax rate that reflects current market assessments of the time value of money and the risk specific to the asset. Earnings growth factor of prefernce shares are based on cash flow projections of future earnings of the Company and unlisted equity securities are estimated based on market information for similar types of Companies. Risk adjustments have been derived based on the market risk premium adjusted for companies relevant financial data.

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

| Particulars | As at 31-03-2023 | | As at 31-03-2022 | |
|---|---|---|---|---|
| | Carrying amount | Fair value | Carrying amount | Fair value |
| Financial assets | | | | |
| Investments | | | | |
| Preference shares | - | - | 8.14 | 8.14 |
| Debt instruments | 41.67 | 41.67 | 25.74 | 25.74 |
| | 41.67 | 41.67 | 33.88 | 33.88 |
| Financial liabilities | | | | |
| Borrowings | 2,244.58 | 2,244.58 | 1,600.57 | 1,600.57 |
| | 2,244.58 | 2,244.58 | 1,600.57 | 1,600.57 |



TVS MOTOR COMPANY LIMITED

STANDALONE FINANCIAL STATEMENTS OF TVS MOTOR COMPANY LIMITED

Notes to the Financial Statements – *(continued)*

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

The fair values for preference shares and other debt instruments are 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 values of non-current borrowings are based on discounted cash flows using a current borrowing rate. They are classified as level 3 fair values in the fair value hierarchy due to the inclusion of unobservable inputs including own credit risk.

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

### 30 FINANCIAL RISK MANAGEMENT

The Company's activities exposes 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 manages the risk and the impact of hedge accounting in the financial statements.

| Risk | Exposure arising from | Risk Parameters and Mitigation |
|---|---|---|
| Credit Risk | Cash, Cash equivalents and Trade receivables | Credit risk primarily arises from cash and cash equivalents, trade receivables and investments carried at amortised cost. 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 (more specifically described below) . 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, when they fall due. This definition of default is determined by considering the business environment in which entity operates and other macro-economic factors. |
| | a. Cash and Cash Equivalents | Surplus cash is deposited only with banks / financial institutions with a high external credit rating. |
| | b. Domestic Trade Receivables | Domestic sales to the Dealers are based on advance payments received through banking channels or through inventory funding facilities availed by them from the banks. The Company extends limited credit to the dealers and such extension of credit is based on dealers' credit worthiness, ability to repay and past track record. The Company has extensive reporting and review system to constantly monitor the outstandings. |
| | c. Export Trade Receivables | The Company's export business is mostly based on Letters of credit. Export receivables are also covered through Insurance with ECGC Limited. |
| Liquidity Risk | INR denominated borrowings [other than soft loans given by Govt. Authorities] | The Company's liquidity management policy involves projecting cash flows in major currencies by considering the level of liquid assets necessary to meet the same, monitoring balance sheet liquidity ratios against internal and external regulatory requirements and maintaining debt financing plans. The Company works out detailed annual operating plans to assess the fund requirements - both short term and long term. Detailed month wise cash flow forecast is also carried out along with required sensitivities. Based on these factors adequate working capital credit limits are organised in advance. Company has pre-approved credit lines with various banks and these are constantly reviewed and approved by the Board. For long term fund requirements, Company targets various options such as rupee term loan, external commercial borrowing, debentures etc. The Company obtains a credit rating for the various borrowing facilities on annual basis. Company constantly monitors the free cash flow from operations to ensure that the borrowing is minimized. |

Notes to the Financial Statements – *(continued)*

30 FINANCIAL RISK MANAGEMENT - *(continued)*

| Risk | Exposure arising from | Risk Parameters and Mitigation |
|---|---|---|
| Market Risk | (i) Foreign exchange | The Company operates internationally and is exposed to foreign exchange risk arising from foreign currency transactions. 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 has a forex management policy which is duly approved by the Board. The objective of the hedges when taken is to minimise the volatility of the INR cash flows of highly probable forecasted transactions. |
| | a. Export trade receivables and Import payables | The Company has a forex management policy duly approved by the Board. The Company's policy is to hedge most of its net currency exposure. Company reviews the forex exposure on a regular basis and also reports its adherence to the Board on a quarterly basis. The recording and reporting requirements are strictly adhered. |
| | b. Foreign currency denominated borrowings | The Company has hedged its borrowings by covering the principal repayments. |
| | (ii) Interest rate<br>- Foreign currency denominated borrowings | 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. Company's policy is to maintain most of its borrowings at fixed rate using interest rate swaps to achieve this when necessary. The Company's fixed rate borrowings are carried at amortised cost. They are therefore not subject to interest rate risk as defined in Ind AS 107, since neither the carrying amount nor the future cash flows will fluctuate because of a change in market interest rates. |

(A) Credit risk

Basis of recognition of expected credit loss provision

| Rating | Category | Description of category | investments | Loans and deposts | Trade receivables |
|---|---|---|---|---|---|
| 1 | High Quality assets, negligible credit risk | Assets where the counter-party has strong capacity to meet the obligations and where the risk of default is negligible or nil. | 12 month expected credit losses | 12 month expected credit losses | Life time expected credit losses (simplified approach) |
| 2 | Quality assets, low credit risk | Assets where there is low risk of default and where the counter-party has sufficient capacity to meet the obligations and where there has been low frequency of defaults in the past | | | |
| 3 | Standard Assets, moderate credit risk | Assets where the probability of default is considered moderate and where the counter-party's capacity to meet the obligations is not strong. | | | |
| 4 | Substandard Assets, relatively high credit risk | Assets where there has been a significant increase in credit risk since initial recognition. | Life time expected credit losses | | |
| 5 | Low quality assets, very high credit risk | Assets where there is a high probability of default. Also includes assets where the credit risk of counter-party has increased significantly though payments may not be more than 180 days past due. | | | |



TVS MOTOR COMPANY LIMITED

STANDALONE FINANCIAL STATEMENTS OF TVS MOTOR COMPANY LIMITED

Notes to the Financial Statements – *(continued)*

Rupees in crores

30 FINANCIAL RISK MANAGEMENT - *(continued)*

(A) Credit risk

Basis of recognition of expected credit loss provision - *(continued)*

| Rating | Category | Description of category | investments | Loans and deposits | Trade receivables |
|---|---|---|---|---|---|
| 6 | Doubtful assets, credit impaired | Assets are written off when there is no reasonable expectation of recovery, such as a debtor declaring bankruptcy or failing to engage in a repayment plan with the Company. Where loans or receivables have been written off, the Company continues to engage in enforcement activity to attempt to recover the receivable due. Where recoveries are made, these are recognised in profit or loss. | Asset is written off | | |

As at 31-03-2023

a) Expected credit loss for investments, loans and other financial assets

| Particulars | Internal rating | Asset / Asset group | Gross carrying amount | Expected probability of default | Expected credit loss | Carrying amount net of impairment provision |
|---|---|---|---|---|---|---|
| Loss allowance measured at 12 month expected credit loss | 2 | Investments at amortised cost | 41.67 | 0% | – | 41.67 |
| | 1 | Other financial assets | 76.86 | 0% | – | 76.86 |

b) Expected credit loss for trade receivables under simplified approach

| Particulars | 0 to 180 days past due | More than 180 days past due | Total |
|---|---|---|---|
| Gross carrying amount | 700.55 | 281.45 | 982.00 |
| Expected loss rate | - | 10% | |
| Expected credit losses | - | 26.93 | 26.93 |
| Carrying amount of trade receivables | 700.55 | 254.52 | 955.07 |

As at 31-03-2022

a) Expected credit loss for investments, loans and other financial assets

| Particulars | Internal rating | Asset / Asset group | Gross carrying amount | Expected probability of default | Expected credit loss | Carrying amount net of impairment provision |
|---|---|---|---|---|---|---|
| Loss allowance measured at 12 month expected credit loss | 2 | Investments at amortised cost | 33.88 | 0% | – | 33.88 |
| | 1 | Other financial assets | 78.40 | 0% | – | 78.40 |

b) Expected credit loss for trade receivables under simplified approach

| Particulars | 0 to 180 days past due | More than 180 days past due | Total |
|---|---|---|---|
| Gross carrying amount | 780.67 | 220.31 | 1,000.98 |
| Expected loss rate | – | 13% | |
| Expected credit losses | – | 28.23 | 28.23 |
| Carrying amount of trade receivables | 780.67 | 192.08 | 972.75 |

## Notes to the Financial Statements – *(continued)*

Rupees in crores

### 30 FINANCIAL RISK MANAGEMENT - *(continued)*

Reconciliation of loss allowance provision - Trade receivables

| | |
|---|---|
| Loss allowance on 01-04-2021 | 22.03 |
| Changes in loss allowance | 6.20 |
| Loss allowance on 31-03-2022 | 28.23 |
| Changes in loss allowance | (1.30) |
| Loss allowance on 31-03-2023 | 26.93 |

(B) Liquidity risk

(i) Financing arrangements

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

| Particulars | As at 31-03-2023 | As at 31-03-2022 |
|---|---|---|
| Floating rate | | |
| - Expiring within one year (bank overdraft and other facilities) | 1,779.58 | 2,038.45 |
| - Expiring beyond one year (bank loans) | – | – |

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 and have an average maturity ranging 30 to 180 days.

(ii) 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.

As at 31-03-2023

| Contractual Maturities of Financial Liabilities | Less than 3 months | 3 months to 6 months | 6 months to 1 year | 1 year to 5 years | More than 5 years | Total |
|---|---|---|---|---|---|---|
| Borrowings | 968.15 | 12.50 | 52.39 | 907.00 | 310.00 | 2,250.04 |
| Lease liabilities | 27.43 | 26.10 | 52.01 | 379.90 | 11.81 | 497.25 |
| Trade payables | 4,130.56 | – | – | – | – | 4,130.56 |
| Other financial liabilities | 121.64 | – | – | – | – | 121.64 |

As at 31-03-2022

| Contractual Maturities of Financial Liabilities | Less than 3 months | 3 months to 6 months | 6 months to 1 year | 1 year to 5 years | More than 5 years | Total |
|---|---|---|---|---|---|---|
| Borrowings | 205.02 | 84.56 | 143.85 | 1,163.75 | 9.24 | 1,606.42 |
| Lease liabilities | 21.68 | 21.48 | 41.29 | 291.64 | 75.40 | 451.49 |
| Trade payables | 4,029.58 | – | – | – | – | 4,029.58 |
| Other financial liabilities | 165.79 | – | – | – | – | 165.79 |

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



TVS MOTOR COMPANY LIMITED

STANDALONE FINANCIAL STATEMENTS OF TVS MOTOR COMPANY LIMITED

Notes to the Financial Statements – *(continued)*

Rupees in crores

30 FINANCIAL RISK MANAGEMENT - *(continued)*

(C) Market risk

(i) Foreign exchange risk

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

| Particulars | As at 31-03-2023 | | As at 31-03-2022 | |
|---|---|---|---|---|
| Exposure in foreign currency | USD | EUR | USD | EUR |
| Financial assets: | | | | |
| Trade receivables | 740.28 | 66.88 | 692.61 | 60.00 |
| Investments | 40.07 | – | 52.38 | – |
| Derivative assets: | | | | |
| Foreign exchange forward contracts | | | | |
| Sell foreign currency | (847.89) | (62.75) | (1,583.99) | (63.46) |
| Financial liabilities: | | | | |
| Foreign currency loan | 27.39 | – | 302.96 | – |
| Trade payables | 176.24 | 7.53 | 80.61 | 6.50 |
| Derivative liabilities: | | | | |
| Foreign exchange forward contracts | | | | |
| Buy foreign currency | – | – | – | – |
| Principal swap | | | | |
| Buy foreign currency | (27.39) | – | (302.96) | – |

Sensitivity

The sensitivity of profit or loss to changes in the exchange rates arises mainly from foreign currency denominated financial instruments and the impact on other components of equity arises from foreign forward exchange contracts designated as cash flow hedges.

| Particulars | Impact on profit after tax* | | Impact on other components of equity* | |
|---|---|---|---|---|
| | As at 31-03-2023 | As at 31-03-2022 | As at 31-03-2023 | As at 31-03-2022 |
| USD sensitivity | | | | |
| INR/USD increases by 10% | 41.98 | 45.07 | (60.12) | (112.80) |
| INR/USD decreases by 10% | (41.98) | (45.07) | 60.12 | 112.80 |
| EURO sensitivity | | | | |
| INR/EURO increases by 10% | 4.42 | 3.94 | (4.67) | (4.68) |
| INR/EURO decreases by 10% | (4.42) | (3.94) | 4.67 | 4.68 |

* Holding all other variables constant

(ii) Interest rate risk

For Short term borrowings, interest rate are based on central bank approved benchmark rates plus margin. Whenever the Company resorts to Short term borrowings through commercial paper, the rate of interest is fixed in advance. In respect of Long term foreign currency borrowings, the interest rates are covered through interest rate swaps (IRS).

| Particulars | As at 31-03-2023 | As at 31-03-2022 |
|---|---|---|
| Variable rate borrowings | 792.39 | 302.97 |
| Fixed rate borrowings | 1,457.73 | 1,303.45 |

The amount disclosed in the table are the contractual undiscounted cash flows.

| Sensitivity | Impact on profit after tax | |
|---|---|---|
| | As at 31-03-2023 | As at 31-03-2022 |
| Increase in interest rates by 100 bps | (5.90) | (2.23) |
| Decrease in interest rates by 100 bps | 5.90 | 2.23 |

## Notes to the Financial Statements – *(continued)*

Rupees in crores

### 30 FINANCIAL RISK MANAGEMENT - *(continued)*

(iii) Price Risk

The company's exposure to equity securities price risk arises from investments held by the Company and classified in the balance sheet either as fair value through OCI or at fair value through profit or loss. To manage its price risk from investments in equity securities, the Company diversifies its portfolio. The impact of the changes in price risk is not material.

(D) Impact of hedging activities

(i) Disclosure of effects of hedge accounting on financial position

(a) Disclosure of effects of hedge accounting on financial position as at 31-03-2023

| Type of hedge and risks | Nominal value | | Carrying amount of hedging instrument | | Maturity date | Changes in fair value of hedging instrument since inception of hedge | Changes in the value of hedged item used as the basis for recognising hedge effectiveness |
|---|---|---|---|---|---|---|---|
| | Assets | Liabilities | Assets | Liabilities | | | |
| Cash flow hedge | | | | | | | |
| Foreign exchange forward contracts | 910.64 | – | 2.74 | – | Apr-23 to Jun-23 | 2.74 | (2.74) |
| Foreign currency loan: | | | | | | | |
| • Principal swap | – | 27.39 | 2.91 | – | Sep'23 | 2.91 | (2.91) |
| • Interest rate swap | – | 27.39 | 0.26 | – | | 0.26 | (0.26) |

(b) Disclosure of effects of hedge accounting on financial position as at 31-03-2022

| Type of hedge and risks | Nominal value | | Carrying amount of hedging instrument | | Maturity date | Changes in fair value of hedging instrument since inception of hedge | Changes in the value of hedged item used as the basis for recognising hedge effectiveness |
|---|---|---|---|---|---|---|---|
| | Assets | Liabilities | Assets | Liabilities | | | |
| Cash flow hedge | | | | | | | |
| Foreign exchange forward contracts | 1,647.45 | – | 4.45 | – | Apr'22 to Dec'22 | 4.45 | (4.45) |
| Foreign currency loan: | | | | | | | |
| • Principal swap | – | 302.96 | 14.62 | – | Sep'22 to Sep'23 | 14.62 | (14.62) |
| • Interest rate swap | – | 302.96 | – | 3.06 | | (3.06) | 3.06 |

(ii) Disclosure of effects of hedge accounting on financial performance:

for the year ended 31-03-2023:

| Type of hedge | Change in the value of hedging instrument recognised in other comprehensive income | Hedge ineffectiveness recognised in profit and loss | Amount reclassified from cash flow hedging reserve to profit or loss | Line item affected in statement of profit and loss because of the reclassification |
|---|---|---|---|---|
| Cash flow hedge: Foreign exchange risk/POS/IRS | 1.35 | – | (1.65) | Revenue and Borrowing cost |

for the year ended 31-03-2022:

| Type of hedge | Change in the value of hedging instrument recognised in other comprehensive income | Hedge ineffectiveness recognised in profit and loss | Amount reclassified from cash flow hedging reserve to profit or loss | Line item affected in statement of profit and loss because of the reclassification |
|---|---|---|---|---|
| Cash flow hedge: Foreign exchange risk/POS/IRS | (1.65) | – | (3.68) | Revenue and Borrowing cost |



TVS MOTOR COMPANY LIMITED

STANDALONE FINANCIAL STATEMENTS OF TVS MOTOR COMPANY LIMITED

## Notes to the Financial Statements – *(continued)*

Rupees in crores

### 31 CAPITAL MANAGEMENT

(a) Risk management

The Company's objectives when managing capital are to

- safeguard our ability to continue as a going concern, so that we 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 an optimum gearing ratio. The gearing ratios were as follows:

| Particulars | As at 31-03-2023 | As at 31-03-2022 |
|---|---|---|
| Net debt | 2,010.23 | 1,271.82 |
| Total equity | 6,047.85 | 4,822.04 |
| Net debt to equity ratio (times) | 0.3 | 0.3 |

The Company also monitors Interest coverage ratio:

Company's earnings before interest, taxes and exceptional items (EBIT) divided by interest.

The Company's strategy is to maintain an optimum interest coverage ratio.

The Interest coverage ratio were as follows:

| Particulars | Year ended 31-03-2023 | Year ended 31-03-2022 |
|---|---|---|
| EBIT | 2,144.03 | 1,369.29 |
| Interest | 140.66 | 125.92 |
| Interest coverage ratio (times) | 15.2 | 10.9 |

(b) Dividends

| Particulars | Year ended 31-03-2023 | Year ended 31-03-2022 |
|---|---|---|
| (i) Equity shares | | |
| Interim dividend for the year ended 31-03-2023 of ₹ 5.00 (31-03-2022 of ₹ 3.75) per fully paid share | 237.54 | 178.16 |
| (ii) Dividends not recognised at the end of the reporting period | – | – |

### 32 KEY FINANCIAL RATIOS

| S.No. | Particulars | As at 31-03-2023 | As at 31-03-2022 | Variance |
|---|---|---|---|---|
| 1 | Current ratios (times) [Current Assets / Current Liabilities ] | 0.6 | 0.6 | 0.0% |
| 2 | Net Debt / Equity Ratio (times) [ (Total borrowing - Cash) / Equity ] | 0.3 | 0.3 | 0.0% |
| 3 | Debt Service Coverage Ratio (times) [ Earnings before Interest, Tax and Exceptional Items / (Interest Expense + Principal repayments of long term loan made during the period excluding prepayment) ] | 5.0 | 5.2 | (3.8%) |
| 4 | Return on Equity (%) [Net Profit after tax / Average shareholders equity ] - Note 1 | 27.4% | 19.9% | 38.1% |
| 5 | Inventory Turnover Ratio (times) [ Annualised Cost of goods sold / Average Inventory ] | 16.9 | 13.9 | (21.9%) |
| 6 | Debtors Turnover ratio (times) [ Annualised Turnover / Average Debtors ] | 27.4 | 22.6 | (21.3%) |
| 7 | Trade Payable turnover ratio (times) [(Cost of Goods sold + Other expenses) / Average Trade payable ] | 5.5 | 4.5 | (23.1%) |
| 8 | Net Capital Turnover ratio (times) [Net Sales / (Current Asset - Current Liabilities excluding current maturities of long term borrowing)] | NA | NA | NA |
| 9 | Net Profit ratio (%) [Profit after tax / Turnover] - Note 1 | 5.7% | 4.3% | 31.5% |

## 32 KEY FINANCIAL RATIOS - *(continued)*

Rupees in crores

| S.No. | Particulars | As at 31-03-2023 | As at 31-03-2022 | Variance |
|---|---|---|---|---|
| 10 | Return on Capital Employed (%) [Earnings before Interest, Tax and Exceptional Items / Capital Employed] | 25.3% | 20.7% | 22.1% |
| 11 | Return on Investment (%) [Income generated from invested funds / Average invested funds.] - Note 2 | NA | NA | NA |

1 Reflects better operational performance.

2. Significant investments held by the Company is for strategic purposes. Benchmarking the return on annual basis will not reflect yield from such investments.

## 33 EMPLOYEE BENEFIT OBLIGATIONS

Defined benefit plans as per actuarial valuation

| Particulars | Funded plan | | | Unfunded plans | |
|---|---|---|---|---|---|
| | Gratuity | | | Pension | Leave salary |
| | Present value of obligation | Fair value of plan assets | Net amount | Present value of obligation | Present value of obligation |
| As at 01-04-2021 | 124.64 | (122.15) | 2.49 | 93.22 | 47.95 |
| Current service cost | 19.87 | – | 19.87 | – | – |
| Interest expense/(income) | 9.81 | (8.79) | 1.02 | 6.55 | 3.24 |
| Total amount recognised in profit or loss | 29.68 | (8.79) | 20.89 | 6.55 | 3.24 |
| Remeasurements | | | | | |
| Return on plan assets, excluding amounts included in interest expense / (income) | – | (2.78) | (2.78) | – | – |
| (Gain) / loss from change in financial assumptions | (4.85) | – | (4.85) | (2.83) | (1.58) |
| Experience (gains) / losses | 24.16 | – | 24.16 | 46.26 | 23.97 |
| Total amount recognised in other comprehensive income | 19.31 | (2.78) | 16.53 | 43.43 | 22.39 |
| Employer contributions | – | (36.47) | (36.47) | – | – |
| Benefit payments | (12.71) | 12.71 | – | (1.64) | (14.12) |
| As at 31-03-2022 | 160.92 | (157.48) | 3.44 | 141.56 | 59.46 |
| Current service cost | 29.53 | – | 29.53 | – | – |
| Interest expense / (income) | 12.46 | (11.59) | 0.87 | 9.03 | 4.32 |
| Total amount recognised in profit or loss | 41.99 | (11.59) | 30.40 | 9.03 | 4.32 |
| Remeasurements | | | | | |
| Return on plan assets, excluding amounts included in interest expense / (income) | – | 0.10 | 0.10 | – | – |
| (Gain) / loss from change in financial assumptions | 4.87 | – | 4.87 | (18.65) | 0.42 |
| Experience (gains)/losses | (2.65) | – | (2.65) | 14.89 | 27.41 |
| Total amount recognised in other comprehensive income | 2.22 | 0.10 | 2.32 | (3.76) | 27.83 |
| Employer contributions | – | (43.58) | (43.58) | – | – |
| Benefit payments | (18.87) | 18.87 | – | (4.00) | (15.13) |
| As at 31-03-2023 | 186.26 | (193.68) | (7.42) | 142.83 | 76.48 |

The Company has an obligation towards gratuity, a defined benefit retirement plan covering eligible employees. The Company has created an Employees' Group Gratuity Fund which has taken a Group Gratuity Assurance Scheme with the Life Insurance Corporation of India. Company's contributions are based on actuarial valuation arrived at the end of each year.



TVS MOTOR COMPANY LIMITED

STANDALONE FINANCIAL STATEMENTS OF TVS MOTOR COMPANY LIMITED

Notes to the Financial Statements – *(continued)*

## 33 EMPLOYEE BENEFIT OBLIGATIONS - *(continued)*

Rupees in crores

The defined benefit obligations maturing after year ended March 31, 2023 are as follows

| Year ending March 31, | Defined Benefit Obligations |
|---|---|
| 2024 | 20.93 |
| 2025 | 12.90 |
| 2026 | 17.34 |
| 2027 | 13.20 |
| 2028 | 14.48 |
| 2029-2033 | 71.00 |

The significant actuarial assumptions were as follows:

| Particulars | As at 31-03-2023 | As at 31-03-2022 |
|---|---|---|
| Discount rate (Gratuity) | 7.2% | 7.3% |
| Discount rate (Pension) | 7.0% | 5.5% |
| Discount rate (Leave salary) | 7.2% | 7.3% |
| Salary growth rate | 5.5% | 5.5% |
| Pre-retirement mortality rate | IALM (2006-08) Ultimate | |
| Post retirement mortality rate | LIC Ann (1996-98) | |
| Attrition rate (For Leave salary & Gratuity) | 3.0% | 3.0% |
| Attrition rate (For Pension) | 0.0% | 0.0% |

Assumptions regarding future mortality for pension 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 age 58.

(i) Sensitivity analysis

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

| Particulars | Impact on defined benefit obligation - Gratuity | | | | | |
|---|---|---|---|---|---|---|
| | Change in assumption | | Increase in assumption | | Decrease in assumption | |
| | Year ended | | Year ended | | Year ended | |
| | 31-03-2023 | 31-03-2022 | 31-03-2023 | 31-03-2022 | 31-03-2023 | 31-03-2022 |
| Discount rate | 0.50% | 0.50% | 178.57 | 154.32 | 194.53 | 167.95 |
| Salary growth rate | 0.50% | 0.50% | 194.63 | 168.04 | 178.42 | 154.18 |
| Mortality | 5.00% | 5.00% | 186.30 | 160.92 | 186.22 | 160.85 |

| Particulars | Impact on defined benefit obligation - Pension | | | | | |
|---|---|---|---|---|---|---|
| | Change in assumption | | Increase in assumption | | Decrease in assumption | |
| | Year ended | | Year ended | | Year ended | |
| | 31-03-2023 | 31-03-2022 | 31-03-2023 | 31-03-2022 | 31-03-2023 | 31-03-2022 |
| Discount rate | 1.00% | 1.00% | 129.49 | 126.30 | 159.40 | 159.91 |
| Salary growth rate | 1.00% | 1.00% | 160.28 | 160.64 | 128.60 | 125.52 |
| Mortality | 5.00% | 5.00% | 142.02 | 140.25 | 144.38 | 142.93 |

Notes to the Financial Statements – *(continued)*

33 EMPLOYEE BENEFIT OBLIGATIONS - *(continued)*

Rupees in crores

| Particulars | Impact on defined benefit obligation - Leave salary | | | | | |
|---|---|---|---|---|---|---|
| | Change in assumption | | Increase in assumption | | Decrease in assumption | |
| | Year ended | | Year ended | | Year ended | |
| | 31-03-2023 | 31-03-2022 | 31-03-2023 | 31-03-2022 | 31-03-2023 | 31-03-2022 |
| Discount rate | 0.50% | 0.50% | 73.87 | 57.22 | 79.92 | 61.87 |
| Salary growth rate | 0.50% | 0.50% | 79.96 | 61.90 | 73.82 | 57.17 |
| Mortality | 5.00% | 5.00% | 76.80 | 59.47 | 76.78 | 59.45 |

The above sensitivity analysis is 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.

(ii) 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 underperform this yield, this will create a deficit.

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

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

Life expectancy: The pension obligations are 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.

(iii) Defined contribution plans:

The Company's contribution to defined contribution plan i.e., provident fund of ₹ 36.63 crores (previous year ₹ 28.63 crores) has been recognised in the Statement of Profit and Loss.





TVS MOTOR COMPANY LIMITED

STANDALONE FINANCIAL STATEMENTS OF TVS MOTOR COMPANY LIMITED

Notes to the Financial Statements – *(continued)*

34 RELATED PARTY DISCLOSURE

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

Holding company:

Sundaram-Clayton Limited, Chennai

Ultimate holding company:

TVS Holdings Private Limited, Chennai

Subsidiaries:

Sundaram Auto Components Limited, Chennai
TVS Housing Limited, Chennai
TVS Motor Services Limited, Chennai
TVS Credit Services Limited, Chennai
Intellicar Telematics Private Limited, Bengaluru (upto 24th May 2022)
Intellicar Telematics (Singapore) Pte Limited (upto 24th May 2022)
TVS Electric Mobility Limited, Chennai
TVS Motor (Singapore) Pte. Limited, Singapore
TVS Motor Company (Europe) B.V, Amsterdam
PT. TVS Motor Company Indonesia, Jakarta
Sundaram Holding USA Inc, Delaware USA (upto 22nd Sep 2022)
Green Hills Land Holding LLC, South Carolina USA (upto 22nd Sep 2022)
Component Equipment Leasing LLC, South Carolina USA (upto 22nd Sep 2022)
Sundaram-Clayton USA LLC, South Carolina USA (upto 22nd Sep 2022)
Premier Land Holding LLC, South Carolina USA (upto 22nd Sep 2022)
Harita ARC Services Private Limited, Chennai
TVS Two Wheeler Mall Private Limited, Chennai
TVS Housing Finance Private Limited, Chennai
The GO Corporation, Switzerland
Swiss E-mobility (Group) Holding AG, Switzerland
The Norton Motorcycle Co. Ltd, UK
TVS Digital Pte Limited, Singapore
EBCO Limited, UK (with effect from 1st April 2022)
Celerity Motor GmbH, Germany (with effect from 6th Dec 2022)
EGO Movement Stuttgart, GmbH, Germany
Swiss E-Mobility Group (Schweiz) AG Switzerland, Zurich
Colag E-Mobility GmBH, Nurembarg, Germany
Alexand'Ro Edouard'O Passion Vélo Sàrl ("Passion Vélo"), Germany (with effect from 12th Apr 2022)

Associate companies:

Emerald Haven Realty Limited, Chennai
Ultraviolette Automotive Private Limited, Bengaluru
Tagbox Solutions Private Limited, Bengaluru
DriveX Mobility Private Limited, Coimbatore (with effect from 15th Oct 2022]
(Formerly known as Nkars Mobility Millennial Solutions Private Limited)

(ii) Other related parties and their relationship where transaction exists:

Associate / Joint venture of holding / ultimate holding / subsidiary / fellow subsidiary company:

Predictronics Corporation, USA

Notes to the Financial Statements – *(continued)*

34 RELATED PARTY DISCLOSURE - *(continued)*

Enterprises in which directors are interested:

- TVS Organics Private Limited, Chennai (upto 27th Jun 2022)
- Harita Techserv Limited, Chennai (upto 27th Jun 2022)
- Dua Associates, Delhi
- Dua Consulting Private Limited, Delhi
- McCann-Erickson (India) Private Limited, Delhi
- Trichur Sundaram Santhanam & Family Private Limited, Chennai
- TV Sundram Iyengar & Sons Private Limited, Madurai
- Lakshmi Energy and Environment Design Private Limited, Coimbatore

Key Management personnel:

Executive Directors:

- Mr. Venu Srinivasan, Chairman Emeritus & Managing Director
- Mr. Sudarshan Venu, Managing Director
- Mr. K.N. Radhakrishnan, Director and CEO

Non-executive Directors:

Independent Directors:

- Mr. T.Kannan
- Mr. C.R.Dua
- Mr. R Gopalan
- Mr. Hemant Krishan Singh
- Mrs. Lalita D. Gupte
- Mr. Kuok Meng Xiong
- Mr. B Sriram

Non-Independent Directors:

- Prof. Sir Ralf Dieter Speth, Chairman
- Dr. Lakshmi Venu
- Mr. H.Lakshmanan (upto 27th Jun 2022)

Chief Financial Officer

- K. Gopala Desikan

Company Secretary

- K.S. Srinivasan

Post-Employment benefit plans:

- TVS Motor Company Employees' Gratuity Fund
- TVS Motor Company Employees' Provident Fund



TVS MOTOR COMPANY LIMITED

STANDALONE FINANCIAL STATEMENTS OF TVS MOTOR COMPANY LIMITED

Notes to the Financial Statements – *(continued)*

34 RELATED PARTY DISCLOSURE - *(continued)*

Rupees in crores

| | As at/ Year ended 31-03-2023 | As at/ Year ended 31-03-2022 |
|---|---|---|
| (b) Transactions with related parties: (Transactions from the date of becoming / upto the date of ceasing to be related party) | | |
| (i) Purchase of goods (Including Sales reversal) | | |
| - Holding company (Sundaram-Clayton Limited, Chennai) | 412.62 | 474.89 |
| - Subsidiary companies | | |
| Sundaram Auto Components Limited, Chennai | 377.46 | 375.50 |
| PT.TVS Motor Company Indonesia, Jakarta | 0.35 | 0.20 |
| Swiss E-Mobility Group (Schweiz) AG Switzerland, Zurich | 0.08 | - |
| Intellicar Telematics Private Limited, Bengaluru (upto 24th May 2022) | - | 0.05 |
| - Associate / joint venture | | |
| Tagbox Solutions Private Limited, Bengaluru | 1.43 | 0.52 |
| - Enterprises in which directors are interested | | |
| TV Sundram Iyengar & Sons Private Limited, Madurai | 0.23 | - |
| TVS Organics Private Limited, Chennai (upto 27th Jun 2022) | 0.19 | 0.53 |
| (ii) Sale of goods | | |
| - Ultimate holding company | | |
| TVS Holdings Private Limited, Chennai | 420.09 | 79.83 |
| - Holding company (Sundaram-Clayton Limited, Chennai) | 19.52 | 0.06 |
| - Subsidiary companies | | |
| Sundaram Auto Components Limited, Chennai | 0.11 | 0.17 |
| PT.TVS Motor Company Indonesia, Jakarta | 405.02 | 250.47 |
| - Enterprises in which directors are interested | | |
| TV Sundram Iyengar & Sons Private Limited, Madurai | - | 375.50 |
| (iii) Purchase of assets | | |
| - Associate / joint venture | | |
| Ultraviolette Automotive Private Limited, Bengaluru | 3.00 | - |
| Tagbox Solutions Private Limited, Bengaluru | - | 0.25 |
| - Associate / joint venture of holding / ultimate holding / subsidiary / fellow subsidiary company | | |
| Predictronics Corporation, USA | 0.07 | - |
| - Key Management personnel | - | 43.06 |
| (iv) Rendering of services | | |
| - Holding company (Sundaram-Clayton Limited, Chennai) | 1.79 | 2.62 |
| - Subsidiary companies | | |
| Sundaram Auto Components Limited, Chennai | 0.11 | 0.12 |
| PT. TVS Motor Company Indonesia, Jakarta | 0.55 | 0.59 |
| TVS Credit Services Limited, Chennai | 8.61 | 9.11 |
| The Norton Motorcycle Co. Ltd, UK | 4.23 | - |

Notes to the Financial Statements – *(continued)*

Rupees in crores

| 34 RELATED PARTY DISCLOSURE - *(continued)* | As at/ Year ended 31-03-2023 | As at/ Year ended 31-03-2022 |
|---|---|---|
| (v) Availing of services (includes sub-contract charges paid) | | |
| - Holding company (Sundaram-Clayton Limited, Chennai) | 62.15 | 62.81 |
| - Subsidiary company | | |
| Sundaram Auto Components Limited, Chennai | 0.87 | - |
| TVS Credit Services Limited, Chennai | 5.17 | 7.34 |
| TVS Digital Pte Limited, Singapore | 0.26 | - |
| - Associate / Joint Venture (Tagbox Solutions Private Limited, Bengaluru) | 0.16 | - |
| - Enterprises in which directors are interested | | |
| Dua Associates, Delhi | 0.70 | 1.92 |
| Dua Consulting Private Limited, Delhi | 4.33 | 4.74 |
| McCann-Erickson (India) Private Limited, Delhi | 3.47 | 5.68 |
| Lakshmi Energy and Environment Design Private Limited, Coimbatore | 0.20 | 0.15 |
| Harita Techserv Limited, Chennai (upto 27th Jun 2022) | 0.90 | 4.17 |
| TV Sundram Iyengar & Sons Private Limited, Madurai | 0.83 | 0.26 |
| Trichur Sundaram Santhanam & Family Private Limited, Chennai | 0.12 | - |
| (vi) Investments made during the year | | |
| - Subsidiary companies | | |
| TVS Motor (Singapore) Pte. Limited, Singapore | 108.31 | 1,083.43 |
| TVS Motor Services Limited, Chennai | 50.00 | 96.00 |
| TVS Credit Services Limited, Chennai | 500.00 | 100.00 |
| TVS Electric Mobility Limited, Chennai | - | 1.00 |
| - Associate / Joint venture | | |
| Ultraviolette Automotive Private Limited, Bengaluru | - | 75.00 |
| DriveX Mobility Private Limited, Coimbatore | 87.17 | - |
| (vii) Share application money pending allotment | | |
| - Subsidiary companies | | |
| TVS Motor (Singapore) Pte Limited, Singapore | 445.41 | 20.17 |
| (viii) Remuneration to key management personnel: | | |
| Short-term employee benefits | 84.24 | 64.07 |
| Post-employment benefits | 0.47 | 0.24 |
| (ix) Obligation arising out of agreements facilitating credit / payment to service provider | | |
| - Subsidiary companies | | |
| PT. TVS Motor Company Indonesia, Jakarta | 41.09 | 75.79 |
| TVS Motor (Singapore) Pte. Limited, Singapore | 82.17 | 75.79 |
| (x) Contributions to post employment benefit plans: | | |
| TVS Motor Company Employees' Gratuity Fund | 43.71 | 36.57 |
| TVS Motor Company Employees' Provident Fund (Including Employee and Employer Contributions) | 92.25 | 75.25 |



TVS MOTOR COMPANY LIMITED

STANDALONE FINANCIAL STATEMENTS OF TVS MOTOR COMPANY LIMITED

Notes to the Financial Statements – *(continued)*

Rupees in crores

| 34 RELATED PARTY DISCLOSURE - *(continued)* | As at/ Year ended 31-03-2023 | As at/ Year ended 31-03-2022 |
|---|---|---|
| (xi) Loan and Advances received | | |
| - Issue of Non convertible zero coupon debentures | | |
| Sundaram Auto Components Limited, Chennai | 310.00 | - |
| (xii) Dividend received from Subsidiary Company | | |
| - Sundaram Auto Components Limited, Chennai | 2.23 | - |
| (xiii) Dividend paid to | | |
| - Holding Company (Sundaram-Clayton Limited, Chennai) | 119.39 | 89.54 |
| (c) Balances with related parties: | | |
| (i) Trade receivables / Other current assets | | |
| - Ultimate holding company | | |
| TVS Holdings Private Limited, Chennai | 17.36 | 8.04 |
| - Subsidiary companies | | |
| Sundaram Auto Components Limited, Chennai | 0.14 | - |
| PT. TVS Motor Company Indonesia, Jakarta | 376.93 | 187.33 |
| TVS Credit Services Limited, Chennai | 4.72 | 7.48 |
| The Norton Motorcycle Co. Ltd, UK | 6.61 | - |
| TVS Digital Pte Limited, Singapore | 6.66 | 3.96 |
| - Associate / joint venture | | |
| Emerald Haven Realty Limited, Chennai | 5.78 | 4.15 |
| Tagbox Solutions Private Limited, Bengaluru | 0.16 | - |
| (ii) Trade payables | | |
| - Holding company (Sundaram-Clayton Limited, Chennai) | 7.97 | 38.30 |
| - Subsidiary companies | | |
| Sundaram Auto Components Limited, Chennai | - | 5.44 |
| TVS Motor (Singapore) Pte Limited, Singapore | 4.03 | 6.85 |
| - Associate / joint venture | | |
| Tagbox Solutions Private Limited, Bengaluru | - | 0.32 |
| - Associate / joint venture of holding / ultimate holding / subsidiary / fellow subsidiary company | | |
| Predictronics Corporation, USA | 0.07 | - |
| - Enterprises in which directors are interested | | |
| Dua Consulting Private Limited, Delhi | 0.32 | 0.26 |
| McCann-Erickson (India) Private Limited, Delhi | 0.32 | - |
| TV Sundram Iyengar & Sons Private Limited, Madurai | 0.03 | - |
| Lakshmi Energy and Environment Design Private Limited, Coimbatore | 0.06 | - |
| (iii) Guarantees issued | 123.26 | 151.58 |

The transactions with related parties are made on terms equivalent to those that prevail in arm's length transactions. Outstanding balances at the year end are unsecured and settlement occurs in cash.

## Notes to the Financial Statements – *(continued)*

Rupees in crores

### 35 REVENUE FROM CONTRACTS WITH CUSTOMERS

A 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 :

| Sl. No. | Particulars | For the year ended 31-03-2023 | For the year ended 31-03-2022 |
|---|---|---|---|
| **(a)** | **Type of goods or service** | | |
| (i) | Two wheelers | 21,243.75 | 16,261.63 |
| (ii) | Three wheelers | 1,989.90 | 1,731.48 |
| (iii) | Parts and accessories | 2,705.13 | 2,368.03 |
| (iv) | Technical / IT Services | 61.26 | 67.03 |
| (v) | Royalty | 8.02 | 8.67 |
| | | 26,008.06 | 20,436.84 |
| **(b)** | **Geographical markets** | | |
| (i) | Domestic | 18,862.57 | 13,076.36 |
| (ii) | Exports | 7,145.49 | 7,360.48 |
| | | 26,008.06 | 20,436.84 |

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

C Reconciliation of contracts with customers:

Movement of contract liabilities for the reporting period given below:

| Particulars | For the year ended 31-03-2023 | For the year ended 31-03-2022 |
|---|---|---|
| Contract Liabilities at the beginning of the period | 147.64 | 143.90 |
| Add / (Less): | | |
| Consideration received during the year as advance | 154.70 | 147.64 |
| Revenue recognized from contract liability | (147.64) | (143.90) |
| Contract Liabilities at the end of the period | 154.70 | 147.64 |

Payment is 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.

D Transaction price allocated to the remaining performance obligations:

The Company's contracts with customers are short term (i.e., the performance obligations are expected to be met within one year or less).Therefore, taking the practical expedient, the details on transaction price allocated to the remaining performance obligations are not disclosed.

E Reconciliation of revenue with contract price:

| Sl. No. | Particulars | For the year ended 31-03-2023 | For the year ended 31-03-2022 |
|---|---|---|---|
| (i) | Contract price | 26,871.83 | 21,095.07 |
| (ii) | Adjustments : | | |
| | Incentive schemes | 450.97 | 335.25 |
| | Transport cost | 412.80 | 322.98 |
| (iii) | Revenue from sale of products / services (refer Note 21) | 26,008.06 | 20,436.84 |





TVS MOTOR COMPANY LIMITED

STANDALONE FINANCIAL STATEMENTS OF TVS MOTOR COMPANY LIMITED

## Notes to the Financial Statements – *(continued)*

Rupees in crores

| | As at/ Year ended 31-03-2023 | As at/ Year ended 31-03-2022 |
|---|---|---|
| **36 EARNINGS PER SHARE** | | |
| Profit after tax | 1,491.03 | 893.56 |
| Number of equity shares | 47,50,87,114 | 47,50,87,114 |
| Face value of the share (in rupees) | 1.00 | 1.00 |
| Weighted average number of equity shares | 47,50,87,114 | 47,50,87,114 |
| Basic and diluted earnings per share for continued operations (in rupees) | 31.38 | 18.81 |
| Basic and diluted earnings per share for discontinued operations (in rupees) | - | - |
| Basic and diluted earnings per share for continued and discontinued operations (in rupees) | 31.38 | 18.81 |
| **37 WARRANTY PROVISION** | | |
| Opening balance | 41.32 | 48.88 |
| Add: Provision for the year (net) | 55.11 | 41.32 |
| | 96.43 | 90.20 |
| Less: Payments / debits (net) | 41.32 | 48.88 |
| Closing balance | 55.11 | 41.32 |
| **38 DISCLOSURE UNDER MICRO, SMALL AND MEDIUM ENTERPRISES DEVELOPMENT ACT, 2006** | | |
| Trade payable pertaining to dues to Micro and Small enterprises (all are within agreed credit period and not due for payment) [Refer Note 18] | 45.42 | 56.85 |
| (i) The principal amount and interest due thereon remaining unpaid to any supplier as at the end of each accounting year. | Nil | Nil |
| (ii) 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 |
| (iii) 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 |
| (iv) The amount of interest accrued and remaining unpaid at the end of each accounting year. | Nil | Nil |
| (v) 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 |
| **39 PAYMENT TO AUDITORS COMPRISES** | | |
| As statutory auditors | 0.85 | 0.85 |
| Taxation matters | 0.20 | 0.20 |
| Certification matters | 0.10 | 0.10 |
| | 1.15 | 1.15 |
| Miscellaneous expenses include travel and stay expenses of auditors | 0.05 | 0.05 |
| | 1.20 | 1.20 |

Notes to the Financial Statements – *(continued)*

Rupees in crores

| | As at/ Year ended 31-03-2023 | As at/ Year ended 31-03-2022 |
|---|---|---|
| **40 CONTINGENT LIABILITIES AND COMMITMENTS NOT PROVIDED FOR** | | |
| (a) Claims against the company not acknowledged as debts: | | |
| (i) Excise | 52.44 | 53.05 |
| (ii) Service tax | 0.95 | 0.95 |
| (iii) Customs | 39.27 | 40.63 |
| (iv) Sales tax | 2.00 | 2.00 |
| (v) Income tax | 53.24 | 53.24 |
| 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. | | |
| (b) Other money for which the Company is contingently liable: | | |
| On bills discounted with banks | 146.91 | 246.24 |
| (c) Commitments: | | |
| (i) Estimated amount of contracts remaining to be executed on capital account and not provided for | 259.85 | 186.94 |
| (ii) On Investments | 3.90 | 3.60 |

## 41 LEASES

### COMPANY AS A LESSEE

The Company has taken land, warehouses and sales offices across the country on lease for lease period ranging from 6-99 years. Company also has other assets on leases, the lease term here ranges from 2-9 Years.

Wherever the lease includes extension option and it is reasonably certain to exercise that option, the same is considered for computing the lease term. In other cases, the term is limited to initial lease period. Lease term includes non-cancellable period and expected lease period.

Payment made towards short term leases during the year is ₹ 45.34 Cr (Previous year: ₹ 37.82 Cr)

Payment made towards Low value assets during the year is Nil (Previous year: Nil)

Payment relating to leases are disclosed in Cash flow statement

Income from sub-leasing of Right of use asset is ₹ 7.47 Cr. (Previous year: ₹ 7.08 Cr.)

## 42 ADDITIONAL REGULATORY DISCLOSURES AS PER SCHEDULE III OF COMPANIES ACT, 2013

(i) 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.

(ii) The Company does not have any investment property.

(iii) As per the Company's accounting policy, Property, Plant and Equipment (including Right of Use Assets) and intangible assets are carried at historical cost (less accumulated depreciation & impairment, if any), hence the revaluation related disclosures required as per Additional Regulatory Information of Schedule III (revised) to the Companies Act, is not applicable.

(iv) 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.



TVS MOTOR COMPANY LIMITED

STANDALONE FINANCIAL STATEMENTS OF TVS MOTOR COMPANY LIMITED

Notes to the Financial Statements – *(continued)*

## 42 ADDITIONAL REGULATORY DISCLOSURES AS PER SCHEDULE III OF COMPANIES ACT, 2013 - *(continued)*

(v) 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.

(vi) The Company has sanctioned facilities from banks on the basis of security of current assets. The periodic returns filed by the Company with such banks are in agreement with the books of accounts of the Company.

(vii) The Company has adhered to debt repayment and interest service obligations on time. "Wilful defaulter" related disclosures required as per Additional Regulatory Information of Schedule III (revised) to the Companies Act, is not applicable.

(viii) There are no transactions with the Companies whose name were struck off under section 248 of The Companies Act, 2013 or section 560 of Companies Act, 1956 during the year ended 31 March 2023.

(ix) 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 31st March 2023.

(x) 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.

(xi) No scheme of arrangement has been approved by the competent authority in terms of Section 230 to 237 of the Companies Act, 2013.

(xii) 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"

(xiii) The Company has not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Company shall:

(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"

(xiv) The Company has not operated in any crypto currency or Virtual Currency transactions

(xv) 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.

Notes to the Financial Statements – *(continued)*

43 DISCLOSURE MADE IN TERMS OF REGULATION 34(3) OF THE LISTING REGULATIONS

Rupees in crores

| Sl. No. | Particulars | Name of the company | | Amount outstanding as at 31-03-2023 | Amount outstanding as at 31-03-2022 |
|---|---|---|---|---|---|
| (a) | Investments by the Company | | | | |
| (i) | In subsidiary companies | Sundaram Auto Components Limited, Chennai<br>[4,45,69,000 (last year-4,45,69,000) Equity shares of ₹ 10/- each fully paid up]<br>Maximum amount held at any time | | 336.20 | 336.20 |
| | | During the year | 336.20 | | |
| | | During the previous year | 336.20 | | |
| | | TVS Housing Limited, Chennai<br>[50,000 (last year - 50,000) Equity shares of ₹ 10/- each fully paid up]<br>Maximum amount held at any time | | 0.05 | 0.05 |
| | | During the year | 0.05 | | |
| | | During the previous year | 0.05 | | |
| | | TVS Motor Services Limited, Chennai<br>[14,96,33,814 (last year -14,96,33,814) Equity shares of ₹ 10/- each fully paid up]<br>Maximum amount held at any time | | 148.68 | 148.68 |
| | | During the year | 148.68 | | |
| | | During the previous year | 148.68 | | |
| | | TVS Motor Services Limited, Chennai<br>[5,00,00,000 (last year -Nil) Preference shares of ₹ 10/- each fully paid up]<br>Maximum amount held at any time | | 50.00 | - |
| | | During the year | 50.00 | | |
| | | During the previous year | - | | |
| | | TVS Credit Services Limited, Chennai<br>[19,54,24,754 (last year - 16,83,97,728) Equity shares of ₹ 10/- each fully paid up]<br>Maximum amount held at any time | | 1,960.99 | 1,460.99 |
| | | During the year | 1,960.99 | | |
| | | During the previous year | 1,460.99 | | |
| | | TVS Motor Company (Europe) B.V., Amsterdam<br>[2,25,301 (last year- 2,25,301) Ordinary shares of Euro 100/- each fully paid up]<br>Maximum amount held at any time | | 1.80 | 1.80 |
| | | During the year | 1.80 | | |
| | | During the previous year | 1.80 | | |
| | | TVS Motor (Singapore) Pte. Limited, Singapore<br>[42,01,55,810 (last year 39,69,03,850) Ordinary shares of Singapore $ 1/- each fully paid up]<br>Maximum amount held at any time | | 2466.53* | 1912.81* |
| | | During the year | 2,466.53 | | |
| | | During the previous year | 1,912.81 | | |
| | | (* - Including share application money pending allotment) | | | |



TVS MOTOR COMPANY LIMITED

STANDALONE FINANCIAL STATEMENTS OF TVS MOTOR COMPANY LIMITED

Notes to the Financial Statements – *(continued)*

43 DISCLOSURE MADE IN TERMS OF REGULATION 34(3) OF THE LISTING REGULATIONS - *(continued)*

Rupees in crores

| Sl. No. | Particulars | Name of the company | | Amount outstanding as at 31-03-2023 | Amount outstanding as at 31-03-2022 |
|---|---|---|---|---|---|
| | | PT. TVS Motor Company Indonesia, Jakarta<br>[85,97,000 Equity shares (last year - 85,97,000) of Indonesian Rp.97,400/- each fully paid up]<br>Maximum amount held at any time | | 389.06 | 389.06 |
| | | During the year | 389.06 | | |
| | | During the previous year | 389.06 | | |
| | | Intellicar Telematics Private Limited, Bengaluru<br>[Nil Equity shares (last year - 60,241) of ₹ 10/- each fully paid up]<br>Maximum amount held at any time | | - | 15.00 |
| | | During the year | 15.00 | | |
| | | During the previous year | 15.00 | | |
| | | Intellicar Telematics Private Limited, Bengaluru<br>[Nil Preference shares (last year - 30,121) of ₹ 10/- each fully paid up]<br>Maximum amount held at any time | | - | 8.14 |
| | | During the year | 8.14 | | |
| | | During the previous year | 8.14 | | |
| | | TVS Electric Mobility Ltd, Chennai<br>[10,00,000 (last year -10,00,000) Equity shares of ₹ 10/- each fully paid up]<br>Maximum amount held at any time | | 1.00 | 1.00 |
| | | During the year | 1.00 | | |
| | | During the previous year | 1.00 | | |
| (ii) | in associate companies | Emerald Haven Realty Limited, Chennai,<br>[11,12,19,512 (last year - 11,12,19,512) Equity shares of ₹ 10/- each fully paid up]<br>Maximum amount held at any time | | 111.22 | 111.22 |
| | | During the year | 111.22 | | |
| | | During the previous year | 111.22 | | |
| | | Ultraviolette Automotive Private Limited, Bengaluru<br>[14,850 (last year-14,850) Equity shares of ₹ 10/- each fully paid up]<br>Maximum amount held at any time | | 11.00 | 11.00 |
| | | During the year | 11.00 | | |
| | | During the previous year | 11.00 | | |

Notes to the Financial Statements – *(continued)*

43 DISCLOSURE MADE IN TERMS OF REGULATION 34(3) OF THE LISTING REGULATIONS - *(continued)*

Rupees in crores

| Sl. No. | Particulars | Name of the company | | Amount outstanding as at 31-03-2023 | Amount outstanding as at 31-03-2022 |
|---|---|---|---|---|---|
| (ii) | in associate companies - *(continued)* | Ultraviolette Automotive Private Limited, Bengaluru | | 5.00 | 5.00 |
| | | [990(last year - 990) Preference shares of ₹ 50,545/- each fully paid up] | | | |
| | | Maximum amount held at any time | | | |
| | | During the year | 5.00 | | |
| | | During the previous year | 5.00 | | |
| | | (7387 (last year - 7387) Preference shares of ₹ 40,616/- each fully paid up] | | 30.00 | 30.00 |
| | | Maximum amount held at any time | | | |
| | | During the year | 30.00 | | |
| | | During the previous year | 30.00 | | |
| | | [3939 (last year - 3939) Preference shares of ₹ 1,90,384/- each fully paid up] | | 75.00 | 75.00 |
| | | Maximum amount held at any time | | | |
| | | During the year | 75.00 | | |
| | | During the previous year | 75.00 | | |
| | | Tagbox Solutions Private Limited, Bengaluru | | 1.19 | 1.19 |
| | | [45,710 (last year - 45,710) Equity shares of ₹ 1 each fully paid] | | | |
| | | Maximum amount held at any time | | | |
| | | During the year | 1.19 | | |
| | | During the previous year | 1.19 | | |
| | | Tagbox Solutions Private Limited, Bengaluru | | 9.99 | 9.99 |
| | | [383,983 (last year - 383,983) Preference shares of ₹ 16 each fully paid] | | | |
| | | Maximum amount held at any time | | | |
| | | During the year | 9.99 | | |
| | | During the previous year | 9.99 | | |
| | | DriveX Mobility Private Limited, Coimbatore | | 87.17 | - |
| | | [9766 (last year - nil) Equity shares of ₹ 10 each fully paid] | | | |
| | | Maximum amount held at any time | | | |
| | | During the year | 87.17 | | |
| | | During the previous year | - | | |
| (b) | Investments by the holding company | Sundaram-Clayton Limited, Chennai holds 23,87,82,786 (last year 23,87,82,786) Equity shares of ₹ 1/- each fully paid up | | 17.15 | 17.15 |
| | | Maximum amount held at any time | | | |
| | | During the year | 17.15 | | |
| | | During the previous year | 17.15 | | |



TVS MOTOR COMPANY LIMITED
STANDALONE FINANCIAL STATEMENTS OF TVS MOTOR COMPANY LIMITED

Notes to the Financial Statements – *(continued)*

Rupees in crores

44 DETAILS OF LOANS GIVEN, INVESTMENTS MADE AND GUARANTEES GIVEN

(Disclosure as per Section 186 of the Companies Act, 2013)

(a) Investments made - Refer Note No. 3.

(b) Guarantee issued towards credit facility / business purpose - Refer Note No. 34 b(ix)

45 CORPORATE SOCIAL RESPONSIBILITY

Expenditure incurred on Corporate Social Responsibility (CSR) activities:

(a) Gross amount required to be spent during the year is ₹ 18.61 crores (Previous Year : ₹ 16.91 crores).

(b) Amount spent during the year:

| Sl. No. | Particulars | In cash | Yet to be paid in cash | Year ended 31-03-2023 | Year ended 31-03-2022 |
|---|---|---|---|---|---|
| 1 | Construction / acquisition of any asset | – | – | – | – |
| 2 | Other than the above | 19.00 | – | 19.00 | 17.01 |

| Sl. No. | Particulars | Year ended 31-03-2023 | Year ended 31-03-2022 |
|---|---|---|---|
| 1 | Amount required to be spent by the Company during the year | 18.61 | 16.91 |
| 2 | Amount of expenditure incurred | 19.00 | 17.01 |
| 3 | Shortfall at the end of the year | – | – |
| 4 | Total of previous years shortfall | – | – |
| 5 | Reasons for shortfall | Not Applicable | |
| 6 | Details of related party transactions | – | – |
| 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, environment sustainability, social empowerment, infrastructure development and conservation of natural resources; | | |

46 Previous year's figures have been regrouped wherever necessary to conform to the current year's classification.

| | | | |
|---|---|---|---|
| PROF. SIR RALF DIETER SPETH<br>*Chairman*<br>DIN: 03318908 | SUDARSHAN VENU<br>*Managing Director*<br>DIN: 03601690 | K.N.RADHAKRISHNAN<br>*Director &*<br>*Chief Executive Officer*<br>DIN: 02599393 | As per our report annexed<br>For V. Sankar Aiyar & Co.<br>*Chartered Accountants*<br>*Firm Regn. No.: 109208W* |
| | | | S. VENKATARAMAN<br>*Partner*<br>*Membership No.: 023116* |
| Place : Chennai<br>Date : 4th May 2023 | K. GOPALA DESIKAN<br>*Chief Financial Officer* | K.S. SRINIVASAN<br>*Company Secretary* | |








# INDEPENDENT AUDITORS' REPORT FOR THE YEAR ENDED 31ST MARCH 2023

## To the members of TVS Motor Company Limited

**Report on the Audit of Consolidated Financial Statements**

**Opinion**

We have audited the accompanying consolidated financial statements of TVS Motor Company Limited (hereinafter referred to as the 'Holding Company") and its subsidiaries (Holding Company and its subsidiaries together referred to as "the Group"),and its associates, which comprise the consolidated Balance Sheet as at March 31, 2023, and the consolidated statement of Profit and Loss,(including Other Comprehensive Income), the consolidated statement of changes in equity and the consolidated cash flows statement for the year then ended, and notes to the consolidated financial statements, including a summary of significant 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("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 consolidated state of affairs of the Group, its associates as at March 31, 2023, and its consolidated profit, its consolidated total comprehensive income, its consolidated changes in equity and its consolidated cash flows for the year then ended.

**Basis for Opinion**

We conducted our audit of the consolidated financial statements in accordance with the Standards on Auditing (SAs) 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 and its associates in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India ("ICAI") together with the ethical requirements that are relevant to our audit of the consolidated financial statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and 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.

**Key Audit Matters**

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

| Key Audit Matter | Principal Audit Procedures |
|---|---|
| **Carrying Value of Goodwill**<br>Management has obtained a valuation report of the Cash Generating Unit, wherein valuers have arrived at a fair value, based on weighted average of the Discounted Cash Flow Method and Comparable Companies Multiples Method. We gained | Management has obtained a valuation report of the Cash Generating Unit, wherein valuers have arrived at a fair value, based on weighted average of the Discounted Cash Flow Method and Comparable Companies Multiples Method. We gained an understanding of the key assumptions used to forecast the cash flows and the discount rates applied Weighted Average Cost of Capital (WACC) as well as the Comparable Companies considered in arriving at the fair value.<br>We consider that the management conclusions concerning the absence of impairment in the goodwill are adequately supported and consistent with the information currently available. |

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

The Holding Company's Board of Directors is responsible for the preparation of 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 and Sustainability Report, Corporate Governance and Shareholder's Information but does not include the Consolidated Financial Statements and our auditors' 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 such other information is materially inconsistent with the Consolidated Financial Statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

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

The Holding Company's Board of Directors is responsible for the preparation and presentation of these consolidated financial statements in term of the requirements of the Act, that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Group including its associates in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act. The respective Board of Directors of the companies included in the Group and of its associates 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 judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring 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 Holding Company, as aforesaid.

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

The respective Board of Directors of the companies included in the Group and of its associates are responsible for overseeing the financial reporting process of the Group and of its associates.

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

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with 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 a 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 risk of material misstatement of 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 of 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 collusions, 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 the management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may significant doubt on the ability of the Group and its associates 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 and its associates to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group and its associates 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 such entities included in the consolidated financial statements of which we are the independent auditors. For the other entities included in the consolidated financial statements, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion. We communicate with those charged with governance of the holding Company and such other entities included in the consolidated financial statements of which we are the independent auditors 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 charges with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current periods 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 / Consolidated financial statements of 10 subsidiaries, whose financial statements reflect total assets of ₹ 5,463.06crores as at 31st March 2023, total revenues of ₹ 5,070.69 crores and net cash flows amounting to ₹ 542.78 crores for the year ended on that date, as considered in the consolidated financial statements. The consolidated financial statements also include the Group's share of net loss of ₹ 32.68 crores for the year ended 31st March 2023, as considered in the consolidated financial statements, in respect of 2 associate. These financial statements / consolidated financial statements have been audited by other auditors whose reports 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 these subsidiaries and Associates and our report in terms of sub-section (3) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiaries, is based solely on the reports of the other auditors.

The subsidiaries located outside India whose financial statements have been prepared in accordance with accounting principles generally accepted in their respective countries. The Holding Company's Management has converted the financial statements of such subsidiaries located outside India from accounting principles generally accepted in their respective countries to Ind AS. We have audited those conversion adjustments made by the Holding Company's Management. Our opinion insofar as it relates to the balances and affairs of such subsidiaries located outside India is based on the report of other auditors and the conversion adjustments prepared by the management of the Holding Company and audited by us.

We did not audit the financial statement / financial information of 15 subsidiaries included in the consolidated financial statement, whose financial statement / financial information reflect total assets of ₹ 4.90crores as at 31st March 2023, total revenues of ₹ 617.53crores and net cash outflows of ₹ 4.40. crores for the year ended on that date, as considered in the consolidated financial statement. The consolidated financial statements also include the Group's share of net loss of ₹ 8.05 crores for the year ended 31st March 2023, as considered in the consolidated financial statements, in respect of 6 associates, whose financial statements / financial information have not been audited by us. This financial statements / financial information are unaudited and 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 these associates, and our report in terms of sub-section (3) of Section 143 of the Act, in so far as it relates to this associates, is based solely on such unaudited financial statements / financial information. In our opinion and according to the information and explanations given to us by the Management, this financial statements / financial information are not material to the Group.

Our opinion on the consolidated financial statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors and the financial statements / financial information certified by the Management.

**Report on Other Legal and Regulatory Requirements**

1. As required by Section 143(3) of the Act, we report, to the extent applicable, that:
   a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements.
   b. In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditors.
   c. The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss including other comprehensive income, the consolidated Statement of Changes in Equity and the Consolidated Cash Flow Statement dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.
   d. In our opinion, the aforesaid consolidated financial statements comply with the Accounting Standards 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 of the Holding Company as on 31st March, 2023, taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors of its subsidiary companies and its associate companies, incorporated in India, none of the directors of the Group companies, its associate companies incorporated in India is disqualified as on 31st March, 2023, from being appointed as a director in terms of Section 164(2) of the Act.
   f. With respect to the adequacy of internal financial controls over financial reporting of the Group and the operating effectiveness of such controls, refer to our separate report in Annexure.
   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, 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, as amended in our opinion and to the best of our information and according to the explanations given to us:

i. The consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Group (refer note no43).

ii. Provision has been made in the consolidated financial statements, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts;

iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company and its subsidiary companies incorporated in India.

iv. (a) The respective Managements of the Company and its subsidiaries which are companies incorporated in India, whose financial statements have been audited under the Act, have represented to us and to the other auditors of such subsidiary respectively that, to the best of their knowledge and belief, other than as disclosed in the notes to accounts (refer note no 45 (viii) , 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 or any of such subsidiaries 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, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company or any of such subsidiaries ("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 which are companies incorporated in India, whose financial statements have been audited under the Act, have represented to us and to the other auditors of such subsidiary respectively that, to the best of their knowledge and belief, other than as disclosed in the notes to accounts (refer note no 45 (ix) no funds (which are material either individually or in the aggregate) have been received by the Company or any of such subsidiaries from any person or entity, including foreign entity ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company or any of such subsidiaries 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.

(c) Based on the audit procedures that have been considered reasonable and appropriate in the circumstances performed by us on the Company and its subsidiaries which are companies incorporated in India whose financial statements have been audited under the Act, 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 Holding Company has declared dividends and paid the same during the year and until the date of this audit report are in accordance with Section 123 of the Companies Act 2013.

vi. Proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 for maintaining books of account using accounting software which has a feature of recording audit trail (edit log) facility is applicable with effect from April 1, 2023 to the Company and its subsidiaries including associates, which are companies incorporated in India, and accordingly, reporting under Rule 11(g) of Companies (Audit and Auditors) Rules, 2014 is not applicable for the financial year ended March 31, 2023.

2. 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 Company and its subsidiaries 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 V. SANKAR AIYAR & CO
*Chartered Accountants*
*Firm Regn. No.: 109208W*

S. VENKATARAMAN
*Partner*
*Membership No.: 023116*
*UDIN: 23023116BGXEKR6743*

Place : Chennai
Date : 4th May 2023



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## CONSOLIDATED FINANCIAL STATEMENTS OF TVS MOTOR COMPANY LIMITED

## Annexure to the Independent Auditors' Report for the year ended 31st March 2023

## To the members of TVS Motor Company Limited

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

In conjunction with our audit of the consolidated Ind AS financial statements of the Company as of and for the year ended March 31, 2023, we have audited the internal financial controls over financial reporting of TVS Motor Company Ltd ("the Holding Company"), the subsidiary companies and its associate incorporated in India.

**Management's Responsibility for Internal Financial Controls**

The respective Board of Directors of the Holding company, its subsidiary companies and its associate, which are companies incorporated in India, are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (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 the respective 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**

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting 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, 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, 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 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 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 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 the Holding Company, its subsidiary companies and its associate, which are companies incorporated in India, have, 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, 2023, 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 V. SANKAR AIYAR & CO
*Chartered Accountants*
*Firm Regn. No.: 109208W*

S. VENKATARAMAN
*Partner*
*Membership No.: 023116*
*UDIN: 23023116BGXEKR6743*

Place: Chennai
Date : 4th May 2023

## Balance Sheet as at 31st March 2023

Rupees in crores

| | Notes | As at 31-03-2023 | As at 31-03-2022 |
|---|---|---|---|
| ASSETS | | | |
| **Non-current assets** | | | |
| Property, plant and equipment | 2 | 4,177.40 | 4,377.98 |
| Capital work-in-progress | 2 | 315.81 | 320.18 |
| Investment properties | 3 | 137.70 | 137.70 |
| Goodwill on consolidation | | 597.05 | 569.47 |
| Other intangible assets | 2 | 835.88 | 889.49 |
| Intangible assets under development | | 427.64 | 231.35 |
| Financial assets | | | |
| i. Investments | 4 | 364.10 | 109.51 |
| ii. Loans (receivable from financing activity) | 5 | 10,321.42 | 6,716.45 |
| iii. Other financial assets | 6 | 192.93 | 124.14 |
| Investments accounted using equity method | 7 | 411.23 | 364.82 |
| Non-current tax assets (Net) | | 27.60 | 49.60 |
| Deferred tax assets | 8 | 305.73 | 217.88 |
| Other non-current assets | 9 | 111.19 | 130.46 |
| | | 18,225.68 | 14,239.03 |
| **Current assets** | | | |
| Inventories | 10 | 1,921.51 | 1,642.36 |
| Financial assets | | | |
| i. Investments | 4 | 191.92 | 130.23 |
| ii. Trade receivables | 11 | 1,232.20 | 1,177.30 |
| iii. Loans (receivable from financing activity) | 5 | 10,225.16 | 7,299.25 |
| iv. Cash and cash equivalents | 12 | 1,851.19 | 1,445.68 |
| v. Bank balances other than (iv) above | 13 | 27.92 | 89.93 |
| vi. Other financial assets | 14 | 224.21 | 131.62 |
| Current tax assets (Net) | | 4.56 | 1.42 |
| Other current assets | 15 | 1,328.56 | 969.84 |
| | | 17,007.23 | 12,887.63 |
| Total assets | | 35,232.91 | 27,126.66 |
| EQUITY AND LIABILITIES | | | |
| **Equity** | | | |
| Equity share capital | 16 | 47.51 | 47.51 |
| Other equity | 17 | 5,457.49 | 4,351.94 |
| Equity attributable to owners | | 5,505.00 | 4,399.45 |
| Non-controlling interest | | 404.85 | 653.56 |
| | | 5,909.85 | 5,053.01 |
| **Liabilities** | | | |
| **Non-current liabilities** | | | |
| Financial liabilities | | | |
| i. Borrowings | 18 | 9,064.08 | 7,305.77 |
| ii. Lease Liabilities | | 563.51 | 403.05 |
| iii. Others | | - | 9.85 |
| Provisions | 19 | 231.26 | 196.24 |
| Deferred tax liabilities (Net) | 20 | 208.37 | 207.56 |
| Other non current liabilities | | 37.14 | 44.88 |
| | | 10,104.36 | 8,167.35 |
| **Current liabilities** | | | |
| Financial liabilities | | | |
| i. Borrowings | 21 | 12,562.15 | 7,991.51 |
| ii. Lease Liabilities | | 185.84 | 126.88 |
| iii. Trade payables | 22 | | |
| a. Total outstanding dues of micro and small enterprises | | 75.83 | 69.78 |
| b. Total outstanding dues of other than (iii) (a) above | | 5,020.84 | 4,593.35 |
| iv. Other financial liabilities | 23 | 355.60 | 325.71 |
| Other current liabilities | 24 | 886.65 | 691.65 |
| Provisions | 19 | 115.74 | 107.42 |
| Current tax liabilities | | 16.05 | - |
| | | 19,218.70 | 13,906.30 |
| Total liabilities | | 29,323.06 | 22,073.65 |
| Total equity and liabilities | | 35,232.91 | 27,126.66 |
| Significant accounting policies | 1 | | |
| See the accompanying notes to the financial statements | | | |

PROF. SIR RALF DIETER SPETH
*Chairman*
DIN: 03318908

SUDARSHAN VENU
*Managing Director*
DIN: 03601690

K.N.RADHAKRISHNAN
*Director &*
*Chief Executive Officer*
DIN: 02599393

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

S. VENKATARAMAN
*Partner*
*Membership No.: 023116*

Place : Chennai
Date : 4th May 2023

K. GOPALA DESIKAN
*Chief Financial Officer*

K.S. SRINIVASAN
*Company Secretary*





TVS MOTOR COMPANY LIMITED

CONSOLIDATED FINANCIAL STATEMENTS OF TVS MOTOR COMPANY LIMITED

## Statement of Profit and Loss for the year ended 31st March 2023

Rupees in crores

| | | Notes | Year ended 31-03-2023 | Year ended 31-03-2022 |
|---|---|---|---|---|
| I | Revenue from operations | 25 | 31,973.99 | 24,355.31 |
| II | Other income | 26 | 138.00 | 32.87 |
| III | Total Income (I +II) | | 32,111.99 | 24,388.18 |
| IV | Expenses: | | | |
| | Cost of material consumed | 27 | 20,093.26 | 15,938.65 |
| | Purchase of stock in trade | 27 | 890.95 | 579.04 |
| | Changes in inventories of finished goods, Stock-in -trade and work-in-progress | 27 | (140.93) | (260.40) |
| | Employee benefits expense | 28 | 2,890.25 | 2,124.62 |
| | Finance costs | 29 | 1,367.89 | 940.22 |
| | Depreciation and amortisation expense | 30 | 858.86 | 742.86 |
| | Other expenses | 31 | 4,173.08 | 3,218.77 |
| | Total expenses | | 30,133.36 | 23,283.76 |
| V | Profit before exceptional items, share of net profit / (loss) from associates and tax (III - IV) | | 1,978.63 | 1,104.42 |
| VI | Share of net profit / (loss) from associates using equity method | | (40.73) | 2.49 |
| VII | Profit before exceptional items and tax (V + VI) | | 1,937.90 | 1,106.91 |
| VIII | Exceptional items | | (1.87) | (40.12) |
| IX | Profit before tax (VII + VIII) | | 1,936.03 | 1,066.79 |
| X | Tax expense | 32 | | |
| | i) Current tax | | 703.46 | 364.55 |
| | ii) Deferred tax | | (76.89) | (28.64) |
| | Total tax expenses (i + ii) | | 626.57 | 335.91 |
| XI | Profit for the year (IX - X) | | 1,309.46 | 730.88 |
| XII | (Profit) / Loss attributable to non-controlling Interest | | 19.21 | 25.94 |
| XIII | Profit for the year attributable to owners (XI + XII) | | 1,328.67 | 756.82 |
| XIV | Other comprehensive income | | | |
| | *A. Items that will not be reclassified to profit or loss:* | | | |
| | Remeasurements of post employment benefit obligations | | (27.62) | (85.33) |
| | Change in fair value of equity instruments | | (13.49) | 0.72 |
| | Share of other comprehensive income of an associate | | (0.03) | (0.29) |
| | Income tax relating to these items | | 10.38 | 18.53 |
| | *B. Items that will be reclassified to profit or loss:* | | | |
| | Fair value changes on cash flow hedges | | 16.85 | 43.26 |
| | Foreign currency translation adjustments | | 78.17 | 36.87 |
| | Income tax relating to these items | | (4.98) | (10.87) |
| | Other comprehensive income for the year, net of tax (XIV) | | 59.28 | 2.89 |
| XV | Other comprehensive income attributable to non-controlling interest | | 23.29 | 14.66 |
| XVI | Other comprehensive income attributable to owners (XIV - XV) | | 35.99 | (11.77) |
| XVII | Total comprehensive income attributable to owners (XIII +XVI) | | 1,364.66 | 745.05 |
| XVIII | Earnings per equity share (Face value of Re.1/- each) | | | |
| | Basic & Diluted earnings per share (in rupees) | 41 | 27.97 | 15.93 |
| Significant accounting policies | | 1 | | |
| See the accompanying notes to the financial statements | | | | |

PROF. SIR RALF DIETER SPETH
*Chairman*
DIN: 03318908

SUDARSHAN VENU
*Managing Director*
DIN: 03601690

K.N.RADHAKRISHNAN
*Director &*
*Chief Executive Officer*
DIN: 02599393

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

S. VENKATARAMAN
*Partner*
*Membership No.: 023116*

Place : Chennai
Date : 4th May 2023

K. GOPALA DESIKAN
*Chief Financial Officer*

K.S. SRINIVASAN
*Company Secretary*

## CONSOLIDATED FINANCIAL STATEMENTS OF TVS MOTOR COMPANY LIMITED

### Statement of changes in Equity

Rupees in crores

a Equity Share Capital

| | |
|---|---|
| As at 01-04-2021 | 47.51 |
| Changes in Equity Share capital due to prior period errors | – |
| Restated balance as at 01-04-2021 | 47.51 |
| Changes in equity share capital during the year | – |
| As at 31-03-2022 | 47.51 |
| Changes in Equity Share capital due to prior period errors | – |
| Restated balance as at 01-04-2022 | 47.51 |
| Changes in equity share capital during the year | – |
| As at 31-03-2023 | 47.51 |

b Other Equity

| Particulars | Reserves & Surplus | | | | Other Reserves | | | Non Controlling interest | Total |
|---|---|---|---|---|---|---|---|---|---|
| | General reserve | Capital reserve | Statutory reserve | Retained earnings | Equity Instruments Fair Valued through Other Comprehensive Income | Foreign currency translation reserve | Hedging reserve | | |
| Balance as at 31-03-2021 | 876.24 | 6.51 | 92.51 | 2,707.36 | 95.77 | 25.51 | (24.80) | 387.90 | 4,167.00 |
| Add: Profit for the year 2021-22 | - | - | - | 756.82 | - | - | - | (25.94) | 730.88 |
| Add: Other comprehensive income for the year 2021-22 | - | - | - | (58.04) | (2.12) | 26.82 | (4.61) | 8.71 | (29.24) |
| Add: Share of OCI from associates, net of tax | - | - | - | (0.26) | - | - | - | - | (0.26) |
| Less: Reclassification to profit or loss, net of tax | - | - | - | - | - | - | (24.80) | - | (24.80) |
| Less: Change in fair value of hedging instruments, net of tax | - | - | - | - | - | - | (7.59) | - | (7.59) |
| Add: Transfer of realised gain | - | - | | 80.94 | (80.94) | - | - | - | - |
| Add: Transfer from Retained earnings to Statutory reserve | - | - | 20.34 | (20.34) | - | - | - | - | - |
| Add: Arising out of business combination | - | - | - | - | - | - | - | 54.40 | 54.40 |
| Transaction in capacity as owners | | | | | | | | | |
| Add: Transactions with non-controlling interest | - | - | 3.81 | (3.81) | - | - | - | 228.49 | 228.49 |
| Less: Distribution to shareholders : | | | | | | | | | |
| 2021-22 Interim dividend declared | - | - | - | 178.16 | - | - | - | - | 178.16 |
| Balance as at 31-03-2022 | 876.24 | 6.51 | 116.66 | 3,284.51 | 12.71 | 52.33 | 2.98 | 653.56 | 5,005.50 |
| Add: Profit for the year 2022-23 | - | - | - | 1,328.67 | - | - | - | (19.21) | 1,309.46 |
| Add: Other comprehensive income for the year 2022-23 | - | - | - | (19.88) | (10.76) | 55.70 | - | 24.20 | 49.26 |
| Add: Share of OCI of an associate, net of tax | - | - | - | (0.03) | - | - | - | - | (0.03) |
| Less: Reclassification to profit or loss, net of tax | - | - | - | - | - | - | 6.02 | - | 6.02 |
| Less: Reclassification to retained earnings, net of tax | - | - | - | (0.41) | - | - | 0.41 | - | - |
| Less: Change in fair value of hedging instruments, net of tax | - | - | - | - | - | - | (16.98) | 0.91 | (16.07) |
| Add: Transfer from retained earnings to statutory reserve | - | - | 77.73 | (77.73) | - | - | - | - | - |
| Less: Non-controlling interests on sale of subsidiary | - | - | - | (65.48) | - | 47.78 | - | 325.01 | 307.31 |
| Add: Non-controlling interests on acquisition of subsidiary | - | - | - | - | - | - | - | (1.33) | (1.33) |
| Transaction in capacity of owners | | | | | | | | | |
| Add : Transactions with non-controlling interest | - | - | (10.80) | (28.47) | - | - | - | 73.55 | 34.28 |
| Less : Distribution to shareholders : | | | | | | | | | |
| 2022-23 Interim dividend paid | - | - | - | 237.54 | - | - | - | - | 237.54 |
| Balance as at 31-03-2023 | 876.24 | 6.51 | 183.59 | 4,315.42 | 1.95 | 60.25 | 13.53 | 404.85 | 5,862.34 |

Nature and purpose of Reserves

1. General reserve is available for distribution to shareholders.
2. Capital reserve:
   - i. On shares forfeited (₹ 55,200) –
   - ii. On surplus arising out of amalgamation 6.51
   - 6.51
3. Statutory Reserve has been created pursuant to Section 45 - IC of the RBI Act,1934. Owners portion of Statutory Reserve created in subsidiary shown above after becoming subsidiary.
4. Hedging Reserve - Refer Note No. 35(D)

PROF. SIR RALF DIETER SPETH
*Chairman*
DIN: 03318908

SUDARSHAN VENU
*Managing Director*
DIN: 03601690

K.N.RADHAKRISHNAN
*Director &*
*Chief Executive Officer*
DIN: 02599393

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

S. VENKATARAMAN
*Partner*
*Membership No.: 023116*

Place : Chennai
Date : 4th May 2023

K. GOPALA DESIKAN
*Chief Financial Officer*

K.S. SRINIVASAN
*Company Secretary*





TVS MOTOR COMPANY LIMITED

CONSOLIDATED FINANCIAL STATEMENTS OF TVS MOTOR COMPANY LIMITED

### Cash Flow Statement for the year ended 31st March 2023

Rupees in crores

| | Year ended 31-03-2023 | | Year ended 31-03-2022 | |
|---|---|---|---|---|
| A. Cash flow from operating activities | | | | |
| Net profit before tax | | 1,936.03 | | 1,066.79 |
| Add: | | | | |
| Depreciation and amortisation for the year | 858.86 | | 742.86 | |
| (Profit) on sale of property, plant and equipment (Net) | (2.65) | | (2.47) | |
| (Gain) on fair valuation / sale of investments (Net) | (107.40) | | (0.23) | |
| (Gain) on lease preclosure | (0.01) | | – | |
| Unrealised exchange (gain) / loss | 0.63 | | (5.65) | |
| Net (profit)/ loss from associates using equity method | 40.73 | | (2.49) | |
| Dividend income | (0.02) | | (3.81) | |
| Interest income | (10.99) | | (8.16) | |
| Finance cost [excluding relatable to financial enterprise] | 199.61 | | 158.09 | |
| Provisions | 15.74 | | (25.49) | |
| | | 994.50 | | 852.65 |
| Operating profit before working capital changes | | 2,930.53 | | 1,919.44 |
| Adjustments for: | | | | |
| Loans given by a financial enterprise (Net) | (6,530.88) | | (2,859.50) | |
| Trade receivables | (70.94) | | (142.67) | |
| Inventories | (313.99) | | (274.93) | |
| Other current assets | (358.83) | | (377.95) | |
| Other financial assets | (138.05) | | (90.78) | |
| Trade payables | 517.35 | | 365.66 | |
| Other financial liabilities | (11.55) | | 57.28 | |
| Other current liabilities | 161.07 | | 191.01 | |
| Other non - current assets | 18.33 | | 3.40 | |
| | | (6,727.49) | | (3,128.48) |
| Cash generated from operations | | (3,796.96) | | (1,209.04) |
| Direct taxes paid | | (607.87) | | (366.15) |
| Net cash from operating activities (A) | | (4,404.83) | | (1,575.19) |
| B. Cash flow from investing activities | | | | |
| Purchase of property, plant and equipment, intangible assets, capital work-in-progress, intangibles under development, including capital advances | (1,340.77) | | (969.83) | |
| Proceeds from sale of property, plant and equipment | 21.94 | | 13.58 | |
| Purchase of investments | (265.58) | | (146.80) | |
| Purchase of Investments in associates | (87.17) | | (75.00) | |
| Sale / redemption of investments | - | | 87.44 | |
| Sale of subsidiary | 317.01 | | - | |
| Contribution from non-controlling Interest | 68.80 | | 228.00 | |
| Consideration paid towards business combination | (34.63) | | (619.99) | |
| Interest received | 12.64 | | 7.88 | |
| Dividends received | 0.02 | | 3.81 | |
| | | (1,307.74) | | (1,470.91) |
| Net cash used in investing activities (B) | | (1,307.74) | | (1,470.91) |

## Cash Flow Statement for the year ended 31st March 2023 – *(continued)*

Rupees in crores

| | | Year ended 31-03-2023 | | Year ended 31-03-2022 | |
|---|---|---|---|---|---|
| C. Cash flow from financing activities | | | | | |
| Borrowings: | | | | | |
| Non-current borrowings availed | | 5,467.90 | | 2,733.00 | |
| Current borrowings availed | | 1,119.78 | | 620.34 | |
| Other bank balances | | 62.27 | | (7.24) | |
| Finance cost paid | | (112.08) | | (155.74) | |
| Lease liabilities paid | | (127.98) | | (81.94) | |
| Dividend paid | | (291.81) | | (190.40) | |
| | | | 6,118.08 | | 2,918.02 |
| Net cash from financing activities | (C) | | 6,118.08 | | 2,918.02 |
| Total (A+B+C) | | | 405.51 | | (128.08) |
| Cash and cash equivalents at the beginning of the year | | | 1,445.68 | | 1,573.76 |
| Cash and cash equivalents at the end of the year | | | 1,851.19 | | 1,445.68 |
| D. Net increase / (decrease) in cash and cash equivalents | | | 405.51 | | (128.08) |

Note : The above statement of cash flow is prepared using indirect method.

Change in liability arising from financing activities:

| Particulars | As at 31-03-2022 | Cash flow | Foreign exchange movement | Sale of Subsidiary | Amortisation | As at 31-03-2023 |
|---|---|---|---|---|---|---|
| Non-current borrowings | 11,607.69 | 5,467.90 | (14.09) | (245.15) | 0.51 | 16,816.86 |
| Current borrowings (Excluding overdraft utilisation) | 3,689.59 | 1,119.78 | – | – | – | 4,809.37 |

Non-cash financing and investing activities:

| | 2022-23 | 2021-22 |
|---|---|---|
| Acquisition of right-of-use assets | 328.48 | 301.45 |
| Acquisition of investment | 45.00 | – |

| | | | |
|---|---|---|---|
| PROF. SIR RALF DIETER SPETH<br>*Chairman*<br>DIN: 03318908 | SUDARSHAN VENU<br>*Managing Director*<br>DIN: 03601690 | K.N.RADHAKRISHNAN<br>*Director &*<br>*Chief Executive Officer*<br>DIN: 02599393 | As per our report annexed<br>For V. Sankar Aiyar & Co.<br>*Chartered Accountants*<br>*Firm Regn. No.: 109208W* |
| Place : Chennai<br>Date : 4th May 2023 | K. GOPALA DESIKAN<br>*Chief Financial Officer* | K.S. SRINIVASAN<br>*Company Secretary* | S. VENKATARAMAN<br>*Partner*<br>*Membership No.: 023116* |







## Notes to the Financial Statements

### 1 SIGNIFICANT ACCOUNTING POLICIES

The accounting policies mentioned herein are relating to the consolidated financial statements of TVS Motor Company Limited and its subsidiaries and associates.

#### a) Brief description of the Group

TVS Motor Company Limited (the Company) is a public limited company, incorporated and domiciled in India whose shares are publicly traded. The registered office is located at "Chaitanya", No. 12, Khader Nawaz Khan Road, Nungambakkam, Chennai - 600006, Tamil Nadu, India. The Company together with its subsidiaries and associates (collectively referred to as the "Group") operate in a wide range of activities such as manufacturing of automotive vehicles, automotive components, spare parts & accessories thereof, housing development and financial services.

#### 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 statement has been prepared on the historical cost convention under accrual basis of accounting except for certain 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 2023 have been approved and authorised for issue by the Board of Directors at its meeting held on 4th May 2023.

**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 and its subsidiaries line by line adding together like 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 have been changed where necessary to ensure consistency with the policies adopted by the group.

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.

**Associates**

Associates are all entities over which the group has significant influence but not control or joint control. (This is generally the case where the group holds between 20% and 50% of the voting rights). Investments in associates are accounted for using the equity method of accounting after initially being recognised at cost.

Under the equity method of accounting, the investments are initially recognised at cost and adjusted thereafter to recognise the group's share of the post-acquisition profits or losses of the investee in profit and loss, and the group's share of other comprehensive income of the investee in other comprehensive income. Dividends received or receivable from associates and joint ventures are recognised as a reduction in the carrying amount of the investment.

When the group's share of losses in an investment accounted under equity method equals or exceeds its interest in the entity, including any other unsecured long-term receivables, the group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the other entity.

Unrealised gains on transactions between the group and its associates and joint ventures are eliminated to the extent of the group's interest in these entities. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of investees accounted under equity method have been changed where necessary to ensure consistency with the policies adopted by the group.

The carrying amount of investments accounted under equity method are tested for impairment in accordance with the policy described in note 1(k) below.

## Notes to the Financial Statements - *(continued)*

### 1 SIGNIFICANT ACCOUNTING POLICIES - *(continued)*

The subsidiary companies and associates considered in consolidated financial statements are:

| Sl. No | Name of the Company | Country of incorporation | Proportion of ownership (interest / voting power - %) | | Reporting date |
|---|---|---|---|---|---|
| | | | 2022-23 | 2021-22 | |
| **1** | **Subsidiary Companies:** | | | | |
| a. | Sundaram Auto Components Limited, Chennai | India | 100 | 100 | 31-03-2023 |
| b. | TVS Motor Company (Europe) B.V. Amsterdam | Netherlands | 100 | 100 | 31-03-2023 |
| c. | PT. TVS Motor Company Indonesia, Jakarta | Indonesia | 51.20% direct holding, 31.71% by (d) and 17.09% by (b) | 51.20% direct holding, 31.71% by (d) and 17.09% by (b) | 31-03-2023 |
| d. | TVS Motor (Singapore) Pte. Limited, Singapore | Singapore | 100 | 100 | 31-03-2023 |
| e. | TVS Housing Limited, Chennai | India | 100 | 100 | 31-03-2023 |
| f. | Sundaram Holding USA Inc., Delaware | USA | - | 50.35% by (a) | 31-03-2023 |
| g. | Green Hills Land Holding LLC, South Carolina | USA | - | 100% by (f) | 31-03-2023 |
| h. | Component Equipment Leasing LLC, South Carolina | USA | - | 100% by (f) | 31-03-2023 |
| i. | Sundaram-Clayton USA LLC, South Carolina | USA | - | 100% by (f) | 31-03-2023 |
| j. | Premier Land Holding LLC, South Carolina | USA | - | 100% by (f) | 31-03-2023 |
| k. | TVS Motor Services Limited, Chennai | India | 100 | 100 | 31-03-2023 |
| l. | TVS Credit Services Limited, Chennai | India | 85.63 % direct holding and 0.48% by (k) | 83.70 % direct holding and 0.54% by (k) | 31-03-2023 |
| m. | Harita ARC Services Private Limited, Chennai | India | 100% by (l) | 100% by (l) | 31-03-2023 |
| n. | TVS Two Wheeler Mall Private Limited, Chennai | India | 100% by (l) | 100% by (l) | 31-03-2023 |
| o. | TVS Housing Finance Private Limited, Chennai | India | 100% by (l) | 100% by (l) | 31-03-2023 |
| p. | The Norton Motorcycle Co. Limited, London | United Kingdom | 100% by (d) | 100% by (d) | 31-03-2023 |
| q. | Intellicar Telematics Private Limited, Bengaluru | India | - | 100 | 31-03-2023 |
| r. | TVS Digital Pte Limited, Singapore | Singapore | 100% by (d) | 100% by (d) | 31-03-2023 |
| s. | The GO AG, Zurich | Switzerland | 81.90% by (d) | 80% by (d) | 31-03-2023 |
| t. | EGO Movement Stuttgart, GmbH | Germany | 100% by (s) | 100% by (s) | 31-03-2023 |
| u. | Intellicar (Singapore) Pte Limited, Singapore | Singapore | - | 100% by (q) | 31-03-2023 |
| v. | TVS Electric Mobility Ltd, Chennai | India | 100 | 100 | 31-03-2023 |
| w. | Swiss E-Mobility Group (Holding) AG, Freienbach | Switzerland | 75% by (d) | 75% by (d) | 31-03-2023 |
| x. | Swiss E-Mobility Group (Schweiz) AG, Zurich | Switzerland | 100% by (w) | 100% by (w) | 31-03-2023 |
| y. | Colag E-Mobility GmbH, Germany, Nuremberg | Germany | 100% by (w) | 100% by (w) | 31-03-2023 |
| z. | Alexand'Ro Edouard'O Passion VéloSàrl ("Passion Vélo"), Neuchatel, Switzerland | Switzerland | 100% by (w) | - | 31-03-2023 |
| aa. | EBCO Limited, Warwickshire, England | United Kingdom | 70% by (d) | - | 31-03-2023 |
| ab. | Celerity Motor GmbH, Germany | Germany | 100% by (d) | - | 31-03-2023 |
| **2** | **Associate Companies:** | | | | |
| ac. | Emerald Haven Realty Limited, Chennai | India | 43.54 | 48.8 | 31-03-2023 |
| ad. | Ultraviolette Automotive Private Limited, Bengaluru | India | 28.66 | 31.33 | 31-03-2023 |
| ae. | Tagbox Solutions Private Limited, Bengaluru | India | 23.5 | 23.5 | 31-03-2023 |
| af. | Tagbox Pte Ltd, Singapore | Singapore | 24.32% by (r) | 24.32% by (r) | 31-03-2023 |
| ag. | Predictronics Corp, USA | USA | 23.49% by (r) | 23.49% by (r) | 31-03-2023 |
| ah. | Scienaptic Systems Inc., USA | USA | 21.03% by (r) | 21.72% by (r) | 31-03-2023 |
| ai. | Altizon Inc, USA | USA | 20.0% by (r) | 20.0% by (r) | 31-03-2023 |
| aj. | Drive-X Mobility Private Limited, Coimbatore (Formerly known as NKars Mobility Millennial Solutions Private Limited) | India | 48.27 | - | 31-03-2023 |





TVS MOTOR COMPANY LIMITED

CONSOLIDATED FINANCIAL STATEMENTS OF TVS MOTOR COMPANY LIMITED

Notes to the Financial Statements - *(continued)*

1 SIGNIFICANT ACCOUNTING POLICIES - *(continued)*

#### 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 judgements

The areas involving critical estimates or judgments are:

i) Estimation of useful life of Property, Plant and Equipment - Refer Note 1(f) and 1(g).

ii) Estimation of fair value of unlisted securities - (Refer Note 33).

iii) Estimation of impairment of goodwill. (Refer Note 37)

iv) Defined benefit obligation - (Refer Note 38).

v) Estimation of provision (Refer Note 42).

vi) Estimation and evaluation of provisions and contingencies relating to tax litigations (Refer Note 43(a))

#### e) Revenue recognition

Sale of automotive vehicles, parts and automotive components

Revenue is recognised when the performance obligations are satisfied and the control of the goods is transferred, being when the goods are delivered as per the relevant terms of the contract at which point in time, the Group has a right to payment for the goods, customer has possession and legal title to the goods, customer bears significant risk and rewards of ownership and the customer has accepted the goods or the Group has objective evidence that all criteria for acceptance have been satisfied.

Payment for the sale is made as per the credit terms in the agreements with the customers. The credit period is generally short term, thus there is no significant financing component.

The Group's contracts with customers does not provide for any right to returns, refunds or similar obligations. The Group's obligation to repair or replace faulty products under standard warranty terms is recognised as a provision (Refer Note 42).

Sale of services

The Group also earns revenue from providing Technical/IT services and Royalty on usage of Group's technical knowhow. In respect of Technical/IT service, the revenue is recognised on a time proportion basis as the customer simultaneously receives and consumes the benefits as the obligations are performed. Payment for the services provided are received as per the credit terms agreed with the customers. The credit period is generally short term, and thus there is no significant financing component.

In respect of Royalty, the performance obligation is, to provide the right-to-use the Group's technical knowhow by the customers, for which usage-based royalty is charged. Payment for the services provided is received as per the credit terms as agreed with the customers. The credit period is generally short term, and thus there is no significant financing component.

Revenue from financing

Interest income for loans [other than Purchase of Originally Credit Impaired (POCI)] is recognised using the Effective Interest Rate (EIR) method.

Notes to the Financial Statements - *(continued)*

1 SIGNIFICANT ACCOUNTING POLICIES - *(continued)*

For financial assets that are not "POCI" but have subsequently become credit-impaired (or 'stage-3'), for which interest revenue is calculated by applying the effective interest rate to their amortised cost (i.e. net of the expected credit loss provision).

Income in the nature of overdue interest, and bounce charges are recognized on realization, due to uncertainty of collection.

Significant judgements

There are no significant judgements made by the Group in determining the timing of satisfaction of performance obligation. It is determined as per the terms of the contract. In case of multiple performance obligations, the Group uses the adjusted market assessment approach to allocate the transaction price between multiple performance obligations. If a discount is granted, the same is adjusted against the transaction price of the contract.

f) Property, Plant and Equipment

Property, plant and equipment (including land, building, furniture, fixtures, vehicles, etc.) are held for use in the production or supply of goods or services, or for administrative purposes. Freehold Land is carried at historical cost. All other items of Property, Plant and Equipment are stated at cost of acquisition or construction less accumulated depreciation / amortization and impairment, if any. Such assets are classified to the appropriate categories of property, plant and equipment when completed and ready for its intend use. Cost includes purchase price, taxes and duties, labour cost and directly attributable overheads incurred upto the date the asset is ready for its intended use. However, cost excludes Goods and Services Tax to the extent credit of the duty or 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 Group and the cost of the item can be measured reliably. The carrying amount of any component accounted for as separate asset is derecognized when replaced. All other repairs and maintenance are charged to profit and 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.

g) Depreciation and amortization

i) 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.

ii) Keeping in mind the rigorous and periodic maintenance programme followed by the Group, the estimated useful life of the property, plant and equipment as assessed by the Chartered Engineer and followed by the Group is given below:

| Description | Years |
|---|---|
| Factory building and other buildings | 5 to 61 |
| Plant and machinery | 4 to 29 |
| Electrical equipment | 15 |
| Furniture and fixtures | 4 to 10 |
| Computers and information systems | 3 to 4 |
| Material handling equipment | 5 |
| Mobile phone | 2 |
| Vehicles | 3 to 6 |





TVS MOTOR COMPANY LIMITED

CONSOLIDATED FINANCIAL STATEMENTS OF TVS MOTOR COMPANY LIMITED

Notes to the Financial Statements - *(continued)*

1 SIGNIFICANT ACCOUNTING POLICIES - *(continued)*

iii) Tools and dies are generally depreciated based on quantity of components manufactured, subject to a maximum of 5 years. Tools and dies used for low volume models are depreciated over a period of 9 years

iv) Residual values and useful lives are reviewed, and adjusted, if appropriate, for each reporting period.

v) On property, plant and equipment added / disposed of during the year, depreciation is charged on pro-rata basis from the date of addition / till the date of disposal.

vi) Depreciation in respect of property, plant and equipment costing less than ₹ 5,000/- is provided at 100%.

h) Investment properties

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 cost where applicable, borrowing cost. Subsequent expenditure is capitalised 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 is measured reliably.

i) Intangible assets

Goodwill

Goodwill on acquisition of business is included in intangible assets. Goodwill is not amortised but 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, if any.

Goodwill is allocated to the cash generating units for the purpose of impairment testing. The allocation is made to those cash generating units or group of cash generating units that are expected to benefit from the business combination in which the goodwill arose. The units or group of units are identified at the lowest level at which goodwill is monitored for internal management purposes, which in our cases are the cash generating units.

Other intangible assets

Intangible assets acquired separately:

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 - research and development expenditure:

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 34 - 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., 2 years in the case of software, 8 years in case of acquired brand and trademark and 6 to 10 years in the case of Design, Development and Technical knowhow.

j) Loans (receivable from financing activity)

The Loans (receivable from financing activity) are stated at the contract value plus transaction costs less origination income that are directly attributable to the acquisition of the loan. Interest income is recognised using the Effective Interest Rate (EIR) method. Loans are stated at carrying value less impairment loss.

k) Impairment

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.

## Notes to the Financial Statements - *(continued)*

### 1 SIGNIFICANT ACCOUNTING POLICIES - *(continued)*

#### l) Foreign currency translation

(i) Functional and presentation 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 consolidated financial statements are prepared in INR and all values are rounded off to nearest crore.

(ii) Transactions and balances

Transactions in foreign currencies are recorded at the exchange rates prevailing on the date of transaction.

i) Foreign currency monetary assets and liabilities such as cash, receivables, payables, etc., are translated at year end exchange rates.

ii) 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. Non-monetary investments measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined. The gain or loss arising on account of such translation is recognized in OCI or Profit and Loss in line with the designation of the respective item.

iii) Exchange differences arising on settlement of transactions and translation of monetary items are recognised as income or expense in the year in which they arise.

(iii) Group companies

The results and financial position of foreign operations (none of which has the currency of a hyperinflationary economy) that have a functional currency different from the presentation currency are translated into the presentation currency in the following manner:

a) assets and liabilities are translated at the closing rate at the date of that balance sheet;

b) income and expenses are translated at average exchange rates (unless this is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the dates of the transactions); and

c) all resulting exchange differences are recognised in other comprehensive income.

#### m) Hedge accounting

Derivatives are initially recognised at fair value on the date when a derivative contract is entered into and are subsequently remeasured 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 certain derivatives as either:

- hedges of the fair value of recognised assets or liabilities or a firm commitment (fair value hedges), or
- hedges of a particular risk associated with the cash flows of recognised 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 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 fair values or cash flows of hedged items.

The fair values of various derivative financial instruments used for hedging purposes are disclosed in Note 33. Movements in the hedging reserve in shareholders' equity are shown in Note 34. 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 is 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



TVS MOTOR COMPANY LIMITED

CONSOLIDATED FINANCIAL STATEMENTS OF TVS MOTOR COMPANY LIMITED

## Notes to the Financial Statements - *(continued)*

### 1 SIGNIFICANT ACCOUNTING POLICIES - *(continued)*

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 statement of profit and loss.

When forward contracts are used to hedge forecasted transactions, the Group 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 recognised in the cash flow hedging reserve within equity.

Amounts accumulated in equity are reclassified to profit and loss in the periods when the hedged item affects profit and loss (for example, when the forecasted 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 forecasted transaction occurs. When the forecasted 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 the statement of profit or loss.

#### n) Inventories

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

i) Cost of raw materials, components, stores and spares are ascertained on a moving average basis.

ii) Cost of finished goods and work-in-progress comprise of direct materials, direct labour and an appropriate proportion of variable and fixed overhead, the latter being allocated on the basis of normal operating capacity. Costs are assigned to individual items of inventory on the basis of 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 and supplies held for use in production of inventories 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 material, obsolescence, defective inventories are duly provided for.

iii) Land held for development / sale by the real estate subsidiary is valued at the lower of cost and net realisable value. Cost includes cost of acquisition and all related costs.

#### o) 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 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 obligations:

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 at 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. Remeasurements as a result of experience adjustments and changes in actuarial assumptions are recognised in other comprehensive income. 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.

Notes to the Financial Statements - *(continued)*

1 SIGNIFICANT ACCOUNTING POLICIES - *(continued)*

iii) Post-employment obligation:

The Group operates the following post-employment schemes:

a) Defined benefit plans such as gratuity for its eligible employees, pension plan for its eligible senior managers; and

b) Defined contribution plans such as provident fund.

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 at the end of each reporting period 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 recognised in the period in which they occur, directly in other comprehensive income (net-off deferred tax). 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 profit and loss as past service cost.

Provident fund:

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

iv) Bonus plans:

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

p) 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 Group'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 income tax is provided in full, using the balance sheet 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



TVS MOTOR COMPANY LIMITED

CONSOLIDATED FINANCIAL STATEMENTS OF TVS MOTOR COMPANY LIMITED

Notes to the Financial Statements - *(continued)*

1 SIGNIFICANT ACCOUNTING POLICIES - *(continued)*

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 and loss. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantively 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 liabilities and assets are not recognised for temporary differences between the carrying amount and tax bases of investments in foreign operations where the Group 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 liabilities are recognized for all taxable temporary differences, except in respect of taxable temporary differences associated with investments in subsidiaries, when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary 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 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 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 Group 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 Group accounts for such allowances as tax credits, which means that the allowances reduce income tax payable and current tax expense. A deferred tax asset is recognised for unclaimed tax credits that are carried forward.

q) 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 Group 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 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.

In case of waiver of duty under EPCG license, such grant is considered as revenue grant and recognized in statement of profit and loss on based on positive evidence of completion of export obligation as approved by Regulatory Authorities.

r) Provisions and contingent liabilities

i) Provision:

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. When products are sold, the estimated liability for product warranties is recorded 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.

## Notes to the Financial Statements - *(continued)*

### 1 SIGNIFICANT ACCOUNTING POLICIES - *(continued)*

ii) 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 recognised 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.

#### s) Segment reporting

The Group has identified the operating segments on the basis of individual companies operations as reported in a manner consistent with the internal reporting provided to the Chief Operating Decision Maker.

The Group, on the basis of products and production process, has identified the following business segments as reportable segments viz., (1) Automotive vehicles and parts, (2) Automotive components, (3) Financial services and (4) Others.

#### t) 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 Group. Contracts may contain both lease and non-lease components. The Group allocates the consideration in the contract to the lease and non-lease components based on their relative stand-alone prices. However, for leases of buildings for which the Group 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 Group under residual value guarantees
- the exercise price of a purchase option if the Group is reasonably certain to exercise that option, and
- payments of penalties for terminating the lease, if the lease term reflects the Group 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 Group, 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 respective Company:

- where possible, uses recent third-party financing received by the Company 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 Group if 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 and loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the lease liability for each period. The carrying amount of lease liability is reduced by net lease payments (i.e., lease payments net off finance cost).

Variable lease payments are recognised in profit and loss in the period in which the condition that triggers those payments occurs.





TVS MOTOR COMPANY LIMITED

CONSOLIDATED FINANCIAL STATEMENTS OF TVS MOTOR COMPANY LIMITED

## Notes to the Financial Statements - *(continued)*

### 1 SIGNIFICANT ACCOUNTING POLICIES - *(continued)*

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 Group 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 and 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.

#### u) 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, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities in the balance sheet.

#### v) Trade receivables

Trade receivables are measured at their transaction price on initial recognition, unless it contains a significant financing component or pricing adjustments embedded in the contract in which cases, it is recognised at fair value. Trade receivables are held with the objective of collecting the contractual cash flows and therefore are subsequently measured at amortised cost less allowance for expected credit loss.

#### w) Contract liabilities

A contract liability is the obligation to transfer goods to a customer for which the Group has received consideration (or an amount of consideration is due) from the customer. If a customer pays consideration before the Group transfers goods or services to the customer, a contract liability is recognised when the consideration is received. Contract liabilities are recognised as revenue when the Group performs under the contract.

#### x) Investments and Other financial assets

i) Classification

The Group classifies its financial assets in the following categories:

- Those to be measured subsequently at fair value [either Fair Value Through Other Comprehensive Income (FVTOCI), or Fair Value Through Profit and Loss (FVTPL)], 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 Group measures a financial asset at its fair value plus transaction cost (in the case of a financial asset not a FVTPL) that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at FVTPL are expensed in profit and loss.

Debt Instruments:

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

## Notes to the Financial Statements - *(continued)*

### 1 SIGNIFICANT ACCOUNTING POLICIES - *(continued)*

- 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 derecognised or impaired. Interest income from these financial assets is included in finance income using the effective interest rate method.

- Fair value through other comprehensive income:

  Assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at FVT OCI. Movements in the carrying amount are taken through OCI, except for the recognition of impairment gains or losses, interest income and foreign exchange gains and losses which are recognised in profit and loss.

- Fair Value Through Profit or Loss:

  Assets that do not meet the criteria for amortised cost or FVTOCI are measured at FVTPL. A gain or loss on a debt investment that is subsequently measured at FVTPL and is not part of a hedging relationship is recognised in profit or loss and presented in the statement of profit and loss in the period in which it arises. Interest income from these financial assets is included in other income.

Equity instruments:

The Group subsequently measures all its investments in equity at fair value. Where the Group'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 profit and loss.

Impairment losses (and reversal of impairment losses) on equity investments measured at FVTOCI are not reported separately.

Where the Group 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.

iii) Impairment of financial assets

The Group assesses on a forward looking basis the expected credit losses associated with its assets carried at amortised cost and FVTOCI debt instruments. The impairment methodology applied depends on whether there has been significant increase in credit risk. Note no. 34 and Note no. 35 details how the Group determines whether there has been a significant increase in credit risk.

For trade receivables, the Group 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.

For loans given by financial enterprise the impairment methodology applied depends on whether there has been a significant increase in credit risk. Note 35 details how the Group determines whether there has been a significant increase in credit risk.

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

iv) De-recognition of financial assets

A financial asset is de-recognised only when:

a) the Group has transferred the rights to receive cash flows from the financial asset or

b) the Group 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 Group 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.



TVS MOTOR COMPANY LIMITED

CONSOLIDATED FINANCIAL STATEMENTS OF TVS MOTOR COMPANY LIMITED

Notes to the Financial Statements - *(continued)*

1 SIGNIFICANT ACCOUNTING POLICIES - *(continued)*

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 de-recognized, if the Group has not retained control of the financial asset. Where the Group retains control of the financial asset, the asset is continued to be recognised to the extent of continuing involvement in the financial asset.

v) Income recognition

Interest Income:

Interest income from debt instruments is recognised using the effective interest rate method. The effective interest rate is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the gross carrying value of a financial asset. While calculating the effective interest rate, the Group 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 recognised in profit and 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 Group, and the amount of dividend can be reliably measured.

y) 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 recognised in 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 recognised in profit and loss.

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

z) Borrowing costs

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.

aa) Current and Non-current classification

The Group 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

## Notes to the Financial Statements - *(continued)*

### 1 SIGNIFICANT ACCOUNTING POLICIES - *(continued)*

- 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 Group has identified twelve months as its operating cycle for all entities within the group other than real estate. 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 and realisation of project into cash and cash equivalents and range from 3 to 7 years. Accordingly, assets and liabilities have been classified into current and non-current based on operating cycle.

ab) Earnings Per Share (EPS):

Basic earnings per share is computed by dividing the profit after tax (attributable to the owners) by the weighted average number of equity shares outstanding during the year / period.

Diluted earnings per share is computed by dividing the profit after tax as adjusted for dividend, interest and other charges to expense or income relating to the dilutive potential equity shares, by the weighted average number of equity shares considered for deriving basic earnings per share and the weighted average number of equity shares which could have been issued on the conversion of all dilutive potential equity shares.

ac) 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. On March 31, 2023, MCA amended the Companies (Indian Accounting Standards) Amendment Rules, 2023, as below:

(i) Ind AS 1 - Presentation of Financial Statements - This amendment requires the entities to disclose their material accounting policies rather than their significant accounting policies. The effective date for adoption of this amendment is annual periods beginning on or after April 1, 2023. The Group has evaluated the amendment and the impact of the amendment is insignificant in the consolidated financial statements.

(ii) Ind AS 8 - Accounting Policies, Changes in Accounting Estimates and Errors - This amendment has introduced a definition of 'accounting estimates' and included amendments to Ind AS 8 to help entities distinguish changes in accounting policies from changes in accounting estimates. The effective date for adoption of this amendment is annual periods beginning on or after April 1, 2023. The Group has evaluated the amendment and there is no impact on its consolidated financial statements.

(iii) Ind AS 12 - Income Taxes - This amendment has narrowed the scope of the initial recognition exemption so that it does not apply to transactions that give rise to equal and offsetting temporary differences. The effective date for adoption of this amendment is annual periods beginning on or after April 1, 2023. The Group has evaluated the amendment and there is no impact on its consolidated financial statement.



TVS MOTOR COMPANY LIMITED

CONSOLIDATED FINANCIAL STATEMENTS OF TVS MOTOR COMPANY LIMITED

## Notes to the Financial Statements - *(continued)*

### 2 PROPERTY, PLANT & EQUIPMENT AND OTHER INTANGIBLE ASSETS - 31st March 2023

Rupees in crores

| Description | Property, Plant & Equipment | | | | | | | | Other Intangible | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | Land | Buildings | Plant & equipment | Furniture & fixtures | Vehicles | Office equipment | Rights of Use Asset | Total | Software | Design Develop-ment | Trade mark | Total |
| Cost of assets | | | | | | | | | | | | |
| Gross carrying value as at 01-04-2022 | 358.12 | 1,356.43 | 5,541.84 | 151.34 | 85.18 | 284.15 | 698.60 | 8,475.66 | 211.83 | 583.61 | 490.38 | 1,285.82 |
| Acquired in business combination | – | – | 0.09 | – | 0.04 | 0.05 | – | 0.18 | – | – | 0.39 | 0.39 |
| Additions | 171.39 | 102.04 | 443.99 | 23.75 | 38.21 | 45.10 | 328.48 | 1,152.96 | 46.31 | 98.99 | 1.23 | 146.53 |
| Foreign exchange translation reserve adjustments | 4.46 | 2.87 | 4.94 | 0.50 | 0.41 | (3.50) | – | 9.68 | – | – | 5.24 | 5.24 |
| Sub-total | 533.97 | 1,461.34 | 5,990.86 | 175.59 | 123.84 | 325.80 | 1,027.08 | 9,638.48 | 258.14 | 682.60 | 497.24 | 1,437.98 |
| Sales / deletion | 22.24 | 302.40 | 579.93 | 4.88 | 24.69 | 14.38 | 0.85 | 949.37 | 40.58 | 1.46 | - | 42.04 |
| Total | 511.73 | 1,158.94 | 5,410.93 | 170.71 | 99.15 | 311.42 | 1,026.23 | 8,689.11 | 217.56 | 681.14 | 497.24 | 1,395.94 |
| Depreciation / Amortisation Upto 31-03-2022 | – | 343.29 | 3,215.01 | 94.31 | 57.93 | 194.89 | 192.25 | 4,097.68 | 146.70 | 237.49 | 12.14 | 396.33 |
| For the year | – | 50.88 | 393.13 | 18.77 | 26.48 | 31.26 | 137.77 | 658.29 | 50.07 | 99.47 | 51.03 | 200.57 |
| Foreign exchange translation reserve adjustments | – | 1.54 | 3.19 | (0.35) | 0.36 | (0.16) | (34.80) | (30.22) | (5.87) | (0.01) | (5.40) | (11.28) |
| Sub-total | – | 395.71 | 3,611.33 | 112.73 | 84.77 | 225.99 | 295.22 | 4,725.75 | 190.90 | 336.95 | 57.77 | 585.62 |
| Withdrawn on assets sold / deleted | – | 9.19 | 167.59 | 2.45 | 26.42 | 8.39 | – | 214.04 | 24.10 | 1.46 | – | 25.56 |
| Total | – | 386.52 | 3,443.74 | 110.28 | 58.35 | 217.60 | 295.22 | 4,511.71 | 166.80 | 335.49 | 57.77 | 560.06 |
| Carrying value As at 31-03-2023 | 511.73 | 772.42 | 1,967.19 | 60.43 | 40.80 | 93.82 | 731.01 | 4,177.40 | 50.76 | 345.65 | 439.47 | 835.88 |

a) Cost of buildings includes ₹ 35.11 Crores pertaining to buildings constructed on leasehold lands.

b) Land includes lease hold land of ₹ 0.51 Crores, whose ownership is transferrable at the end of the lease term.

c) Borrowing cost capitalised during the year - Nil.

Capital work-in-progress (at cost) as at 31-03-2023

| | |
|---|---|
| (a) Building | 63.42 |
| (b) Plant & equipment | 223.32 |
| (c) Pre-operative expenses | 29.07 |
| Total | 315.81 |

(i) Ageing of Capital work-in-progress as at 31-03-2023:

| Particulars | Amount in Capital work-in-progress for a period of | | | | |
|---|---|---|---|---|---|
| | <1 Year | 1-2 years | 2-3 years | More than 3 years | Total |
| Projects in progress | 189.05 | 83.82 | 20.58 | 22.36 | 315.81 |

Intangible assets under development (at cost) as at 31-03-2023.

(ii) Ageing of Intangible assets under development as at 31-03-2023

| Particulars | Amount in intangible asset under development for a period of | | | | |
|---|---|---|---|---|---|
| | <1 Year | 1-2 years | 2-3 years | More than 3 years | Total |
| Projects in progress | 290.71 | 109.39 | 22.93 | 4.61 | 427.64 |

Capital work-in-progress and intangible asset under development:

There is no capital work-in-progress and intangible asset under development whose completion is overdue or has exceeded its cost compared to its orginal plan.

## Notes to the Financial Statements - *(continued)*

### 2 PROPERTY, PLANT & EQUIPMENT AND OTHER INTANGIBLE ASSETS - 31st March 2022

Rupees in crores

| Description | Property, Plant & Equipment | | | | | | | | Other Intangible | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | Land | Buildings | Plant & equipment | Furniture & fixtures | Vehicles | Office equipment | Rights of Use Asset | Total | Software | Design Develop-ment | Trade mark | Total |
| Cost of assets | | | | | | | | | | | | |
| Gross carrying value as at 01-04-2021 | 338.42 | 978.94 | 4,818.40 | 128.73 | 64.67 | 239.78 | 337.00 | 6,905.94 | 132.44 | 437.42 | 240.23 | 810.09 |
| Acquired in business combination | – | 1.22 | 12.96 | 1.18 | 0.92 | 0.51 | 61.80 | 78.59 | 30.22 | 2.99 | 252.70 | 285.91 |
| Additions | 51.90 | 374.06 | 780.81 | 23.46 | 23.91 | 48.56 | 301.45 | 1,604.15 | 49.22 | 143.20 | 0.54 | 192.96 |
| Foreign exchange translation reserve adjustments | 5.85 | 2.21 | 5.17 | 0.13 | 0.71 | 0.20 | – | 14.27 | – | – | – | – |
| Sub-total | 396.17 | 1,356.43 | 5,617.34 | 153.50 | 90.21 | 289.05 | 700.25 | 8,602.95 | 211.88 | 583.61 | 493.47 | 1,288.96 |
| Sales / deletion | 38.05 | – | 75.50 | 2.16 | 5.03 | 4.90 | 1.65 | 127.29 | 0.05 | – | 3.09 | 3.14 |
| Total | 358.12 | 1,356.43 | 5,541.84 | 151.34 | 85.18 | 284.15 | 698.60 | 8,475.66 | 211.83 | 583.61 | 490.38 | 1,285.82 |
| Depreciation / Amortisation Upto 31-03-2021 | – | 294.97 | 2,860.81 | 80.65 | 37.24 | 171.42 | 94.25 | 3,539.34 | 116.47 | 165.18 | – | 281.65 |
| For the year | – | 46.81 | 414.51 | 14.56 | 24.10 | 28.32 | 99.85 | 628.15 | 30.28 | 72.29 | 12.14 | 114.71 |
| Foreign exchange translation reserve adjustments | – | 1.51 | 3.85 | (0.04) | 0.55 | 0.03 | (1.85) | 4.05 | – | 0.02 | – | 0.02 |
| Sub-total | – | 343.29 | 3,279.17 | 95.17 | 61.89 | 199.77 | 192.25 | 4,171.54 | 146.75 | 237.49 | 12.14 | 396.38 |
| Withdrawn on assets sold / deleted | – | – | 64.16 | 0.86 | 3.96 | 4.88 | – | 73.86 | 0.05 | – | – | 0.05 |
| Total | – | 343.29 | 3,215.01 | 94.31 | 57.93 | 194.89 | 192.25 | 4,097.68 | 146.70 | 237.49 | 12.14 | 396.33 |
| Carrying value As at 31-03-2022 | 358.12 | 1,013.14 | 2,326.83 | 57.03 | 27.25 | 89.26 | 506.35 | 4,377.98 | 65.13 | 346.12 | 478.24 | 889.49 |

a) Cost of buildings includes ₹ 32.85 Crores pertaining to buildings constructed on leasehold lands.

b) Land includes lease hold land of ₹ 0.51 Crores, whose ownership is transferrable at the end of the lease term.

c) Borrowing cost capitalised during the year - ₹ 2.44 Crores.

Capital work-in-progress (at cost) as at 31-03-2022

| | |
|---|---|
| (a) Building | 91.46 |
| (b) Plant & equipment | 227.36 |
| (c) Pre-operative expenses | 1.36 |
| Total | 320.18 |

(i) Ageing of Capital work-in-progress as at 31-03-2022:

| Particulars | Amount in Capital work-in-progress for a period of | | | | |
|---|---|---|---|---|---|
| | <1 Year | 1-2 years | 2-3 years | More than 3 years | Total |
| Projects in progress | 210.47 | 29.98 | 18.92 | 60.81 | 320.18 |

Intangible assets under development (at cost) as at 31-03-2022.

(ii) Ageing of Intangible assets under development as at 31-03-2022:

| Particulars | Amount in intangible assets under development for a period of | | | | |
|---|---|---|---|---|---|
| | <1 Year | 1-2 years | 2-3 years | More than 3 years | Total |
| Projects in progress | 198.52 | 28.22 | 3.24 | 1.37 | 231.35 |

Capital work-in-progress and Intangible under development:

There is no capital work-in-progress and intangible asset under development whose completion is overdue or has exceeded its cost compared to its orignal plan.



TVS MOTOR COMPANY LIMITED

CONSOLIDATED FINANCIAL STATEMENTS OF TVS MOTOR COMPANY LIMITED

## Notes to the Financial Statements - *(continued)*

Rupees in crores

| Particulars | | As at 31-03-2023 | As at 31-03-2022 |
|---|---|---|---|
| **3 INVESTMENT PROPERTIES** | | | |
| Gross carrying amount | | 137.70 | 137.70 |
| Additions | | – | – |
| Deletions | | – | – |
| Closing gross carrying amount | (A) | 137.70 | 137.70 |
| Opening accumulated depreciation | | – | – |
| Additions | | – | – |
| Deletions | | – | – |
| Closing accumulated depreciation | (B) | – | – |
| Total investment properties | (A) - (B) | 137.70 | 137.70 |

### 4 INVESTMENTS

#### A NON-CURRENT INVESTMENTS

| Sl No. | Particulars | No. of shares / units | | Face Value | Currency | Rupees in crores | |
|---|---|---|---|---|---|---|---|
| | | As at 31-03-2023 | As at 31-03-2022 | | | As at 31-03-2023 | As at 31-03-2022 |
| (a) | **Investment in Equity Instruments:** | | | | | | |
| | **Fair valued through OCI:** | | | | | | |
| | **Quoted :** | | | | | | |
| (i) | Ucal Fuel Systems Limited, Chennai | 91,760 | 91,760 | 10.00 | INR | 1.00 | 1.03 |
| | **Unquoted :** | | | | | | |
| (ii) | Green Infra BTV Limited, New Delhi | 32,50,000 | 32,50,000 | 10.00 | INR | 1.75 | 1.62 |
| (iii) | TVS Lanka (Private) Limited, Colombo | 50,00,000 | 50,00,000 | 10.00 | LKR | 4.38 | 5.75 |
| (iv) | Green Infra Wind Power Projects Limited, New Delhi | 1,11,600 | 1,11,600 | 10.00 | INR | 0.08 | 0.08 |
| (v) | Green Infra Wind Energy Theni Limited, New Delhi | 34,34,477 | 34,34,477 | 10.00 | INR | 1.86 | 1.72 |
| (vi) | Green Infra Wind Power Generation Limited, New Delhi | 2,16,000 | 2,16,000 | 10.00 | INR | 0.17 | 0.16 |
| (vii) | Condivision Solutions Pvt. Limited, Bengaluru | 6,760 | 6,760 | 10.00 | INR | - | - |
| (viii) | Mulanur Renewable Energy Pvt. Limited, Chennai | 15,000 | 15,000 | 10.00 | INR | 0.02 | 0.02 |
| (ix) | PHI Research Pvt. Limited, Chennai | 3,50,000 | 3,50,000 | 10.00 | INR | 3.36 | 3.36 |
| (x) | Atria Wind Power Bijapur 1 Limited, Bengaluru | 1,01,217 | 1,01,217 | 10.00 | INR | 2.00 | 2.00 |
| (xi) | Atria Wind Power (Chitradurga) Private Limited, Bengaluru | 80,948 | 80,948 | 100.00 | INR | 0.47 | 0.44 |
| (xii) | Altizon Systems Private Limited, Pune | 10 | 10 | 10.00 | INR | 0.01 | 0.01 |
| (xiii) | Roppen Transportation Services Private Limited, Hyderabad | 10 | - | 1.00 | INR | 0.05 | - |
| (xiv) | Roppen Transportation Services Private Limited, Hyderabad $ | 23,985 | - | 10.00 | INR | 113.93 | - |
| (xv) | Green Infra Wind Energy Generation Limited, Gurugram | 23,45,000 | - | 10.00 | INR | 2.35 | - |
| (xvi) | ARC Ride Limited. UK | 575 | - | 0.01 | GBP | 8.47 | - |
| (xvii) | ION Mobility Pte Limited, Singapore | 31,44,198 | - | 3.02 | USD | 76.58 | - |
| | **Total value of Equity Instruments (a)** | | | | | **216.48** | **16.19** |

## Notes to the Financial Statements – *(continued)*

### 4 INVESTMENTS - *(continued)*

#### A NON-CURRENT INVESTMENTS - *(continued)*

| Sl No. | Particulars | No. of shares / units | | Face Value | Currency | Rupees in crores | |
|---|---|---|---|---|---|---|---|
| | | As at 31-03-2023 | As at 31-03-2022 | | | As at 31-03-2023 | As at 31-03-2022 |
| **(b)** | **Investments in Preference Shares:** | | | | | | |
| | **Unquoted:** | | | | | | |
| | **Fair valued through OCI :** | | | | | | |
| (i) | Mottu Holdings Ltd, USA | 70,344 | 70,344 | 0.001 | USD | 16.33 | 14.79 |
| (ii) | Pinnacle Engines Inc., USA (face value 0.01 cent) | 24,09,638 | 24,09,638 | 0.0001 | USD | - | - |
| (iii) | Axiom Research Labs Private Limited, Delhi | 82 | 82 | 10.00 | INR | - | - |
| | **Total value of Preference shares (b)** | | | | | **16.33** | **14.79** |
| **(c)** | **Investment in Debt Instruments (unquoted):** | | | | | | |
| | **Valued at Amortised Cost :** | | | | | | |
| (i) | Fabric IOT Private Limited, Bengaluru | | | | INR | 16.28 | - |
| | Pension Funds / Government Securities: | | | | | | |
| (ii) | ICICI Prudential Life Insurance Group Superannuation Fund, Mumbai | | | | INR | 6.39 | 6.28 |
| (iii) | Life Insurance Corporation Pension Policy, Mumbai | | | | INR | 19.43 | 19.87 |
| | **Fair valued through Profit or Loss :** | | | | | | |
| (iv) | Fabric IOT Private Limited, Bengaluru | | | | INR | 45.00 | - |
| (v) | DAT Bike, Singapore | | | | USD | 4.12 | - |
| | **Total value of Debt instruments (c)** | | | | | **91.22** | **26.15** |
| **(d)** | **Other non-current Investments (Unquoted):** | | | | | | |
| | **Fair valued through OCI:** | | | | | | |
| (i) | Autotech Fund I L.P., USA | | | | USD | 40.07 | 52.38 |
| | **Total value of other non-current investments (d)** | | | | | **40.07** | **52.38** |
| | **Total (a) + (b) + (c) + (d)** | | | | | **364.10** | **109.51** |
| | Aggregate amount of quoted investments and market value thereof | | | | | 1.00 | 1.03 |
| | Aggregate amount of unquoted investments | | | | | 363.10 | 108.48 |
| | **Total** | | | | | **364.10** | **109.51** |

All investments are fully paid up.

$ Preference shares in the nature of equity instruments

#### B CURRENT INVESTMENTS

| Sl No. | Particulars | No. of shares / units | | Face Value | Currency | Rupees in crores | |
|---|---|---|---|---|---|---|---|
| | | As at 31-03-2023 | As at 31-03-2022 | | | As at 31-03-2023 | As at 31-03-2022 |
| **(a)** | **Investment in Equity Instruments Fair valued through Profit or Loss:** | | | | | | |
| | Unquoted : | | | | | | |
| (i) | TVS Supply Chain Solutions Limited, Chennai | 1,06,62,200 | 1,06,62,200 | 1.00 | INR | 191.92 | 130.23 |
| | Total | | | | | 191.92 | 130.23 |
| | Aggregate amount of unquoted investments | | | | | 191.92 | 130.23 |
| | **Total** | | | | | **191.92** | **130.23** |

All investments are fully paid up.



TVS MOTOR COMPANY LIMITED

CONSOLIDATED FINANCIAL STATEMENTS OF TVS MOTOR COMPANY LIMITED

## Notes to the Financial Statements – *(continued)*

Rupees in crores

### 5 LOANS (RECEIVABLE FROM FINANCING ACTIVITY)

| Particulars | As at 31-03-2023 | | As at 31-03-2022 | |
|---|---|---|---|---|
| | Current | Non-current | Current | Non-current |
| Secured: | | | | |
| Automobile financing | | | | |
| Considered good | 7,034.93 | 8,398.18 | 4,938.73 | 5,807.61 |
| Considered doubtful | 290.57 | 170.75 | 300.84 | 156.84 |
| Less: Loss allowance | | | | |
| Provision for expected credit loss (Refer Note 35) | ( 255.21) | ( 225.68) | (136.49) | (155.72) |
| Unsecured: | | | | |
| Financing (Others) | | | | |
| Considered good | 2,955.17 | 2,024.62 | 1,986.58 | 916.26 |
| Considered doubtful | 57.67 | 40.57 | 26.74 | 31.57 |
| Less: Loss allowance | | | | |
| Provision for expected credit loss (Refer Note 35) | ( 124.70) | ( 88.52) | ( 43.99) | (41.55) |
| Unsecured | | | | |
| Trade advance and term loan | | | | |
| Considered good | 268.54 | 1.50 | 224.79 | 1.44 |
| Considered doubtful | 14.15 | – | 12.98 | – |
| Less: Loss allowance | | | | |
| Provision for expected credit loss (Refer Note 35) | ( 15.96) | – | (10.93) | – |
| | 10,225.16 | 10,321.42 | 7,299.25 | 6,716.45 |

### 6 OTHER FINANCIAL ASSETS - NON-CURRENT

| | As at 31-03-2023 | As at 31-03-2022 |
|---|---|---|
| Deposits | 62.47 | 12.92 |
| Loans given to employees | 3.09 | 1.88 |
| Other bank balances (Bank deposit) | – | 0.40 |
| Claim receivable | 37.13 | 44.88 |
| Share application money pending allotment | 1.34 | – |
| Hedge asset | 88.90 | 64.06 |
| | 192.93 | 124.14 |

Notes to the Financial Statements – *(continued)*

Rupees in crores

## 7 INVESTMENTS ACCOUNTED USING EQUITY METHOD

| | As at 31-03-2023 | As at 31-03-2022 |
|---|---|---|
| Emerald Haven Realty Limited, Chennai<br>[11,12,19,512 (last year - 11,12,19,512) Equity shares] | 89.63 | 118.78 |
| Ultraviolette Automotive Private Limited, Bengaluru<br>[14,850 (last year - 14,850) Equity shares] | 7.29 | 8.98 |
| Ultraviolette Automotive Private Limited, Bengaluru<br>[12,316 (last year - 12,316) Preference shares] | 110.00 | 110.00 |
| Predictronics Corp, USA<br>[24,827 (last year - 24,827) Equity shares] | 18.89 | 20.04 |
| Tagbox Solutions Private Limited, Bengaluru<br>[45,710 (last year - 45,710) Equity shares] | 0.42 | 1.37 |
| Tagbox Solutions Private Limited, Bengaluru<br>[3,83,983 (last year - 3,83,983) Preference shares] | 9.99 | 9.99 |
| Tagbox Pte Limited, Singapore<br>2,43,243 (last year - 2,43,243 ) Preference shares] | 14.22 | 14.41 |
| Scienaptic Systems Inc., USA<br>[28,05,357 (last year - 28,05,357) Equity shares] | 53.83 | 57.43 |
| Altizon Inc., USA<br>[8,06,429 (last year - 8,06,429) Equity shares] | 23.35 | 23.82 |
| DriveX Mobility Private Limited, Coimbatore<br>(Formerly known as Nkars Mobility Millennial Solutions Private Limited)<br>[9,766 (last year - Nil) Equity shares] | 83.61 | – |
| | 411.23 | 364.82 |

## 8 DEFERRED TAX ASSETS

The balance comprises temporary differences attributable to:

| Particulars | | As at 31-03-2023 | As at 31-03-2022 |
|---|---|---|---|
| Deferred tax asset consists of tax impact on: | | | |
| - Depreciation | | 4.84 | 5.24 |
| - Employee benefit expenses | | 16.71 | 11.36 |
| - Expected credit losses provision | | 180.02 | 101.12 |
| - Investment property | | 14.72 | 14.72 |
| - Carried forward loss | | 75.35 | 64.76 |
| - Others | | 32.45 | 23.28 |
| Total deferred tax assets | (A) | 324.09 | 220.48 |
| Deferred tax liability on other item | (B) | 18.36 | 2.60 |
| Net deferred tax asset | (A)-(B) | 305.73 | 217.88 |



TVS MOTOR COMPANY LIMITED

CONSOLIDATED FINANCIAL STATEMENTS OF TVS MOTOR COMPANY LIMITED

Notes to the Financial Statements – *(continued)*

Rupees in crores

## 8 DEFERRED TAX ASSETS - *(continued)*

Movement in deferred tax:

| Particulars | Depreciation | Others | Total |
|---|---|---|---|
| As at 31-03-2021 | | | |
| Charged / (credited): | | | 127.62 |
| - to profit or loss | 0.17 | 49.24 | 49.41 |
| - to subsidiary incumbent deferred tax asset | – | 50.51 | 50.51 |
| - to foreign currency translation | – | 0.22 | 0.22 |
| - to other comprehensive income | – | (9.88) | (9.88) |
| As at 31-03-2022 | | | 217.88 |
| Charged / (credited): | | | |
| - to profit or loss | 0.40 | 85.15 | 85.55 |
| - on sale of subsidiary | – | (0.98) | (0.98) |
| - to foreign currency translation | – | 5.73 | 5.73 |
| - to other comprehensive income | – | (2.45) | (2.45) |
| As at 31-03-2023 | | | 305.73 |

| | As at 31-03-2023 | As at 31-03-2022 |
|---|---|---|
| **9 OTHER NON-CURRENT ASSETS** | | |
| Capital advances | 71.56 | 74.46 |
| Advances other than capital advances: | | |
| - Prepaid expenses | 3.70 | 3.36 |
| - Deposits made | 34.34 | 50.66 |
| - Employee benefit assets | 1.59 | 1.98 |
| | 111.19 | 130.46 |
| **10 INVENTORIES** | | |
| Raw materials and components | 925.40 | 874.87 |
| Goods-in-transit : Raw materials and components | 107.85 | 27.37 |
| Work-in-progress | 62.48 | 65.17 |
| Finished goods | 295.35 | 345.32 |
| Stock-in-trade | 470.37 | 276.78 |
| Stores and spares | 60.06 | 52.85 |
| | 1,921.51 | 1,642.36 |

The cost of inventories recognised as an expense during the year is disclosed in Note no. 27 and it includes write down of inventories to net realisable value recorded as expense and reversal of provision for write down recorded as (gain). [current year - ₹ 0.84 crores / previous year - ₹ (1.46) crores].

Refer Note no.1(n) for mode of valuation.

## Notes to the Financial Statements – *(continued)*

Rupees in crores

| | As at 31-03-2023 | As at 31-03-2022 |
|---|---|---|
| **11 TRADE RECEIVABLES** | | |
| Secured, considered good | 11.53 | 10.34 |
| Unsecured, considered good * | 1,270.16 | 1,219.59 |
| | 1,281.69 | 1,229.93 |
| Less: Loss allowance | 49.49 | 52.63 |
| | 1,232.20 | 1,177.30 |

* Include balance with related parties [Refer Note 39(c)(i)].

Ageing for trade receivable as on 31-03-2023

| 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 | 94.39 | 687.48 | 384.06 | 51.24 | 16.29 | 23.81 | 1,257.27 |
| (ii) Undisputed Trade Receivables - which have significant increase in credit risk | – | – | 3.32 | – | 7.03 | – | 10.35 |
| (iii) Undisputed Trade Receivables - credit impaired | – | – | 0.17 | 0.15 | 0.05 | – | 0.37 |
| (iv) Disputed Trade Receivables- considered good | – | 0.06 | – | – | 1.31 | 11.67 | 13.04 |
| (v) Disputed Trade Receivables - which have significant increase in credit risk | – | – | – | – | – | – | – |
| (vi) Disputed Trade Receivables - credit impaired | – | – | 0.11 | – | – | – | 0.11 |
| | 94.39 | 687.54 | 387.66 | 51.39 | 24.68 | 35.48 | 1,281.14 |
| Add: Unbilled | | | | | | | 0.55 |
| Gross Trade Receivables | | | | | | | 1,281.69 |



TVS MOTOR COMPANY LIMITED
CONSOLIDATED FINANCIAL STATEMENTS OF TVS MOTOR COMPANY LIMITED

## Notes to the Financial Statements – *(continued)*

Rupees in crores

### 11 TRADE RECEIVABLES - *(continued)*

Ageing for trade receivable as on 31-03-2022

| 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 | 185.10 | 890.11 | 83.55 | 15.01 | 4.98 | 18.89 | 1,197.64 |
| (ii) Undisputed Trade Receivables - which have significant increase in credit risk | – | – | 1.23 | 3.36 | 7.03 | – | 11.62 |
| (iii) Undisputed Trade Receivables - credit impaired | – | – | 0.15 | 0.18 | 0.04 | – | 0.37 |
| (iv) Disputed Trade Receivables- considered good | – | 0.08 | 0.03 | 1.43 | 6.03 | 6.47 | 14.04 |
| (v) Disputed Trade Receivables - which have significant increase in credit risk | – | – | – | – | – | – | – |
| (vi) Disputed Trade Receivables - credit impaired | – | – | – | – | – | – | – |
| | 185.10 | 890.19 | 84.96 | 19.98 | 18.08 | 25.36 | 1,223.67 |
| Add: Unbilled | | | | | | | 6.26 |
| Gross Trade Receivables | | | | | | | 1,229.93 |

| | As at 31-03-2023 | As at 31-03-2022 |
|---|---|---|
| **12 CASH AND CASH EQUIVALENTS** | | |
| Balances with banks | 1,846.52 | 1,442.86 |
| Cash on hand | 4.67 | 2.44 |
| Cheque on hand | – | 0.38 |
| | 1,851.19 | 1,445.68 |
| Cash and cash equivalents for the purpose of cash flow statement | 1,851.19 | 1,445.68 |
| **13 BANK BALANCES OTHER THAN CASH AND CASH EQUIVALENTS** | | |
| Earmarked balances with banks | 7.51 | 72.54 |
| Fixed deposits (maturing between 3 to 12 months) | 20.41 | 17.39 |
| | 27.92 | 89.93 |
| **14 OTHER FINANCIAL ASSETS - (CURRENT)** | | |
| Unsecured, considered good : | | |
| - Employee advances | 15.50 | 12.79 |
| - Other bank balances (Bank deposit) | 0.14 | – |
| - Security deposits | 11.05 | 6.96 |
| - Claims receivable | 27.65 | 29.69 |
| - Loans and advances | 16.44 | – |
| - Interest accrued on Fixed deposit | – | 2.60 |
| - Receivable towards sale of fixed assets | 65.55 | 62.98 |
| - Hedge asset | 87.88 | 16.60 |
| | 224.21 | 131.62 |

## Notes to the Financial Statements – *(continued)*

Rupees in crores

| | As at 31-03-2023 | As at 31-03-2022 |
|---|---|---|
| **15 OTHER CURRENT ASSETS** | | |
| Balances with tax authorities | 504.61 | 570.51 |
| Prepaid expense | 104.05 | 74.03 |
| Vendor advance* | 214.57 | 165.82 |
| Trade deposits | 22.86 | 3.55 |
| Incentive receivable from Government ^ | 472.11 | 128.91 |
| Employee benefit assets | 8.24 | 0.83 |
| Others | 4.95 | 26.19 |
| | 1,331.39 | 969.84 |
| Less: loss allowance | 2.83 | – |
| | 1,328.56 | 969.84 |

* Includes balance with related parties [Refer Note 39(c)(i)].

^ Balance includes E V subsidy receivable of ₹ 448.40 crores (previous year ₹ 30.11 crores).

### 16 EQUITY SHARE CAPITAL

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

| Particulars | As at 31-03-2023 | | As at 31-03-2022 | |
|---|---|---|---|---|
| | Number | Rupees in crores | Number | Rupees in crores |
| Authorised: | | | | |
| Equity shares of ₹ 1/- each | 50,00,00,000 | 50.00 | 50,00,00,000 | 50.00 |
| Issued, subscribed and fully paid up: | | | | |
| Equity shares of ₹ 1/- each | 47,50,87,114 | 47.51 | 47,50,87,114 | 47.51 |
| | 47,50,87,114 | 47.51 | 47,50,87,114 | 47.51 |

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

| Particulars | As at 31-03-2023 | | As at 31-03-2022 | |
|---|---|---|---|---|
| | Number | Rupees in crores | Number | Rupees in crores |
| Shares outstanding at the beginning of the year | 47,50,87,114 | 47.51 | 47,50,87,114 | 47.51 |
| Shares issued during the year | – | – | – | – |
| Shares outstanding at the end of the year | 47,50,87,114 | 47.51 | 47,50,87,114 | 47.51 |

(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.



TVS MOTOR COMPANY LIMITED

CONSOLIDATED FINANCIAL STATEMENTS OF TVS MOTOR COMPANY LIMITED

## Notes to the Financial Statements – *(continued)*

Rupees in crores

### 16 EQUITY SHARE CAPITAL - *(continued)*

(d) Shares held by holding company at the end of the year

| Name of shareholder | Class of share | As at 31-03-2023 | | As at 31-03-2022 | |
|---|---|---|---|---|---|
| | | Number of shares held | % of holding | Number of shares held | % of holding |
| Sundaram-Clayton Limited, Chennai (Holding Company) | Equity | 23,87,82,786 | 50.26 | 23,87,82,786 | 50.26 |

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

| Name of shareholder | Class of share | As at 31-03-2023 | | As at 31-03-2022 | |
|---|---|---|---|---|---|
| | | Number of shares held | % of holding | Number of shares held | % of holding |
| ICICI Prudential Mutual Fund | Equity | 4,44,08,126 | 9.35 | 4,67,41,798 | 9.84 |
| Life Insurance Corporation Of India | Equity | 1,39,56,650 | 2.94 | 3,01,12,473 | 6.34 |

(f) Shares held by Promoters at the end of the year 31-03-2023

| Promoter name | Class of share | As at 31-03-2023 | | As at 31-03-2022 | | % Change during the year |
|---|---|---|---|---|---|---|
| | | Number of shares held | % of holding | Number of shares held | % of holding | |
| Sundaram-Clayton Limited | Equity | 23,87,82,786 | 50.26 | 23,87,82,786 | 50.26 | - |

Shares held by Promoters at the end of the year 31-03-2022

| Promoter name | Class of share | As at 31-03-2022 | | As at 31-03-2021 | | % Change during the year |
|---|---|---|---|---|---|---|
| | | Number of shares held | % of holding | Number of shares held | % of holding | |
| Sundaram-Clayton Limited | Equity | 23,87,82,786 | 50.26 | 27,26,82,786 | 57.40 | (7.14) |

### 17 OTHER EQUITY

| Particulars | As at 31-03-2023 | As at 31-03-2022 |
|---|---|---|
| General reserve | 876.24 | 876.24 |
| Capital reserve | 6.51 | 6.51 |
| Statutory reserve | 183.59 | 116.66 |
| Retained earnings | 4,315.42 | 3,284.51 |
| Other Reserves | 75.73 | 68.02 |
| | 5,457.49 | 4,351.94 |

Notes to the Financial Statements – *(continued)*

Rupees in crores

18 NON CURRENT LIABILITIES - FINANCIAL LIABILITIES - BORROWINGS

| Nature | Lenders | As at 31-03-2023 | As at 31-03-2022 | Status as at 31-03-2023 | | | |
|---|---|---|---|---|---|---|---|
| | | | | Interest rate | Frequency | No. of instal-ments due | Maturity |
| Secured Borrowings: | | | | | | | |
| ECB Loan 1 | Bank | 410.43 | 378.07 | 6.9% | Bullet | 1 | Jul-2023 |
| ECB Loan 2 | Bank | 385.94 | 356.04 | 7.0% | Bullet | 1 | Oct-2023 |
| ECB Loan 3 | Bank | 818.90 | 753.93 | 6.9% | Bullet | 1 | Dec-2024 |
| ECB Loan 4 | Bank | - | 189.38 | - | - | - | - |
| ECB Loan 5 | Bank | - | 189.38 | - | - | - | - |
| ECB Loan 6 | Bank | - | 151.51 | - | - | - | - |
| ECB Loan 7 | Bank | - | 151.51 | - | - | - | - |
| ECB Loan 8 | Bank | - | 21.56 | - | - | - | - |
| ECB Loan 9 | Bank | - | 227.17 | - | - | - | - |
| Term Loan 1 | Bank | 4.58 | 22.92 | 1 Year MCLR plus Margin | Quarterly | 1 | Jun-2023 |
| Term Loan 2 | Bank | 1.25 | 5.00 | 1 Year MCLR plus Margin | Quarterly | 1 | Jun-2023 |
| Term Loan 3 | Bank | 9.38 | 13.13 | 1 Year MCLR plus Margin | Quarterly | 10 | Sep-2026 |
| Term Loan 4 | Bank | 41.92 | - | 8.5% | Quarterly | 12 | Nov-2027 |
| Term Loan 5 | Bank | 197.20 | - | SOFR + Margin | Quarterly | 12 | Dec-2027 |
| Term Loan 6 | Bank | 74.99 | 174.98 | 8.4% | Quarterly | 3 | Nov-2023 |
| Term Loan 7 | Bank | 149.98 | 299.96 | 7.9% | Quarterly | 4 | Mar-2024 |
| Term Loan 8 | Bank | 416.63 | - | 7.7% | Quarterly | 10 | Aug-2025 |
| Term Loan 9 | Bank | 249.86 | - | 7.6% | Quarterly | 8 | Mar-2025 |
| Term Loan 10 | Bank | 250.00 | - | 7.6% | Quarterly | 8 | Apr-2025 |
| Term Loan 11 | Bank | 187.47 | 249.96 | 6.3% | Quarterly | 6 | Sep-2024 |
| Term Loan 12 | Bank | 250.00 | 250.00 | 6.3% | Quarterly | 8 | Feb-2025 |
| Term Loan 13 | Bank | - | 83.32 | - | - | - | - |
| Term Loan 14 | Bank | 149.91 | 249.95 | 7.9% | Quarterly | 6 | Sep-2024 |
| Term Loan 15 | Bank | - | 22.50 | - | - | - | - |
| Term Loan 16 | Bank | - | 79.98 | - | - | - | - |
| Term Loan 17 | Bank | - | 50.00 | - | - | - | - |
| Term Loan 18 | Bank | - | 41.66 | - | - | - | - |
| Term Loan 19 | Bank | - | 33.33 | - | - | - | - |
| Term Loan 20 | Bank | - | 166.67 | - | - | - | - |
| Term Loan 21 | Bank | 41.67 | 141.67 | 8.4% | Monthly | 5 | Aug-2023 |
| Term Loan 22 | Bank | 50.00 | 116.67 | 8.6% | Monthly | 9 | Dec-2023 |
| Term Loan 23 | Bank | 208.31 | 374.96 | 7.8% | Monthly | 15 | Jun-2024 |
| Term Loan 24 | Bank | 250.00 | 416.67 | 7.5% | Monthly | 18 | Sep-2024 |
| Term Loan 25 | Bank | 145.80 | 229.17 | 8.4% | Monthly | 21 | Dec-2024 |
| Term Loan 26 | Bank | 337.77 | 499.89 | 5.6% | Monthly | 25 | Apr-2025 |
| Term Loan 27 | Bank | - | 249.78 | - | - | - | - |



TVS MOTOR COMPANY LIMITED

CONSOLIDATED FINANCIAL STATEMENTS OF TVS MOTOR COMPANY LIMITED

Notes to the Financial Statements – *(continued)*

Rupees in crores

18 NON CURRENT LIABILITIES - FINANCIAL LIABILITIES - BORROWINGS - *(continued)*

| Nature | Lenders | As at 31-03-2023 | As at 31-03-2022 | Status as at 31-03-2023 | | | |
|---|---|---|---|---|---|---|---|
| | | | | Interest rate | Frequency | No. of instal-ments due | Maturity |
| Term Loan 28 | Bank | 567.53 | - | 6.4% | Monthly | 28 | Jul-2025 |
| Term Loan 29 | Bank | 457.58 | - | 7.3% | Quarterly | 12 | Feb-2026 |
| Term Loan 30 | Bank | 91.74 | - | 7.6% | Monthly | 34 | Feb-2026 |
| Term Loan 31 | Bank | 60.00 | - | 7.8% | Quarterly | 12 | Mar-2026 |
| Term Loan 32 | Bank | 87.57 | - | 7.8% | Monthly | 36 | Mar-2026 |
| Term Loan 33 | Bank | 374.18 | - | 7.3% | Quarterly | 12 | Apr-2026 |
| Term Loan 34 | Bank | 499.82 | - | 7.5% | Quarterly | 12 | Feb-2026 |
| Term Loan 35 | Bank | 50.00 | 100.00 | 8.8% | Half yearly | 2 | Feb-2024 |
| Term Loan 36 | Bank | 150.00 | 150.00 | 8.8% | Bullet | 1 | Oct-2024 |
| Term Loan 37 | Bank | 166.53 | 249.77 | 8.0% | Quarterly | 8 | Mar-2025 |
| Term Loan 38 | Bank | 249.84 | - | 7.8% | Quarterly | 10 | Oct-2025 |
| Term Loan 39 | Bank | - | 99.93 | - | - | - | - |
| Term Loan 40 | Bank | 24.99 | 124.94 | 7.3% | Quarterly | 1 | May-2023 |
| Term Loan 41 | Bank | - | 39.99 | - | - | - | - |
| Term Loan 42 | Bank | 99.98 | 199.96 | 8.8% | Quarterly | 4 | Mar-2024 |
| Term Loan 43 | Bank | 33.32 | 66.63 | 8.5% | Monthly | 12 | Mar-2024 |
| Term Loan 44 | Bank | 120.00 | 200.00 | 8.5% | Quarterly | 6 | Jul-2024 |
| Term Loan 45 | Bank | 120.00 | 200.00 | 8.5% | Quarterly | 6 | Aug-2024 |
| Term Loan 46 | Bank | - | 59.99 | - | - | - | - |
| Term Loan 47 | Bank | 200.00 | 200.00 | 7.0% | Bullet | 1 | Oct-2024 |
| Term Loan 48 | Bank | - | 199.94 | - | - | - | - |
| Term Loan 49 | Bank | 499.92 | - | 7.0% | Quarterly | 10 | Jul-2025 |
| Term Loan 50 | Bank | 698.56 | - | 7.6% | Quarterly | 10 | Oct-2025 |
| Term Loan 51 | Bank | 180.00 | - | 7.0% | Quarterly | 9 | Apr-2025 |
| Term Loan 52 | Bank | 300.00 | - | 7.3% | Half Yearly | 4 | May-2025 |
| Term Loan 53 | Bank | 199.97 | - | 8.0% | Bullet | 1 | May-2024 |
| Term Loan 54 | Bank | 499.91 | - | 7.7% | Quarterly | 10 | Sep-2025 |
| Term Loan 55 | Bank | 100.00 | - | 7.8% | Quarterly | 10 | Sep-2025 |
| Term Loan 56 | Bank | 399.91 | - | 7.8% | Quarterly | 10 | Oct-2025 |
| Term Loan 57 | Bank | 249.95 | - | 7.5% | Bullet | 1 | Sep-2025 |
| Term Loan 58 | Bank | 199.91 | - | 8.0% | Quarterly | 10 | Sep-2025 |
| Term Loan 59 | Bank | 300.00 | - | 8.0% | Quarterly | 10 | Oct-2025 |
| Term Loan 60 | Bank | 499.90 | - | 8.1% | Quarterly | 10 | Dec-2025 |
| Term Loan 61 | Bank | - | 199.98 | - | - | - | - |
| Term Loan 62 | Bank | - | 97.50 | - | - | - | - |
| Term Loan 63 | Bank | - | 0.08 | - | - | - | - |
| Term Loan 64 | Bank | - | 220.84 | - | - | - | - |
| Term Loan 65 | Others | 200.00 | - | 7.6% | Quarterly | 5 | Apr-2024 |
| Term Loan 66 | Others | - | 4.93 | - | - | - | - |

Notes to the Financial Statements - *(continued)*

Rupees in crores

18 NON CURRENT LIABILITIES - FINANCIAL LIABILITIES - BORROWINGS - *(continued)*

| Nature | Lenders | As at 31-03-2023 | As at 31-03-2022 | Status as at 31-03-2023 | | | |
|---|---|---|---|---|---|---|---|
| | | | | Interest rate | Frequency | No. of instal-ments due | Maturity |
| Soft Loan | State owned corporation - I | 3.08 | 2.84 | 0.1% | Bullet | 1 | Apr-2029 |
| Soft Loan | State owned corporation -II | 84.68 | 84.31 | 0.1% | Yearly | 3 | Apr-2030 |
| Debentures | 8.30% Secured Non Convertible Debenture | 425.00 | - | 8.3% | Bullet | 1 | Oct-2024 |
| Debentures | 8.15% Secured Non Convertible Debenture | 800.00 | - | 8.2% | Bullet | 1 | Sep-2025 |
| Debentures | 8.35% Secured Non Convertible Debenture | - | 300.00 | - | - | - | - |
| Debentures | 8.35% Secured Non Convertible Debenture | - | 25.00 | - | - | - | - |
| Debentures | 7.4% Secured Non Convertible Debenture | - | 99.99 | - | - | - | - |
| Unsecured Borrowings: | | | | | | | |
| Debentures | Non Convertible Debenture - I | 499.93 | 499.03 | 7.5% | Bullet | 1 | May-2023 |
| Debentures | Non Convertible Debentures - II | 124.81 | - | Repo Rate plus Margin | Bullet | 1 | Mar-2026 |
| ECB Loan | Bank | 27.39 | 75.79 | 3 Month USD LIBOR plus Margin | Half Yearly | 1 | Sep-2023 |
| Term Loan | Bank | 479.93 | 489.90 | 6.3% | Quarterly | 16 | May-2027 |
| Term Loan | Bank | - | 3.28 | - | - | - | - |
| Term Loan | Bank | 17.02 | 15.58 | 2.4% | Yearly | 6 | Dec-2029 |
| Term Loan | Bank | - | 2.67 | - | - | - | - |
| Term Loan | Bank | 3.13 | - | SONIA + Margin | Bullet | 1 | Apr-2024 |
| Term Loan | Others | 16.12 | 16.41 | 0.5% | Annual | 9 | Nov-2031 |
| Sub Debt | Bank | 50.00 | 49.99 | 9.7% | Bullet | 1 | May-2023 |
| Sub Debt | Bank | 50.00 | 50.00 | 8.9% | Bullet | 1 | Jul-2023 |
| Sub Debt | Bank | - | 25.00 | - | - | - | - |
| Sub Debt | Bank | - | 24.99 | - | - | - | - |
| Sub Debt | Others | 99.60 | 99.30 | 10.9% | Bullet | 1 | Aug-2024 |
| Sub Debt | Others | 64.20 | 112.91 | 9.4% | Bullet | 1 | Jun-2026 |
| Sub Debt | Others | 34.60 | 34.34 | 9.4% | Bullet | 1 | Jun-2026 |
| Sub Debt | Others | 19.76 | - | 9.4% | Bullet | 1 | Jun-2026 |
| Sub Debt | Others | 49.39 | - | 9.4% | Bullet | 1 | Jun-2026 |
| Sub Debt | Others | 99.00 | 99.00 | 8.9% | Bullet | 1 | Jun-2027 |
| Sub Debt | Others | 35.00 | 35.00 | 8.9% | Bullet | 1 | Jun-2027 |
| Sub Debt | Others | 35.00 | 35.00 | 8.9% | Bullet | 1 | Jun-2027 |
| Sub Debt | Others | 30.00 | 30.00 | 8.9% | Bullet | 1 | Jun-2027 |
| Sub Debt | Others | 200.00 | 200.00 | 8.9% | Bullet | 1 | Jun-2027 |
| Sub Debt | Others | 50.00 | 50.00 | 8.9% | Bullet | 1 | Jun-2027 |
| Sub Debt | Others | - | 50.00 | - | - | - | - |
| Sub Debt | Others | 128.40 | 147.93 | 9.4% | Bullet | 1 | Aug-2026 |
| Sub Debt | Others | - | 50.00 | - | - | - | - |
| Sub Debt | Others | 100.00 | 100.00 | 10.0% | Bullet | 1 | Jul-2026 |
| Sub Debt | Others | 95.00 | - | 9.5% | Bullet | 1 | Jan-2028 |
| Sub Debt | Others | 80.00 | - | 9.5% | Bullet | 1 | Jan-2028 |
| Sub Debt | Others | 115.00 | - | 9.5% | Bullet | 1 | Jan-2028 |
| Sub Debt | Others | 110.00 | - | 9.5% | Bullet | 1 | Jan-2028 |
| Sub Debt | Others | 50.00 | - | 9.4% | Bullet | 1 | Aug-2028 |
| Sub Debt | Others | 50.00 | - | 9.4% | Bullet | 1 | Aug-2028 |
| Sub Debt | Others | 50.00 | - | 9.4% | Bullet | 1 | Aug-2028 |
| Sub Debt | Others | 50.00 | - | 9.4% | Bullet | 1 | Aug-2028 |
| Perpetual Debt | Others | 99.88 | 99.86 | 11.5% | Bullet | 1 | Nov-2027 |
| Term loan | Bank | 199.20 | - | 8.3% | Quarterly | 8 | Mar-2026 |
| Sales Tax Deferral | Others | 78.64 | 94.37 | Nil | Annual | 5 | 2027-28 |
| Total non current borrowings | | 16,816.86 | 11,607.69 | | | | |
| Less: Current Maturities of non current borrowings | | 7,752.78 | 4,301.92 | | | | |
| Total non current financial liabilities (borrowings) | | 9,064.08 | 7,305.77 | | | | |

Details of securities created:

- ECB Loan 1-3 hypothecation of receivables under the financing activity of the Company.
- Term loan 1-4 received from bank of ₹ 57.13 crores ( Previous year ₹ 41.05 crores) - charge created on land and building and paripasu charge on plant and machinery.
- Term Loan 5 received from bank of ₹ 197.20 Crores (in USD) is to be secured by a charge over the subsidiary's plant and machinery. At 31st March 2023, the subsidiary is in the process of creating this charge against the security
- Term Loan 6-60 and 65 received from Banks and Other Parties of ₹ 10443.50 crores (Previous Year: ₹ 5,924.68 Crores) is secured against hypothecation of receivables under the financing activity of the Group.
- Loan from State owned corporation - I viz., SIPCOT - First charge on the specific plant and equipment.
- Loan from State owned corporation - II viz., SIPCOT - First charge on the specific plant and equipment and also secured by equitable mortgage created by way of deposit of title deeds of land.
- Debentures of ₹ 1,225.00 crores (Previous Year: ₹ 424.99 crores) secured against hypothecation of receivables under the financing activity of the group.

Notes to the Financial Statements – *(continued)*

Rupees in crores

## 19 PROVISIONS

| Particulars | As at 31-03-2023 | | As at 31-03-2022 | |
|---|---|---|---|---|
| | Current | Non-current | Current | Non-current |
| Provision for employee benefits: | | | | |
| (a) Pension | 49.47 | 118.52 | 56.52 | 113.87 |
| (b) Leave salary | 24.94 | 96.30 | 16.38 | 69.31 |
| (c) Gratuity | – | 2.66 | 3.53 | 2.73 |
| Others: | | | | |
| (a) Warranty | 41.33 | 13.78 | 30.99 | 10.33 |
| | 115.74 | 231.26 | 107.42 | 196.24 |

## 20 DEFERRED TAX LIABILITIES (NET)

| Particulars | | As at 31-03-2023 | As at 31-03-2022 |
|---|---|---|---|
| The balance comprises temporary differences attributable to: | | | |
| Deferred tax liabilities consists of tax impact on: | | | |
| - depreciation | | 316.51 | 319.59 |
| - others | | 33.81 | 26.64 |
| Total deferred tax liability | (A) | 350.32 | 346.23 |
| Deferred tax asset consists of tax impact on : | | | |
| - Employee benefit expenses | | 48.35 | 51.21 |
| - Warranty provision | | 15.59 | 12.12 |
| - Others | | 78.01 | 75.34 |
| Total deferred tax assets | (B) | 141.95 | 138.67 |
| Net deferred tax liability | (A) - (B) | 208.37 | 207.56 |

Movement in deferred tax:

| Particulars | Depreciation | Others | Total |
|---|---|---|---|
| As at 31-03-2021 | | | 204.33 |
| Charged / (credited): | | | |
| - to profit or loss | 37.52 | (16.75) | 20.77 |
| - to other comprehensive income | – | (17.54) | (17.54) |
| As at 31-03-2022 | | | 207.56 |
| Charged / (credited): | | | |
| - to profit or loss | (3.08) | 11.74 | 8.66 |
| - to other comprehensive income | – | (7.85) | (7.85) |
| As at 31-03-2023 | | | 208.37 |



TVS MOTOR COMPANY LIMITED

CONSOLIDATED FINANCIAL STATEMENTS OF TVS MOTOR COMPANY LIMITED

Notes to the Financial Statements – *(continued)*

Rupees in crores

| | As at 31-03-2023 | As at 31-03-2022 |
|---|---|---|
| **21 FINANCIAL LIABILITIES - BORROWINGS (CURRENT)** | | |
| Borrowings repayable on demand from banks | | |
| Secured | 2,450.43 | 1,485.07 |
| Unsecured | 738.60 | 265.83 |
| Short term loans: | | |
| From banks : | | |
| Secured | – | 150.00 |
| Unsecured | 238.30 | – |
| From others (unsecured) | 1,382.04 | 1,788.69 |
| Current Maturities of long term borrowings | 7,752.78 | 4,301.92 |
| | 12,562.15 | 7,991.51 |

Interest rate for borrowings repayable on demand and short term loans from banks / other 3.2% to 10.52% p.a.

Secured short term borrowings from banks are related to subsidiaries and details of securities created are as follows:

a) A loan of ₹ 31.78 crores in USD obtained from a bank, secured by a letter of credit issued by a bank in India.

b) A loan of ₹ 8.25 crores in USD and ₹ 8.21 crores in IDR obtained from a bank, partly secured (80%) by a credit guarantee issued by the EXIM bank of Indonesia.

c) Working capital loan and cash credit of ₹ 2,195.16 crores obtained are secured by hypothecation of receivables under the financing activity of the Subsidiary.

d) Cash credit and working capital loan of ₹ 207.03 crores obtained are secured by hypothecation of receivables and inventories of the Subsidiary, both present and future.

## 22 TRADE PAYABLES

| | | |
|---|---|---|
| Dues to Micro and Small Enterprises ** | 75.83 | 69.78 |
| Dues to enterprises other than Micro and Small Enterprises # | 5,020.84 | 4,593.35 |
| | 5,096.67 | 4,663.13 |

** 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. The entire closing balance represents the principal amount payable to these enterprises. There is no principal or no interest due, thereon and remaining unpaid at the end of the year.

# Includes balances due to related parties [Refer Note 39(c)(ii)].

Ageing for trade payable as on 31-03-2023

| Particulars | Outstanding for following periods from due date of payment | | | | | |
|---|---|---|---|---|---|---|
| | Not due | <1 year | 1-2 years | 2-3 years | More than 3 years | Total |
| (i) MSME | 75.83 | – | – | – | – | 75.83 |
| (ii) Others | 952.43 | 3,401.69 | 18.89 | 9.27 | 24.01 | 4,406.29 |
| (iii) Disputed dues - MSME | – | – | – | – | – | – |
| (iv) Disputed dues - Others | – | – | – | – | – | – |
| Total | 1,028.26 | 3,401.69 | 18.89 | 9.27 | 24.01 | 4,482.12 |
| Accrued Expenses | | | | | | 614.55 |
| Total | | | | | | 5,096.67 |

## Notes to the Financial Statements – *(continued)*

Rupees in crores

### 22 TRADE PAYABLES - *(continued)*

Ageing for trade payable as on 31-03-2022

| Particulars | Outstanding for following periods from due date of payment | | | | | |
|---|---|---|---|---|---|---|
| | Not due | <1 year | 1-2 years | 2-3 years | More than 3 years | Total |
| (i) MSME | 69.78 | – | – | – | – | 69.78 |
| (ii) Others | 2,511.14 | 1,343.81 | 2.94 | 10.30 | 20.90 | 3,889.09 |
| (iii) Disputed dues - MSME | – | – | – | – | – | – |
| (iv) Disputed dues - Others | – | – | – | – | – | – |
| Total | 2,580.92 | 1,343.81 | 2.94 | 10.30 | 20.90 | 3,958.87 |
| Accrued Expenses | | | | | | 704.26 |
| Total | | | | | | 4,663.13 |

| | As at 31-03-2023 | As at 31-03-2022 |
|---|---|---|
| **23 OTHER FINANCIAL LIABILITIES** | | |
| Interest accrued but not due on loans | 196.07 | 108.78 |
| Interest accrued and due on loans * | 0.72 | 0.48 |
| Trade deposits received | 98.57 | 120.09 |
| Unclaimed dividends (Not due for transfer to Investor Education and Protection Fund) | 3.88 | 3.79 |
| Dividend declared but not paid | – | 54.27 |
| Payables against capital goods | 47.06 | 36.26 |
| Hedge liability | 5.94 | – |
| Others | 3.36 | 2.04 |
| | 355.60 | 325.71 |
| * Subsidiary has made funds available with the banks and the same has been appropriated subsequently | | |
| **24 OTHER CURRENT LIABILITIES** | | |
| Statutory dues | 191.01 | 187.91 |
| Employee related | 310.71 | 213.17 |
| Advance received from customers | 338.00 | 277.57 |
| Deferred income | 46.93 | 13.00 |
| | 886.65 | 691.65 |



TVS MOTOR COMPANY LIMITED

CONSOLIDATED FINANCIAL STATEMENTS OF TVS MOTOR COMPANY LIMITED

## Notes to the Financial Statements – *(continued)*

Rupees in crores

| | Year ended 31-03-2023 | Year ended 31-03-2022 |
|---|---|---|
| **25 REVENUE FROM OPERATIONS** | | |
| Sale of products | 27,354.05 | 21,182.12 |
| Sale of services | 79.63 | 138.67 |
| Interest income of financial enterprise | 3,755.51 | 2,446.59 |
| Other operating revenue# | 784.80 | 587.93 |
| | 31,973.99 | 24,355.31 |
| # Includes Government Grants of ₹ 234.10 crores (Last year ₹ 280.56 crores) | | |
| **26 OTHER INCOME** | | |
| Dividend income - from investments designated as Fair Valued through OCI | 0.02 | 3.81 |
| Interest income | 10.99 | 8.16 |
| Profit on sale of subsidiary (Net) | 45.56 | – |
| Gain on fair valuation / profit on sale of investments (Net) | 61.84 | 0.23 |
| Profit on sale of fixed assets (Net) | 2.65 | 2.47 |
| Other non-operating income | 16.94 | 18.20 |
| | 138.00 | 32.87 |
| **27 MATERIAL COST** | | |
| Cost of materials consumed : | | |
| Opening stock of raw materials and components | 874.87 | 748.68 |
| Add: Purchases | 20,143.79 | 16,064.84 |
| | 21,018.66 | 16,813.52 |
| Less: Closing stock of raw materials and components | 925.40 | 874.87 |
| | 20,093.26 | 15,938.65 |
| Purchases of stock-in-trade | 890.95 | 579.04 |
| Changes in inventories of finished goods, work-in-progress and Stock-in-trade: | | |
| Opening stock: | | |
| Work-in-progress | 65.17 | 40.76 |
| Stock-in-trade | 345.32 | 300.62 |
| Finished goods | 276.78 | 85.49 |
| (A) | 687.27 | 426.87 |
| Closing stock: | | |
| Work-in-progress | 62.48 | 65.17 |
| Stock-in-trade | 295.35 | 345.32 |
| Finished goods | 470.37 | 276.78 |
| (B) | 828.20 | 687.27 |
| (A)-(B) | (140.93) | (260.40) |

Notes to the Financial Statements – *(continued)*

Rupees in crores

| | Year ended 31-03-2023 | Year ended 31-03-2022 |
|---|---|---|
| **28 EMPLOYEE BENEFITS EXPENSE** | | |
| Salaries, wages and bonus | 2,516.73 | 1,839.69 |
| Contribution to provident and other funds | 177.53 | 136.59 |
| Staff welfare expenses | 195.99 | 148.34 |
| | 2,890.25 | 2,124.62 |
| **29 FINANCE COSTS** | | |
| Interest | 1,311.74 | 848.81 |
| Other borrowing cost | 11.80 | 57.67 |
| Interest on lease liabilities | 44.11 | 34.00 |
| Exchange differences | 0.24 | (0.26) |
| | 1,367.89 | 940.22 |
| **30 DEPRECIATION AND AMORTISATION EXPENSE** | | |
| Depreciation on property, plant and equipment | 520.52 | 528.30 |
| Amortisation on right of use asset | 137.77 | 99.85 |
| Amortisation on intangible assets | 200.57 | 114.71 |
| | 858.86 | 742.86 |
| **31 OTHER EXPENSES** | | |
| (a) Consumption of stores, spares and tools | 59.40 | 59.70 |
| (b) Power and fuel | 133.47 | 126.81 |
| (c) Repairs - buildings | 26.66 | 17.97 |
| (d) Repairs - plant and equipment | 123.44 | 83.04 |
| (e) Insurance | 39.58 | 36.10 |
| (f) Rates and taxes (excluding taxes on income) | 17.68 | 22.41 |
| (g) Audit fees | 2.71 | 2.91 |
| (h) Cost audit fees | 0.08 | 0.06 |
| (i) Packing and freight charges | 550.20 | 537.78 |
| (j) Advertisement and publicity | 384.75 | 327.48 |
| (k) Other marketing expenses | 358.75 | 211.56 |
| (l) Foreign exchange loss (Net) | – | 1.75 |
| (m) Loss allowance for expected credit losses relating to loans | 629.14 | 554.14 |
| (n) Corporate social responsibility expenditure | 19.00 | 17.11 |
| (o) Contributions to electoral trust/Bonds | 5.00 | 5.00 |
| (p) Miscellaneous expenses (under this head there is no expenditure which is in excess of 1% of revenue from operations or ₹10 lakh, whichever is higher) | 1,823.22 | 1,214.95 |
| | 4,173.08 | 3,218.77 |





TVS MOTOR COMPANY LIMITED

CONSOLIDATED FINANCIAL STATEMENTS OF TVS MOTOR COMPANY LIMITED

Notes to the Financial Statements – *(continued)*

Rupees in crores

| | | Year ended 31-03-2023 | Year ended 31-03-2022 |
|---|---|---|---|
| **32 TAX EXPENSE AND RECONCILIATION** | | | |
| (a) Tax expense | | | |
| Current tax: | | | |
| Current tax on profits for the year | | 704.65 | 364.55 |
| Adjustment for prior periods | | (1.19) | – |
| | (A) | 703.46 | 364.55 |
| Deferred tax: | | | |
| Decrease / (increase) in deferred tax assets | | (79.45) | (64.68) |
| (Decrease) / increase in deferred tax liabilities | | 2.56 | 36.04 |
| | (B) | (76.89) | (28.64) |
| | (A + B) | 626.57 | 335.91 |
| (b) Reconciliation of tax expense and the accounting profit multiplied by India's tax rate: | | | |
| Profit before income tax expense | | 1,936.03 | 1,066.79 |
| Tax expense at 25.168% | | 487.26 | 268.49 |
| Add / (Less): Taxes impact on | | | |
| Capital receipts | | (1.63) | (16.38) |
| Expenses not admissible for deduction | | 4.85 | 19.38 |
| Timing and Tax rate difference on subsidiaries losses | | 125.34 | 56.63 |
| Tax relating to earlier years | | (1.19) | – |
| Others | | 11.94 | 7.79 |
| | | 626.57 | 335.91 |

Notes to the Financial Statements – *(continued)*

Rupees in crores

33 FAIR VALUE MEASUREMENTS

| Particulars | As at 31-03-2023 | | | As at 31-03-2022 | | |
|---|---|---|---|---|---|---|
| | FVTPL* | FVTOCI * | Amortised cost | FVTPL* | FVTOCI * | Amortised cost |
| Financial assets | | | | | | |
| Investments | | | | | | |
| - Equity instruments | 191.92 | 216.48 | – | 130.23 | 16.19 | – |
| - Preference shares | – | 16.33 | – | – | 14.79 | – |
| - Other non current investments | – | 40.07 | – | – | 52.38 | – |
| - Debt Instruments | 49.12 | – | 42.10 | – | – | 26.15 |
| Trade receivables | – | – | 1,232.20 | – | – | 1,177.30 |
| Loans (receivable from financing activity) | – | – | 20,546.58 | – | – | 14,015.70 |
| Fixed deposit with banks | – | – | 20.55 | – | – | 17.79 |
| Cash and cash equivalents | – | – | 1,851.19 | – | – | 1,445.68 |
| Earmarked balances with banks | – | – | 7.51 | – | – | 72.54 |
| Derivative financial asset | – | 176.78 | – | – | 80.66 | – |
| Other financial assets | – | – | 238.88 | – | – | 174.70 |
| Total financial assets | 241.04 | 449.66 | 23,939.01 | 130.23 | 164.02 | 16,929.86 |
| Financial liabilities | | | | | | |
| Borrowings | – | – | 21,626.23 | – | – | 15,297.28 |
| Trade payables | – | – | 5,096.67 | – | – | 4,663.13 |
| Derivative financial liability | – | 5.94 | – | – | – | – |
| Lease liability | – | – | 749.35 | – | – | 529.93 |
| Other financial liability | – | – | 349.66 | – | – | 335.56 |
| Total financial liabilities | – | 5.94 | 27,821.91 | – | – | 20,825.90 |

* FVTPL - Fair Valued Through Profit and Loss FVTOCI - Fair Valued 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 recognised and measured at fair value and that are measured at amortised cost, 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 Company 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 COMPANY LIMITED

CONSOLIDATED FINANCIAL STATEMENTS OF TVS MOTOR COMPANY LIMITED

Notes to the Financial Statements – *(continued)*

Rupees in crores

33 FAIR VALUE MEASUREMENTS - *(continued)*

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

| As at 31-03-2023 | Notes | Level 1 | Level 2 | Level 3 | Total |
|---|---|---|---|---|---|
| Financial assets | | | | | |
| Financial Investments at FVTPL | 4 | – | – | 241.04 | 241.04 |
| Financial Investments at FVTOCI | 4 | 1.00 | 40.07 | 231.81 | 272.88 |
| Derivatives | 6, 14 | – | 176.78 | – | 176.78 |
| | | 1.00 | 216.85 | 472.85 | 690.70 |
| Financial liabilities | | | | | |
| Derivatives | 23 | – | 5.94 | – | 5.94 |
| | | – | 5.94 | – | 5.94 |

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

| As at 31-03-2023 | Notes | Level 1 | Level 2 | Level 3 | Total |
|---|---|---|---|---|---|
| Financial assets | | | | | |
| *Investments* | | | | | |
| Debt instruments | 4 | – | – | 42.10 | 42.10 |
| | | – | – | 42.10 | 42.10 |
| Financial liabilities | | | | | |
| Derivative financial asset | 23 | – | 5.94 | – | 5.94 |
| Borrowings | 18, 21 | – | – | 21,626.23 | 21,626.23 |
| | | – | 5.94 | 21,626.23 | 21,632.17 |

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

| As at 31-03-2022 | Notes | Level 1 | Level 2 | Level 3 | Total |
|---|---|---|---|---|---|
| Financial assets | | | | | |
| Financial Investments at FVTPL | 4 | – | – | 130.23 | 130.23 |
| Financial Investments at FVTOCI | 4 | 1.03 | 52.38 | 29.95 | 83.36 |
| Derivatives | 6,14 | – | 80.66 | – | 80.66 |
| | | 1.03 | 133.04 | 160.18 | 294.25 |

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

| As at 31-03-2022 | Notes | Level 1 | Level 2 | Level 3 | Total |
|---|---|---|---|---|---|
| Financial assets | | | | | |
| *Investments* | | | | | |
| Debt instruments | 4 | – | – | 26.15 | 26.15 |
| | | – | – | 26.15 | 26.15 |
| Financial liabilities | | | | | |
| Borrowings | 18, 21 | – | – | 15,297.28 | 15,297.28 |
| | | – | – | 15,297.28 | 15,297.28 |

Level 1: Level 1 hierarchy includes financial instruments measured using quoted prices. This includes listed equity instruments 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 end of the reporting period. The mutual funds are valued using the closing NAV.

## Notes to the Financial Statements – *(continued)*

Rupees in crores

### 33 FAIR VALUE MEASUREMENTS - *(continued)*

Level 2: The fair value of financial instruments that are not traded in an active market is determined using valuation techniques which maximise the use of observable market data 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 are not based on observable market data, the instrument is included in level 3. This is the case for unlisted equity securities, preference shares and other non current investments included in level 3.

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

During the reporting period, there are no transfers among three levels.

(ii) Valuation technique used to determine fair value (Level 2)

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 interest rate swaps is calculated as the present value of estimated cash flows based on observable yield curves.
- the fair value of forward exchange contract and principal only swap is determined using forward exchange rate at the balance sheet date.
- the fair value of the remaining financial instruments is determined using discounted cash flow analysis.

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

| Particulars | Unlisted Equity Shares | Preference Shares | Debt instruments | Total |
|---|---|---|---|---|
| As at 31-03-2021 | 16.64 | – | – | 16.64 |
| Additions / (deletions) | 130.34 | 14.79 | – | 145.13 |
| Reclassified from amortised cost | 12.70 | – | – | 12.70 |
| Gains / (losses) recognised in profit or loss | 0.23 | – | – | 0.23 |
| Gains / (losses) recognised in other comprehensive income | (14.52) | – | – | (14.52) |
| As at 31-03-2022 | 145.39 | 14.79 | - | 160.18 |
| Additions / (deletions) | 201.46 | – | 49.12 | 250.58 |
| Gains / (losses) recognised in profit or loss | 61.69 | – | – | 61.69 |
| Gains / (losses) recognised in other comprehensive income | (1.14) | 1.54 | – | 0.40 |
| As at 31-03-2023 | 407.40 | 16.33 | 49.12 | 472.85 |

(iv) Valuation inputs and relationships to fair value

| Particulars | Fair value as at | | Significant unobservable input | Probability weighted range for the year ended | |
|---|---|---|---|---|---|
| | 31-03-2023 | 31-03-2022 | | 31-03-2023 | 31-03-2022 |
| Preference Shares* | 16.33 | 14.79 | a) Earnings growth rate | 1-3% | 1-3% |
| | | | b) Risk adjusted discount rate | 8% | 8% |
| Debt Instruments* | 49.12 | – | a) Earnings growth rate | 1-3% | 1-3% |
| | | | b) Risk adjusted discount rate | 8% | 8% |
| Unquoted Equity shares* | 407.40 | 145.39 | a) Earnings growth rate | 1-3% | 1-3% |
| | | | b) Risk adjusted discount rate | 8% | 8% |

* Sensitivity is not significant.





TVS MOTOR COMPANY LIMITED

CONSOLIDATED FINANCIAL STATEMENTS OF TVS MOTOR COMPANY LIMITED

## Notes to the Financial Statements – *(continued)*

33 FAIR VALUE MEASUREMENTS – *(continued)*

Rupees in crores

(v) Valuation processes

Discount rates are determined using a capital asset pricing model to calculate a pretax rate that reflects current market assessments of the time value of money and the risk specific to the asset. Earnings growth factor of preference shares and debt instruments are based on cash flow projections of future earnings of the Company and unlisted equity securities are estimated based on market information for similar type of companies. Risk adjustments have been derived based on the market risk premium adjusted for companies relevant financial data.

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

| Particulars | As at 31-03-2023 | | As at 31-03-2022 | |
|---|---|---|---|---|
| | Carrying amount | Fair value | Carrying amount | Fair value |
| Financial assets | | | | |
| Investments | | | | |
| Debt instruments | 42.10 | 42.10 | 26.15 | 26.15 |
| | 42.10 | 42.10 | 26.15 | 26.15 |
| Financial liabilities | | | | |
| Borrowings | 21,626.23 | 21,626.23 | 15,297.28 | 15,297.28 |
| | 21,626.23 | 21,626.23 | 15,297.28 | 15,297.28 |

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

The fair values for preference shares and other debt instruments are calculated based on cash flows discounted using a current lending rate, which approximates the carrying value. 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 values of non-current borrowings are based on discounted cash flows using a current borrowing rate, which approximates the carrying value. They are classified as level 3 fair values in the fair value hierarchy due to the inclusion of unobservable inputs including own credit risk.

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

### 34 FINANCIAL RISK MANAGEMENT

The Group's activities exposes 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 manages the risk and the impact of hedge accounting in the financial statements.

| Risk | Exposure arising from | Risk Parameters and Mitigation |
|---|---|---|
| Credit Risk | Cash, Cash equivalents and Trade receivables | Credit risk primarily arises from cash and cash equivalents, trade receivables and investments carried at amortised cost. The Group 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 Group 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 forward-looking information (more specifically described below) . 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, when they fall due. This definition of default is determined by considering the business environment in which entity operates and other macro-economic factors. |

Notes to the Financial Statements – *(continued)*

34 FINANCIAL RISK MANAGEMENT – *(continued)*

Rupees in crores

| Risk | Exposure arising from | Risk Parameters and Mitigation |
|---|---|---|
| Credit Risk | a. Cash and Cash Equivalents | Surplus cash is deposited only with banks / financial institutions with a high external credit rating. |
| | b. Domestic Trade Receivables | Domestic sales to the Dealers are based on advance payments received through banking channels or through inventory funding facilities availed by them from the banks. The Group extends limited credit to the dealers and such extension of credit is based on dealers' credit worthiness, ability to repay and past track record. The Group has extensive reporting and review system to constantly monitor the outstandings. |
| | c. Export Trade Receivables | The Group's export business is mostly based on Letters of credit. Export receivables are also covered through Insurance with ECGC Limited. |
| Liquidity Risk | INR denominated borrowings [other than soft loans given by Govt. Authorities] | The Group's liquidity management policy involves projecting cash flows in major currencies by 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. The Group works out detailed annual operating plans to assess the fund requirements - both short term and long term. Detailed month wise cash flow forecast is also carried out along with required sensitivities. Based on these factors adequate working capital credit limits are organised in advance. Group has pre-approved credit lines with various banks and these are constantly reviewed and approved by the Board. For long term fund requirements, Group targets various options such as rupee term loan, external commercial borrowing, debentures etc. The Group obtains a credit rating for the various borrowing facilities on annual basis. Group constantly monitors the free cash flow from operations to ensure that the borrowing is minimized. |
| Market Risk | (i) Foreign exchange | The Group operates internationally and is exposed to foreign exchange risk arising from foreign currency transactions. 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. The risk is measured through a forecast of highly probable foreign currency cash flows. The Group has a forex management policy which is duly approved by the Board. The objective of the hedges when taken is to minimise the volatility of the functional currency cash flows of highly probable forecast transactions. |
| | a. Export trade receivables and Import payables | The Group has a forex management policy duly approved by the Board. The Group's policy is to hedge most of its net currency exposure. Group reviews the forex exposure on a regular basis and also reports its adherence to the Board on a quarterly basis. The recording and reporting requirements are strictly adhered. |
| | b. Foreign currency denominated borrowings | The Group has hedged its borrowings by covering the principal repayments. |
| | (ii) Interest rate<br>- Foreign currency denominated borrowings | 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. Group's policy is to maintain most of its borrowings at fixed rate using interest rate swaps to achieve this when necessary. The Group's fixed rate borrowings are carried at amortised cost. They are therefore not subject to interest rate risk as defined in Ind AS 107, since neither the carrying amount nor the future cash flows will fluctuate because of a change in market interest rates. |



TVS MOTOR COMPANY LIMITED

CONSOLIDATED FINANCIAL STATEMENTS OF TVS MOTOR COMPANY LIMITED

Notes to the Financial Statements – *(continued)*

34 FINANCIAL RISK MANAGEMENT – *(continued)*

Rupees in crores

(A) Credit risk (except Loans from financing activity covered under Note no. 35).

Basis of recognition of expected credit loss provision

| Rating | Category | Description of category | investments | Loans and deposts | Trade receivables |
|---|---|---|---|---|---|
| 1 | High Quality assets, negligible credit risk | Assets where the counter-party has strong capacity to meet the obligations and where the risk of default is negligible or nil. | 12 month expected credit losses | 12 month expected credit losses | Life time expected credit losses (simplified approach) |
| 2 | Quality assets, low credit risk | Assets where there is low risk of default and where the counter-party has sufficient capacity to meet the obligations and where there has been low frequency of defaults in the past | | | |
| 3 | Standard Assets, moderate credit risk | Assets where the probability of default is considered moderate and where the counter-party's capacity to meet the obligations is not strong. | | | |
| 4 | Substandard Assets, relatively high credit risk | Assets where there has been a significant increase in credit risk since initial recognition. | Life time expected credit losses | | |
| 5 | Low quality assets, very high credit risk | Assets where there is a high probability of default. Also includes assets where the credit risk of counter-party has increased significantly though payments may not be more than 180 days past due. | | | |
| 6 | Doubtful assets, credit impaired | Assets are written off when there is no reasonable expectation of recovery, such as a debtor declaring bankruptcy or failing to engage in a repayment plan with the Group. Where loans or receivables have been written off, the Group continues to engage in enforcement activity to attempt to recover the receivable due. Where recoveries are made, these are recognised in profit or loss. | Asset is written off | | |

As at 31-03-2023

a) Expected credit loss for investments, loans and other financial assets

| Particulars | Internal rating | Asset / Asset group | Gross carrying amount | Expected probability of default | Expected credit loss | Carrying amount net of impairment provision |
|---|---|---|---|---|---|---|
| Loss allowance measured at 12 months expected credit loss | 2 | Investments at amortised cost | 42.10 | 0% | – | 42.10 |
| | 1 | Other financial assets | 238.88 | 0% | – | 238.88 |

b) Expected credit loss for trade receivables under simplified approach

| Particulars | 0 to 180 days past due | More than 180 days past due | Total |
|---|---|---|---|
| Gross carrying amount | 781.93 | 499.76 | 1,281.69 |
| Expected loss rate | – | 10% | – |
| Expected credit losses | – | 49.49 | 49.49 |
| Carrying amount of trade receivables | 781.93 | 450.27 | 1,232.20 |

## Notes to the Financial Statements – *(continued)*

Rupees in crores

### 34 FINANCIAL RISK MANAGEMENT - *(continued)*

As at 31-03-2022

a) Expected credit loss for investments, loans and other financial assets

| Particulars | Internal rating | Asset / Asset group | Gross carrying amount | Expected probability of default | Expected credit loss | Carrying amount net of impairment provision |
|---|---|---|---|---|---|---|
| Loss allowance measured at 12 months expected credit loss | 2 | Investments at amortised cost | 26.15 | 0% | – | 26.15 |
| | 1 | Other financial assets | 174.70 | 0% | – | 174.70 |

b) Expected credit loss for trade receivables under simplified approach

| Particulars | 0 to 180 days past due | More than 180 days past due | Total |
|---|---|---|---|
| Gross carrying amount | 1,075.29 | 154.64 | 1,229.93 |
| Expected loss rate | – | 34% | – |
| Expected credit losses | – | 52.63 | 52.63 |
| Carrying amount of trade receivables | 1,075.29 | 102.01 | 1,177.30 |

Reconciliation of loss allowance provision - Trade receivables

| | |
|---|---|
| Loss allowance 01-04-2021 | 43.36 |
| Changes in loss allowance | 9.27 |
| Loss allowance 31-03-2022 | 52.63 |
| Changes in loss allowance | (3.14) |
| Loss allowance 31-03-2023 | 49.49 |

(B) Liquidity risk

(i) Financing arrangements

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

| Particulars | As at 31-03-2023 | As at 31-03-2022 |
|---|---|---|
| Floating rate | | |
| - Expiring within one year (bank overdraft and other facilities) | 4,370.28 | 3,460.05 |
| - Expiring beyond one year (bank loans) | – | – |

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 subsidiaries functional currency except for one subsidary in USD and have an average maturity ranging from 30 to 180 days.

(ii) Maturities of financial liabilities

The tables below analyse the Group'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.





TVS MOTOR COMPANY LIMITED

CONSOLIDATED FINANCIAL STATEMENTS OF TVS MOTOR COMPANY LIMITED

## Notes to the Financial Statements – *(continued)*

Rupees in crores

### 34 FINANCIAL RISK MANAGEMENT - *(continued)*

As at 31-03-2023

| Contractual Maturities of Financial Liabilities | Less than 3 months | 3 months to 6 months | 6 months to 1 year | 1 year to 5 years | More than 5 years | Total |
|---|---|---|---|---|---|---|
| Borrowings | 3,709.49 | 1,732.78 | 7,119.88 | 8,861.09 | 208.45 | 21,631.69 |
| Lease Liabilities | 48.80 | 46.42 | 90.62 | 596.77 | 75.28 | 857.89 |
| Trade payables | 4,514.69 | 290.86 | 291.12 | – | – | 5,096.67 |
| Other financial liabilities | 349.66 | – | – | – | – | 349.66 |
| Derivatives | 5.94 | – | – | – | – | 5.94 |

As at 31-03-2022

| Contractual Maturities of Financial Liabilities | Less than 3 months | 3 months to 6 months | 6 months to 1 year | 1 year to 5 years | More than 5 years | Total |
|---|---|---|---|---|---|---|
| Borrowings | 3,515.48 | 1,113.69 | 3,362.34 | 6,742.95 | 569.14 | 15,303.60 |
| Lease Liabilities | 34.01 | 33.94 | 65.92 | 421.48 | 79.18 | 634.53 |
| Trade payables | 4,402.28 | 197.51 | 63.34 | – | – | 4,663.13 |
| Other financial liabilities | 287.99 | 29.13 | 8.59 | 9.85 | – | 335.56 |

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 exchange risk

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

| Particulars | As at 31-03-2023 | | As at 31-03-2022 | |
|---|---|---|---|---|
| Exposure in foreign currency | USD | EUR | USD | EUR |
| Financial assets | | | | |
| Trade receivables | 1,275.23 | 66.88 | 901.31 | 60.00 |
| Investments | 137.10 | 8.47 | 67.17 | – |
| Derivative assets | | | | |
| Foreign exchange forward contracts | | | | |
| Sell foreign currency | (847.89) | (62.75) | (1,583.99) | (63.46) |
| Financial liabilities | | | | |
| Foreign currency loan | 2,931.78 | – | 2,689.80 | – |
| Trade payables | 560.91 | 7.54 | 274.38 | 6.52 |
| Derivative liabilities | | | | |
| Foreign exchange forward contracts | | | | |
| Buy foreign currency | 4.14 | – | 0.95 | – |
| Principal swap | | | | |
| Buy foreign currency | (2,669.98) | – | (2,494.34) | – |

## Notes to the Financial Statements – *(continued)*

Rupees in crores

### 34 FINANCIAL RISK MANAGEMENT - *(continued)*

Sensitivity

The sensitivity of profit or loss to changes in the exchange rates arises mainly from foreign currency denominated financial instruments and the impact on other components of equity arises from foreign forward exchange contracts designated as cash flow hedges.

| Particulars | Impact on profit after tax* | | Impact on other components of equity* | |
|---|---|---|---|---|
| | As at 31-03-2023 | As at 31-03-2022 | As at 31-03-2023 | As at 31-03-2022 |
| **USD sensitivity** | | | | |
| INR / USD increases by 10% | 37.87 | 41.75 | (54.92) | (103.98) |
| INR / USD decreases by 10% | (37.87) | (41.75) | 54.92 | 103.98 |
| SGD / USD increases by 10% | 3.40 | – | 6.28 | – |
| SGD / USD decreases by 10% | (3.40) | – | (6.28) | – |
| IDR / USD increases by 10% | (10.38) | (12.19) | – | – |
| IDR / USD decreases by 10% | 10.38 | 12.19 | – | – |
| **EURO sensitivity** | | | | |
| INR / EURO increases by 10% | 4.01 | 3.66 | (4.25) | (4.35) |
| INR / EURO decreases by 10% | (4.01) | (3.66) | 4.25 | 4.35 |
| SGD / EURO increases by 10% | – | – | 0.57 | – |
| SGD / EURO decreases by 10% | – | – | (0.57) | – |

* Holding all other variables constant

(ii) Interest rate risk

For short term borrowings, interest rates are normally based on respective geographies Central bank approved benchmark rates plus margin. Whenever the Group resorts to short term borrowings through commercial paper, the rate of interest is fixed in advance. In respect of long term foreign currency borrowings, the interest rates are covered through interest rate swaps (IRS).

| Particulars | As at 31-03-2023 | As at 31-03-2022 |
|---|---|---|
| Variable rate borrowings | 9,772.10 | 7,049.81 |
| Fixed rate borrowings | 11,859.68 | 8,253.79 |

The Amount disclosed above in the table are the contractual undiscounted cash flows.

| Sensitivity | Impact on profit after tax | |
|---|---|---|
| | As at 31-03-2023 | As at 31-03-2022 |
| Increase in interest rates by 100 bps | (66.10) | (48.30) |
| Decrease in interest rates by 100 bps | 66.10 | 48.30 |

(iii) Price Risk

The company's exposure to equity securities price risk arises from investments held by the Group and classified in the balance sheet either as fair value through OCI or at fair value through profit or loss. To manage its price risk from investments in equity securities, the Group diversifies its portfolio. The impact of the changes in price risk is not material.



TVS MOTOR COMPANY LIMITED

CONSOLIDATED FINANCIAL STATEMENTS OF TVS MOTOR COMPANY LIMITED

## Notes to the Financial Statements – *(continued)*

Rupees in crores

### 34 FINANCIAL RISK MANAGEMENT - *(continued)*

(D) Impact of hedging activities

(i) Disclosure of effects of hedge accounting on financial position

(a) Disclosure of effects of hedge accounting on financial position as at 31-03-2023

| Type of hedge and risks | Nominal value | | Carrying amount of hedging instrument | | Maturity date | Changes in fair value of hedging instrument since inception of hedge | Changes in the value of hedged item used as the basis for recognising hedge effectiveness |
|---|---|---|---|---|---|---|---|
| | Assets | Liabilities | Assets | Liabilities | | | |
| Cash flow hedge | | | | | | | |
| Foreign exchange forward contracts | 910.64 | (4.14) | 2.74 | – | Apr-23 to Jun-23 | 2.74 | (2.74) |
| Foreign currency loan: | | | | | | | |
| • Principal swap | – | 2,669.98 | 167.84 | – | Jun'23 to Dec'27 | 167.84 | (167.84) |
| • Interest rate swap | – | 2,669.98 | 0.26 | – | | 0.26 | (0.26) |

(b) Disclosure of effects of hedge accounting on financial position as at 31-03-2022

| Type of hedge and risks | Nominal value | | Carrying amount of hedging instrument | | Maturity date | Changes in fair value of hedging instrument since inception of hedge | Changes in the value of hedged item used as the basis for recognising hedge effectiveness |
|---|---|---|---|---|---|---|---|
| | Assets | Liabilities | Assets | Liabilities | | | |
| Cash flow hedge: | | | | | | | |
| Foreign exchange forward contracts | 1,647.45 | (0.95) | 4.45 | – | Apr'22 to Dec'22 | 4.45 | (4.45) |
| Foreign currency loan: | | | | | | | |
| • Principal swap | – | 2,494.33 | 79.06 | – | Jun'22 to Dec'24 | 79.06 | (79.06) |
| • Interest rate swap | – | 2,494.33 | – | 2.85 | | (2.85) | 2.85 |

(ii) Disclosure of effects of hedge accounting on financial performance:

a) for the year ended 31-03-2023:

| Type of hedge | Change in the value of hedging instrument recognised in other comprehensive income | Hedge ineffectiveness recognised in profit and loss | Amount reclassified from cash flow hedging reserve to profit or loss | Line item affected in statement of profit and loss because of the reclassification |
|---|---|---|---|---|
| Cash flow hedge: Foreign exchange risk/POS/IRS | (6.02) | – | (17.89) | Revenue and Borrowing cost |

b) for the year ended 31-03-2022:

| Type of hedge | Change in the value of hedging instrument recognised in other comprehensive income | Hedge ineffectiveness recognised in profit and loss | Amount reclassified from cash flow hedging reserve to profit or loss | Line item affected in statement of profit and loss because of the reclassification |
|---|---|---|---|---|
| Cash flow hedge: Foreign exchange risk/POS/IRS | 7.59 | – | (24.80) | Revenue and Borrowing cost |

Notes to the Financial Statements – *(continued)*

Rupees in crores

## 35 FINANCIAL RISK MANAGEMENT RELATING TO LOAN RECEIVABLE FROM FINANCING ACTIVITY

(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 | March 31, 2023 | March 31, 2022 |
|---|---|---|
| Gross Carrying value of Loans | | |
| Stage - 1 (Less than 30 Days) | 19,694.90 | 12,779.66 |
| Stage - 2 (30-90 Days) # | 989.54 | 1,097.14 |
| Stage - 3 (More than 90 Days)* | 573.71 | 528.99 |
| Total Gross Carrying value of Assets on Reporting Date | 21,258.15 | 14,405.79 |

# 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 categorises loan assets into stages based on the Days Past Due status:

- Stage 1: 30 Days Past Due
- Stage 2: 31-90 Days Past Due
- Stage 3: More than 90 Days Past Due



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Notes to the Financial Statements – *(continued)*

## 35 FINANCIAL RISK MANAGEMENT RELATING TO LOAN RECEIVABLE FROM FINANCING ACTIVITY - *(continued)*

Assumptions considered in the ECL model

The financial services business 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 financial services business 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 macro economic 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 financial services business considers both quantitative and qualitative information and analysis based on the business historical experience, including forward-looking information. The financial services business 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 March 27, 2020 and April 17, 2020 relating to 'COVID-19 – Regulatory Package', the Group has offered moratorium upto six months on the payment of installments falling due between March 1, 2020 and August 31, 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 Company. 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.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 August 6, 2020 and RBI/ 2 021- 22/31/DOR.STR.REC.11 /21.04.048/2021-22 dated 5 May 2021 in Stage 2 irrespective of days past due status on the reporting date.

Group's assessments of impairment loss allowance on its loans are subject to a number of management judgements and estimates. Since the Group's impairment loss allowance estimates are inherently uncertain, actual results may differ from these estimates.

Notes to the Financial Statements – *(continued)*

Rupees in crores

35 FINANCIAL RISK MANAGEMENT RELATING TO LOAN RECEIVABLE FROM FINANCING ACTIVITY - *(continued)*

Definition of default

The Group considers a financial instrument is in defaulted when the borrower becomes 90 days past due on its contractual payments. The financial services business 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:

| Particulars | Stage 1 | Stage 2 | Stage 3 | Grand Total |
|---|---|---|---|---|
| Gross Balance as at March 31, 2023 | 19,693.40 | 989.54 | 573.71 | 21,256.65 |
| Expected Credit Loss | 264.74 | 138.78 | 306.54 | 710.06 |
| Expected Credit Loss Rate | 1.34% | 14.02% | 53.43% | 3.34% |
| Net of Impairment Provision | 19,428.66 | 850.76 | 267.17 | 20,546.59 |

| Particulars | Stage 1 | Stage 2 | Stage 3 | Grand Total |
|---|---|---|---|---|
| Gross Balance as at March 31, 2022 | 12,778.25 | 1,097.14 | 528.99 | 14,404.38 |
| Expected Credit Loss | 87.82 | 33.25 | 267.61 | 388.68 |
| Expected Credit Loss Rate | 0.69% | 3.03% | 50.59% | 2.70% |
| Net of Impairment Provision | 12,690.43 | 1,063.89 | 261.38 | 14,015.70 |

Reconciliation of Expected Credit Loss

| Particulars | Stage 1 | Stage 2 | Stage 3 | Grand Total |
|---|---|---|---|---|
| Balance as at April 01, 2021 | 81.90 | 42.34 | 165.43 | 289.67 |
| Transfer from Stage 1 | (29.74) | 18.52 | 11.22 | – |
| Transfer from Stage 2 | 2.12 | (12.60) | 10.48 | – |
| Transfer from Stage 3 | 4.64 | 2.41 | (7.05) | – |
| Loans that have derecognised during the period | (21.70) | (19.63) | (90.95) | (132.28) |
| New Loans originated during the year | 60.77 | 2.65 | 17.14 | 80.56 |
| Net Remeasurement of Loss Allowance | (10.17) | (0.44) | 161.34 | 150.73 |
| Balance as at March 31, 2022 | 87.82 | 33.25 | 267.61 | 388.68 |
| Transfer from Stage 1 | (6.38) | 3.96 | 2.42 | – |
| Transfer from Stage 2 | 2.16 | (8.41) | 6.25 | – |
| Transfer from Stage 3 | 11.64 | 2.96 | (14.60) | – |
| Loan that have derecognised during the period | (22.10) | (9.86) | (141.35) | (173.31) |
| New Loans originated during the year | 118.95 | 46.44 | 48.07 | 213.46 |
| Net Remeasurement of Loss Allowance | 72.66 | 70.44 | 138.14 | 281.24 |
| Balance as at March 31, 2023 | 264.75 | 138.78 | 306.54 | 710.07 |



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Notes to the Financial Statements – *(continued)*

Rupees in crores

35 FINANCIAL RISK MANAGEMENT RELATING TO LOAN RECEIVABLE FROM FINANCING ACTIVITY - *(continued)*

Concentration of Credit Risk

The business manages concentration of risk primarily by geographical region. The following details show the geographical concentrations of the loans at the year end:

| Particulars | March 31, 2023 | March 31, 2022 |
|---|---|---|
| Carrying value | | |
| Concentration by geographical region in India | | |
| South | 8,472.49 | 5,620.72 |
| West | 5,917.79 | 3,870.72 |
| East | 3,307.58 | 2,517.92 |
| North | 3,558.79 | 2,395.02 |
| Total Loans as at reporting period | 21,256.65 | 14,404.38 |

36 CAPITAL MANAGEMENT

(a) Risk management

The Group's objectives when managing capital are to

- safeguard their ability to continue as a going concern, so that we 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 Group 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 Group 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 Group's strategy is to maintain an optimum gearing ratio. The gearing ratios were as follows:

| Particulars | As at 31-03-2023 | As at 31-03-2022 |
|---|---|---|
| Net debt | 19,775.04 | 13,851.60 |
| Total equity | 5,909.85 | 5,053.01 |
| Net debt to equity ratio (times) | 3.3 | 2.7 |

The Company also monitors Interest coverage ratio:

Group's earnings before interest and taxes (EBIT) divided by interest.

The Group's strategy is to maintain an optimum interest coverage ratio.

The Interest coverage ratio were as follows:

| Particulars | Year ended 31-03-2023 | Year ended 31-03-2022 |
|---|---|---|
| EBIT (before exceptional item) | 3,305.79 | 2,047.13 |
| Interest | 1,367.89 | 940.22 |
| Interest coverage ratio (times) | 2.4 | 2.2 |

(b) Dividends

| Particulars | Year ended 31-03-2023 | Year ended 31-03-2022 |
|---|---|---|
| (i) Equity shares | | |
| Interim dividend for the year ended 31-03-2023 of ₹ 5.00 (for the year ended 31-03-2022 of ₹ 3.75) per fully paid share | 237.54 | 178.16 |
| (ii) Dividends not recognised at the end of the reporting period | – | – |

Rupees in crores

## 37 BUSINESS COMBINATION

On 1st October 2015, our Subsidiary Sundaram Auto Components Limited (SACL) acquired an automobile seat manufacturing business at Nalagarh, Himachal Pradesh to expand its business

On 7th September 2017, the Company acquired 16,20,000 (81%) equity shares of M/s. TVS Motor Services Limited, Chennai. This would further strengthen the retail financing for the customers of the Company through its subsidiaries.

During the year ended March 31, 2022, our subsidiary TVS Motor (Singapore) Pte. Ltd. acquired majority stake in two E-Mobility companies in Europe to establish its presence in e-personal mobility space.

On 16th September 2021, 91,20,858 (80%) equity shares of The GO Corporation (The GO AG) and on 27th January 2022, 1,14,658 (75%) equity shares of Swiss E-Mobility Group (Holding) AG (SEMG) were acquired.

During the year ended March 31, 2023, our subsidiary TVS Motor (Singapore) Pte. Ltd. acquired majority stake in two E-Mobility companies in Europe to further strengthen its presence in e-personal mobility space.

On 1st April 2022, 70 (70%) equity shares of EBCO Limited, UK were acquired. Further on 12th April 2022, (100%) equity shares of Alexand'Ro Edouard'O Passion Vélo Sàrl ("Passion Vélo"), Germany were acquired through its subsidiary Swiss E-Mobility Group (Holding) AG (SEMG).

Details of the purchase consideration and goodwill are follows

| Particulars | Business acquired by SACL | TVS Motor Services | GO AG | SEMG | EBCO | Passion Velo |
|---|---|---|---|---|---|---|
| Consideration transferred | 9.00 | 1.62 | 131.46 | 488.60 | 11.64 | 23.96 |
| Non-controlling interest in the acquired entity | – | 136.05 | (1.12) | 55.52 | (1.32) | – |
| Acquisition date fair value of previously held equity interest | – | 0.38 | – | – | – | – |
| Less : Net identifiable assets acquired | 6.80 | (48.06) | 71.23 | 222.07 | (4.40) | 11.10 |
| Goodwill on consolidation | 2.20 | 186.11 | 59.11 | 322.05 | 14.72 | 12.86 |
| Total goodwill recognised in books | | | | | | 597.05 |

The goodwill is attributable to the expected synergies on acquisition of the financial services business and e-personal mobility business.

Goodwill is tested for impairment on an annual basis and whenever there is an indication that goodwill may be impaired, relying on a number of factors including operating results, business plans and future cash flows. For the purpose of impairment testing, goodwill acquired in a business is allocated to the Group's cash generating units (CGU) or groups of CGUs expected to benefit from the synergies arising from the business combination.

Total impairment loss of a CGU is allocated first to reduce the carrying amount of goodwill allocated to the CGU and then to the other assets of the CGU pro-rate on the basis of carrying amount of each asset in CGU. An impairment loss on goodwill is recognized in net profit in the Consolidated Statement of Profit and Loss and is not reversed in the subsequent period.

Company assessed impairment of goodwill based on the expected earnings growth of the acquired business.

Revenue and profit contribution for year ended March 31, 2023.

The acquired business contributed revenue of Rs. 4.29 crores and loss before tax of Rs. 5.84 crores between acquisition date and March 31, 2023.



TVS MOTOR COMPANY LIMITED

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Notes to the Financial Statements – *(continued)*

Rupees in crores

## 38 EMPLOYEE BENEFIT OBLIGATIONS

Defined benefit plans as per actuarial valuation

| Particulars | Funded plan | | | Unfunded plans | |
|---|---|---|---|---|---|
| | Gratuity | | | Pension | Leave salary |
| | Present value of obligation | Fair value of plan assets | Net amount | Present value of obligation | Present value of obligation |
| As at 01-04-2021 | 152.38 | (147.02) | 5.36 | 107.17 | 69.63 |
| Current service cost | 24.25 | - | 24.25 | - | - |
| Interest expense / (income) | 11.45 | (10.37) | 1.08 | 7.49 | 4.39 |
| Total amount recognised in profit or loss | 35.70 | (10.37) | 25.33 | 7.49 | 4.39 |
| Remeasurements | | | | | |
| Return on plan assets, excluding amount included in interest expense / (income) | – | (3.31) | (3.31) | – | – |
| (Gain) / loss from change in financial / demographic assumptions | (5.34) | – | (5.34) | (3.27) | (1.82) |
| Experience (gains) / losses | 26.41 | – | 26.41 | 48.75 | 30.26 |
| Total amount recognised in other comprehensive income | 21.07 | (3.31) | 17.76 | 45.48 | 28.44 |
| Employer contributions | – | (45) | (45) | – | – |
| Benefit payments | (14.23) | 14.23 | – | (1.65) | (16.77) |
| As at 31-03-2022 | 194.92 | (191.47) | 3.45 | 158.49 | 85.69 |
| Current service cost | 34.70 | – | 34.70 | – | – |
| Interest expense / (income) | 14.84 | (14.10) | 0.74 | 10.01 | 6.54 |
| Total amount recognised in profit or loss | 49.54 | (14.10) | 35.44 | 10.01 | 6.54 |
| Remeasurements | | | | | |
| Return on plan assets, excluding amount included in interest expense / (income) | – | 3.17 | 3.17 | – | – |
| (Gain) / loss from change in financial / demographic assumptions | 3.66 | – | 3.66 | (20.49) | (0.71) |
| Sale of Subsidiary | (0.62) | – | (0.62) | – | – |
| Experience (gains) / losses | 3.42 | – | 3.42 | 12.32 | 44.85 |
| Total amount recognised in other comprehensive income | 6.46 | 3.17 | 9.63 | (8.17) | 44.14 |
| Employer contributions | – | (53.15) | (53.15) | – | – |
| Benefit payments | (23.48) | 21.04 | (2.44) | (4.01) | (15.14) |
| As at 31-03-2023 | 227.44 | (234.51) | (7.07) | 156.32 | 121.23 |

The certain companies in the group has an obligation towards gratuity, a defined benefit retirement plan covering eligible employees.The Companies have created Employees' Group Gratuity Fund which has taken Group Gratuity Assurance Scheme with the Life Insurance Corporation of India. Company's contributions are based on actuarial valuation arrived at the end of each year and charged to Statement of Profit and Loss

Rupees in crores

## 38 EMPLOYEE BENEFIT OBLIGATIONS - *(continued)*

The defined benefit obligations maturing after year ended March 31, 2023 are as follows.

| Year ending 31st March, | Defined benefit obligagion |
|---|---|
| 2024 | 32.61 |
| 2025 | 21.91 |
| 2026 | 23.93 |
| 2027 | 18.65 |
| 2028 | 18.21 |
| 2029-2033 | 79.22 |

The significant actuarial assumptions were as follows:

| Particulars | As at 31-03-2023 | As at 31-03-2022 |
|---|---|---|
| Discount rate (Gratuity) | 5.3% to 7.3% | 5% to 7% |
| Discount rate (Leave salary) | 5.2% to 7.3% | 5.3% to 6.9% |
| Discount rate (Pension) | 5.7% to 6.1% | 5.5% to 6.6% |
| Salary growth rate | 5.5% to 10% | 5.5% to 10% |
| Pre-retirement mortality rate | IALM (2006-08) Ultimate | |
| Post retirement mortality rate | LIC Ann (1996-98) | |
| Attrition rate (For Leave salary & Gratuity) | 3% to 36% | 3% to 36% |

Assumptions regarding future mortality for pension 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 age 58.

(i) Sensitivity analysis

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

| Particulars | Impact on defined benefit obligation - Gratuity | | | | | |
|---|---|---|---|---|---|---|
| | Change in assumption | | Increase in assumption | | Decrease in assumption | |
| | Year ended | | Year ended | | Year ended | |
| | 31-03-2023 | 31-03-2022 | 31-03-2023 | 31-03-2022 | 31-03-2023 | 31-03-2022 |
| Discount rate | 0.50% | 0.50% | 218.66 | 187.07 | 236.10 | 201.85 |
| Salary growth rate | 0.50% | 0.50% | 236.19 | 202.06 | 218.50 | 187.05 |
| Mortality | 5.00% | 5.00% | 227.11 | 194.29 | 227.03 | 194.22 |

| Particulars | Impact on defined benefit obligation - Pension | | | | | |
|---|---|---|---|---|---|---|
| | Change in assumption | | Increase in assumption | | Decrease in assumption | |
| | Year ended | | Year ended | | Year ended | |
| | 31-03-2023 | 31-03-2022 | 31-03-2023 | 31-03-2022 | 31-03-2023 | 31-03-2022 |
| Discount rate | 1.00% | 1.00% | 141.38 | 141.03 | 174.82 | 179.55 |
| Salary growth rate | 1.00% | 1.00% | 175.80 | 180.38 | 140.40 | 140.14 |
| Mortality | 5.00% | 5.00% | 155.42 | 157.06 | 157.98 | 160.01 |



TVS MOTOR COMPANY LIMITED

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Notes to the Financial Statements – *(continued)*

Rupees in crores

## 38 EMPLOYEE BENEFIT OBLIGATIONS - *(continued)*

| Particulars | Impact on defined benefit obligation - Leave salary | | | | | |
|---|---|---|---|---|---|---|
| | Change in assumption | | Increase in assumption | | Decrease in assumption | |
| | Year ended | | Year ended | | Year ended | |
| | 31-03-2023 | 31-03-2022 | 31-03-2023 | 31-03-2022 | 31-03-2023 | 31-03-2022 |
| Discount rate | 0.50% | 0.50% | 118.13 | 67.50 | 125.21 | 71.92 |
| Salary growth rate | 0.50% | 0.50% | 125.25 | 71.93 | 118.06 | 67.47 |
| Mortality | 5.00% | 5.00% | 121.56 | 69.64 | 121.54 | 69.63 |

The above sensitivity analysis is 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.

(ii) 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 underperform this yield, this will create a deficit.

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

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

Life expectancy: The pension obligations are 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.

(iii) Defined contribution plans:

The Group's contribution to defined contribution plan i.e., provident fund of ₹ 68.79 crores (previous year ₹ 55.72 crores) has been recognised in the Statement of Profit and Loss.

## 39 RELATED PARTY DISCLOSURE

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

Holding company:

Sundaram-Clayton Limited, Chennai

Ultimate holding company:

TVS Holdings Private Limited, Chennai

Subsidiaries:

Sundaram Auto Components Limited, Chennai
TVS Housing Limited, Chennai
TVS Motor Services Limited, Chennai
TVS Credit Services Limited, Chennai
Harita ARC Services Private Limited, Chennai
TVS Two Wheeler Mall Private Limited, Chennai
TVS Housing Finance Private Limited, Chennai

Notes to the Financial Statements – *(continued)*

39 RELATED PARTY DISCLOSURE - *(continued)*

TVS Motor (Singapore) Pte. Limited, Singapore
TVS Motor Company (Europe) B.V, Amsterdam
PT. TVS Motor Company Indonesia, Jakarta
Sundaram Holding USA Inc, Delaware USA *(upto 22nd Sep 2022)*
Green Hills Land Holding LLC, South Carolina USA *(upto 22nd Sep 2022)*
Component Equipment Leasing LLC, South Carolina USA *(upto 22nd Sep 2022)*
Sundaram-Clayton USA LLC, South Carolina USA *(upto 22nd Sep 2022)*
Premier Land Holding LLC, South Carolina USA *(upto 22nd Sep 2022)*
The Norton Motorcycle Co. Ltd, UK
Intellicar Telematics Private Limited, Bengaluru *(upto 24th May 2022)*
TVS Electric Mobility Limited, Chennai
Intellicar Telematics (Singapore) Pte Limited *(upto 24th May 2022)*
TVS Digital Pte Limited, Singapore
The GO Corporation, Switzerland
EBCO Limited, UK *(with effect from 1st Apr 2022)*
Celerity Motor GmbH, Germany *(with effect from 6th Dec 2022)*
EGO Movement Stuttgart, GmbH, Germany
Swiss E-mobility (Group) Holding AG, Switzerland
Swiss E-Mobility Group (Schweiz) AG Switzerland
Colag E-Mobility GmbH, Germany
Alexand'Ro Edouard'O Passion Vélo Sàrl ("Passion Vélo") *(with effect from 12th Apr 2022)*

Associate companies:
Emerald Haven Realty Limited, Chennai
Ultraviolette Automotive Private Limited, Bengaluru
Tagbox Solutions Private Limited, Bengaluru
DriveX Mobility Private Limited, Coimbatore *(with effect from 15th Oct 2022)*
(Formerly known as Nkars Mobility Millennial Solutions Private Limited)

(ii) Other related parties and their relationship where transaction exists:

Associate / Joint venture of holding / ultimate holding / subsidiary / fellow subsidiary company:
Predictronics Corporation, USA
Tagbox Pte Ltd, Singapore
Altizon Inc., USA
Scienaptic Systems Inc., USA

Enterprises in which directors are interested:
TVS Organics Private Limited, Chennai *(upto 27th Jun 2022)*
Harita Techserv Limited, Chennai *(upto 27th Jun 2022)*
Dua Associates, Delhi
Dua Consulting Private Limited, Delhi
McCann-Erickson (India) Private Limited, Delhi
Trichur Sundaram Santhanam & Family Private Limited, Chennai
T.V Sundram Iyengar & Sons Private Limited, Madurai
Lakshmi Energy and Environment Design Private Limited, Coimbatore



TVS MOTOR COMPANY LIMITED

CONSOLIDATED FINANCIAL STATEMENTS OF TVS MOTOR COMPANY LIMITED

Notes to the Financial Statements – *(continued)*

39 RELATED PARTY DISCLOSURE - *(continued)*

Rupees in crores

Key Management Personnel (KMP):

Executive Directors:
Mr. Venu Srinivasan, Chairman Emeritus and Managing Director
Mr. Sudarshan Venu, Managing Director
Mr. K.N.Radhakrishnan, Director and CEO

Non-executive Directors:
Independent Directors:
Mr. T.Kannan
Mr. C.R.Dua
Mr. R Gopalan
Mr. Hemant Krishan Singh
Mrs. Lalita D. Gupte
Mr. Kuok Meng Xiong
Mr. B Sriram

Non-Independent Directors:
Prof. Sir Ralf Dieter Speth, Chairman
Dr. Lakshmi Venu
Mr. H.Lakshmanan *(upto 27th Jun 2022)*

Chief Financial Officer
K. Gopala Desikan

Company Secretary
K.S. Srinivasan

Post Employment benefit plans:
TVS Motor Company Employees' Gratuity Fund
TVS Motor Company Employees' Provident Fund

| | As at/ Year ended 31-03-2023 | As at/ Year ended 31-03-2022 |
|---|---|---|
| (b) Transactions with related parties: (Transactions from the date of becoming / upto the date of ceasing to be related party) | | |
| (i) Purchase of goods (Including sales reversal) | | |
| - Holding company (Sundaram-Clayton Limited, Chennai) | 412.62 | 519.17 |
| - Associate / joint venture | | |
| Tagbox Solutions Private Limited, Bengaluru | 1.43 | 0.52 |
| - Enterprises in which directors are interested | | |
| T.V Sundram Iyengar & Sons Private Limited, Madurai | 0.23 | - |
| TVS Organics Private Limited, Chennai | 0.19 | 0.53 |
| (ii) Sale of goods | | |
| - Ultimate holding company | | |
| TVS Holdings Private Limited, Chennai | 420.09 | 79.83 |
| - Holding company (Sundaram-Clayton Limited, Chennai) | 19.52 | 0.06 |
| Associate company (Emerald Haven Realty Limited, Chennai) | - | 0.08 |
| - Enterprises in which directors are interested | | |
| T.V Sundram Iyengar & Sons Private Limited, Madurai | - | 375.5 |

Notes to the Financial Statements – *(continued)*

39 RELATED PARTY DISCLOSURE - *(continued)*

Rupees in crores

| | As at/ Year ended 31-03-2023 | As at/ Year ended 31-03-2022 |
|---|---|---|
| (iii) Purchase of assets | | |
| - Associate / joint venture | | |
| Ultraviolette Automotive Private Limited, Bengaluru | 3.00 | - |
| Tagbox Solutions Private Limited, Bengaluru | - | 0.25 |
| - Associate / joint venture of holding / ultimate holding / subsidiary / fellow subsidiary company | | |
| Predictronics Corporation, USA | 0.07 | - |
| - Key Management personnel | - | 43.06 |
| (iv) Sale of assets | | |
| - Key Management personnel | 0.12 | - |
| (v) Rendering of services | | |
| - Holding company (Sundaram-Clayton Limited, Chennai) | 8.58 | 10.46 |
| - Associate / joint venture | | |
| Emerald Haven Realty Limited, Chennai | 0.07 | 0.07 |
| DriveX Mobility Private Limited, Coimbatore | 0.66 | - |
| (vi) Availing of services (includes sub-contract charges paid) | | |
| - Holding company (Sundaram-Clayton Limited, Chennai) | 68.94 | 71.49 |
| - Associate / joint venture | | |
| Tagbox Solutions Private Limited, Bengaluru | 0.16 | - |
| Emerald Haven Realty Limited, Chennai | 0.01 | 0.01 |
| - Associate / joint venture of holding / ultimate holding / subsidiary / fellow subsidiary company | | |
| TVS Training and Services Limited, Chennai | - | 0.02 |
| Scienaptic Systems Inc., USA | 3.03 | - |
| - Enterprises in which directors are interested | | |
| Dua Associates, Delhi | 0.70 | 1.92 |
| Dua Consulting Private Limited, Delhi | 4.33 | 4.74 |
| McCann-Erickson (India) Private Limited, Delhi | 3.47 | 5.68 |
| Lakshmi Energy and Environment Design Private Limited, Coimbatore | 0.20 | 0.15 |
| Harita Techserv Private Limited, Chennai | 0.90 | 4.17 |
| T.V Sundram Iyengar & Sons Private Limited, Madurai | 0.83 | - |
| Trichur Sundaram Santhanam & Family Private Limited, Chennai | 0.12 | - |
| (vii) Investments made during the year | | |
| - Associate / joint venture | | |
| Ultraviolette Automotive Private Limited, Bengaluru | - | 75.00 |
| DriveX Mobility Private Limited, Coimbatore | 87.17 | - |
| (viii) Remuneration to key management personnel: | | |
| Short-term employee benefits | 104.92 | 72.58 |
| Post-employment benefits | 1.08 | 0.24 |





TVS MOTOR COMPANY LIMITED

CONSOLIDATED FINANCIAL STATEMENTS OF TVS MOTOR COMPANY LIMITED

Notes to the Financial Statements – *(continued)*

39 RELATED PARTY DISCLOSURE - *(continued)*

Rupees in crores

| | As at/ Year ended 31-03-2023 | As at/ Year ended 31-03-2022 |
|---|---|---|
| (ix) Dividend paid to Key Management Personnel | - | 0.37 |
| (x) Contributions to post employment benefit plans: | | |
| TVS Motor Company Employees' Gratuity Fund | 43.71 | 36.57 |
| TVS Motor Company Employees' Provident Fund (Including Employee and Employer Contributions) | 92.25 | 75.25 |
| (xi) Loan and Advances given | | |
| - Associate company | | |
| Emerald Haven Realty Limited, Chennai | 3.00 | - |
| (xii) Loan and Advances repaid (including interest) | | |
| - Associate company | | |
| Emerald Haven Realty Limited, Chennai | 3.06 | - |
| (xiii) Dividend paid to | | |
| - Holding Company (Sundaram-Clayton Limited, Chennai) | 119.39 | 89.54 |
| (c) Balances with related parties: (Balances of parties as at March 31st 2023, who ceased to be related parties are not furnished) | | |
| (i) Trade receivables / Other current assets | | |
| - Ultimate holding company | | |
| TVS Holdings Private Limited, Chennai | 17.36 | 8.04 |
| - Associate company | | |
| Emerald Haven Realty Limited, Chennai | 4.31 | 2.65 |
| Tagbox Solutions Private Limited, Bengaluru | 0.16 | - |
| DriveX Mobility Private Limited, Coimbatore | 0.44 | - |
| (ii) Trade payables | | |
| - Holding company (Sundaram-Clayton Limited, Chennai) | 7.65 | 67.17 |
| - Associate / joint venture | | |
| Tagbox Solutions Private Limited, Bengaluru | - | 0.32 |
| Predictronics Corporation, USA | 0.07 | - |
| - Associate / joint venture of holding / ultimate holding / subsidiary / fellow subsidiary company | | |
| TVS Training and Services Limited, Chennai | - | 0.01 |
| Scienaptic Systems Inc., USA | 0.45 | - |
| - Enterprises in which directors are interested | | |
| Dua Consulting Private Limited, Delhi | 0.32 | 0.26 |
| McCann-Erickson (India) Private Limited, Delhi | 0.32 | - |
| T.V Sundram Iyengar & Sons Private Limited, Madurai | 0.03 | - |
| Lakshmi Energy and Environment Design Private Limited, Coimbatore | 0.06 | - |

The transactions with related parties are made on terms equivalent to those that prevail in arm's length transactions. Outstanding balances at the year end are unsecured and settlement occurs in cash

## Notes to the Financial Statements – *(continued)*

Rupees in crores

### 40 REVENUE FROM CONTRACTS WITH CUSTOMERS

A 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 Group 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 :

| Sl. No. | Particulars | For the year ended 31-03-2023 | For the year ended 31-03-2022 |
|---|---|---|---|
| (a) | Type of goods or service | | |
| 1. | Automobiles | 24,232.76 | 18,437.66 |
| 2. | Parts and accessories | 2,705.13 | 2,394.69 |
| 3. | Automotive components | 439.45 | 349.77 |
| 4. | Services - IT Services | 50.55 | 130.00 |
| 5. | Services - Royalty | 8.01 | 8.67 |
| 6. | Others | 3,753.29 | 2,446.59 |
| | | 31,189.19 | 23,767.38 |
| (b) | Geographical markets | | |
| 1. | Domestic | 23,660.58 | 16,096.62 |
| 2. | Exports | 7,528.61 | 7,670.76 |
| | | 31,189.19 | 23,767.38 |

B The Group operates in the segments of automotive vehicle and its parts, Automotive components and financial services. The information provided above is in line with the segmental information provided under Ind AS 108 in Note. 46

C Reconciliation of contracts with customers

Movement of contract liabilities for the reporting period given below:

| Particulars | For the year ended 31-03-2023 | For the year ended 31-03-2022 |
|---|---|---|
| Contract Liabilities at the beginning of the period | 277.57 | 176.29 |
| Add / (Less): | | |
| Consideration received during the year as advance | 338.00 | 277.57 |
| Revenue recognized from contract liability | (277.57) | (176.29) |
| Contract Liabilities at the end of the period | 338.00 | 277.57 |

Payment is 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.

D Transaction price allocated to the remaining performance obligations

The Group's contracts with customers are short term(i.e.,the performance obligations are expected to be met within one year or less). Therefore, taking the practical expedient, the details on transaction price allocated to the remaining performance obligations are not disclosed.

E Reconciliation of revenue with contract price

| Sl. No. | Particulars | For the year ended 31-03-2023 | For the year ended 31-03-2022 |
|---|---|---|---|
| (i) | Contract price | 32,052.96 | 24,425.61 |
| (ii) | Adjustments: | | |
| | Incentive schemes | 450.97 | 335.25 |
| | Transport cost | 412.80 | 322.98 |
| (iii) | Revenue from sale of products and services | 31,189.19 | 23,767.38 |



TVS MOTOR COMPANY LIMITED

CONSOLIDATED FINANCIAL STATEMENTS OF TVS MOTOR COMPANY LIMITED

Notes to the Financial Statements – *(continued)*

Rupees in crores

| | As at/ Year ended 31-03-2023 | As at/ Year ended 31-03-2022 |
|---|---|---|
| **41 EARNINGS PER SHARE** | | |
| Profit after tax | 1,328.67 | 756.82 |
| Number of equity shares | 47,50,87,114 | 47,50,87,114 |
| Face value of the share (in rupees) | 1.00 | 1.00 |
| Weighted average number of equity shares | 47,50,87,114 | 47,50,87,114 |
| Basic and diluted earnings per share for continued operations (in rupees) | 27.97 | 15.93 |
| Basic and diluted earnings per share for discontinued operations (in rupees) | – | – |
| Basic and diluted earnings per share for continued and discontinued operations (in rupees) | 27.97 | 15.93 |
| **42 WARRANTY PROVISION** | | |
| Opening balance | 41.32 | 48.88 |
| Add: Provision for the year (Net) | 55.11 | 41.32 |
| | 96.43 | 90.20 |
| Less: Payments / debits (Net) | 41.32 | 48.88 |
| Closing balance | 55.11 | 41.32 |
| **43 CONTINGENT LIABILITIES AND COMMITMENTS NOT PROVIDED FOR** | | |
| (a) Claims against the Company not acknowledged as debts: | | |
| (i) Excise | 52.44 | 53.05 |
| (ii) Service tax | 8.65 | 8.65 |
| (iii) Customs | 39.67 | 41.03 |
| (iv) Sales tax | 2.74 | 3.58 |
| (v) Income tax | 73.67 | 56.70 |
| (vi) GST | 3.46 | 2.82 |
| (vii) Legal cases filed by customers | 4.04 | 1.48 |
| 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. | | |
| (b) Other money for which the company is contingently liable: | | |
| (i) On bills discounted with banks | 146.91 | 246.24 |
| (c) Commitments: | | |
| (i) Estimated amount of contracts remaining to be executed on capital account and not provided for | 281.43 | 251.16 |
| (ii) On Investments | 3.90 | 3.60 |
| (iii) Undrawn loans sanctioned to customers by financial enterprises | 43.58 | 48.33 |

Notes to the Financial Statements – *(continued)*

## 44 LEASES

### GROUP AS A LESSEE

The Group has taken land, warehouses and sales offices across the country on lease for lease period ranging from 6-99 years. Group also has other assets on leases, the lease term here ranges from 2-9 Years.

Wherever the lease includes extension option and it is reasonably certain to exercise that option, the same is considered for computing the lease term. In other cases, the term is limited to initial lease period. Lease term includes non-cancellable period and expected lease period.

Payment made towards short term leases during the year is ₹ 95.11 Cr (Previous year: ₹ 61.33 Cr)

Payment made towards low value asset leases during the year is Nil (Previous year: Nil)

Payment relating to leases are disclosed in Cash flow statement.

Income from sub-leasing of Right of use asset ₹ 7.47 Cr. (Previous year: ₹ 7.08 Cr.)

## 45 ADDITIONAL REGULATORY DISCLOSURES AS PER SCHEDULE III OF COMPANIES ACT, 2013

(i) As per the Group's accounting policy, Property, Plant and Equipment (including Right of Use Assets) and intangible assets are carried at historical cost (less accumulated depreciation & impairment, if any), hence the revaluation related disclosures required as per Additional Regulatory Information of Schedule III (revised) to the Companies Act, is not applicable / do not apply

(ii) The Group 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.

(iii) No proceedings have been initiated or pending against any Company in the Group for holding any Benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and the rules made thereunder.

(iv) The Group has sanctioned facilities from banks on the basis of security of current assets. The periodic returns filed by the Company with such banks are in agreement with the books of accounts of the Company.

(v) All the Companies in the Group has adhered to debt repayment and interest service obligations on time. "Wilful defaulter" related disclosures required as per Additional Regulatory Information of Schedule III (revised) to the Companies Act, is not applicable / do not apply.

(vi) There are no transactions with the companies whose names were struck off under section 248 of The Companies Act, 2013 or Section 560 of Companies Act, 1956 during the year ended 31 March 2023.

(vii) The Group 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.

(viii) The Group has not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall:

(a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company (ultimate beneficiaries) or

(b) provide any guarantee, security or the like to or on behalf of the ultimate beneficiary

(ix) The Group has not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the 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 Group has not operated in any crypto currency or Virtual Currency transactions

(xi) During the year no Company in the Group 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.







Notes to the Financial Statements - *(continued)*

Rupees in crores

## 46 SEGMENT INFORMATION

For the year ended 31-03-2023

| Particulars | Business Segment | | | | |
|---|---|---|---|---|---|
| | Automotive vehicles & parts | Automotive components | Financial services | Others | Total |
| Revenue | | | | | |
| External sales - domestic | 19,532.65 | 460.09 | 4,150.31 | 3.82 | 24,146.87 |
| - exports | 7,825.38 | 1.74 | – | – | 7,827.12 |
| Inter segment sales | 10.28 | 364.38 | 6.04 | – | 380.70 |
| Total sales | 27,368.31 | 826.21 | 4,156.35 | 3.82 | 32,354.69 |
| Less: Inter segment sales | 10.28 | 364.38 | 6.04 | – | 380.70 |
| Net revenue | 27,358.03 | 461.83 | 4,150.31 | 3.82 | 31,973.99 |
| Segment–wise results before interest and tax | 1,679.47 | (15.39) | 508.99 | 3.30 | 2,176.37 |
| Less: interest | 182.37 | 17.21 | – | 0.03 | 199.61 |
| Profit before tax | 1,497.10 | (32.60) | 508.99 | 3.27 | 1,976.76 |
| Less: Tax expenses | 496.00 | 8.58 | 121.98 | 0.01 | 626.57 |
| Profit after tax | 1,001.10 | (41.18) | 387.01 | 3.26 | 1,350.19 |
| Share of profit of Associates | (40.73) | – | – | – | (40.73) |
| Profit / Loss for the period | 960.37 | (41.18) | 387.01 | 3.26 | 1,309.46 |
| Segment assets | 11,694.47 | 433.70 | 23,102.35 | 2.39 | 35,232.91 |
| Segment liabilities | 9,035.62 | 283.97 | 20,001.98 | 1.49 | 29,323.06 |
| Segment depreciation / amortisation | 793.82 | 43.48 | 21.43 | 0.13 | 858.86 |

For the year ended 31-03-2022

| Particulars | Business Segment | | | | |
|---|---|---|---|---|---|
| | Automotive vehicles & parts | Automotive components | Financial services | Others | Total |
| Revenue | | | | | |
| External sales - domestic | 13,898.21 | 356.73 | 2,739.77 | 17.16 | 17,011.87 |
| - exports | 7,343.44 | – | – | – | 7,343.44 |
| Inter segment sales | 8.34 | 302.34 | 7.35 | 0.05 | 318.08 |
| Total sales | 21,249.99 | 659.07 | 2,747.12 | 17.21 | 24,673.39 |
| Less: Inter segment sales | 8.34 | 302.34 | 7.35 | 0.05 | 318.08 |
| Net revenue | 21,241.65 | 356.73 | 2,739.77 | 17.16 | 24,355.31 |
| Segment-wise results before interest and tax | 1,139.55 | (63.24) | 148.23 | (2.15) | 1,222.39 |
| Less: interest | 141.48 | 13.26 | 3.16 | 0.19 | 158.09 |
| Profit before tax | 998.07 | (76.50) | 145.07 | (2.34) | 1,064.30 |
| Less: Tax expenses | 304.46 | 1.99 | 29.09 | 0.37 | 335.91 |
| Profit after tax | 693.61 | (78.49) | 115.98 | (2.71) | 728.39 |
| Share of profit of Associates | 2.49 | – | – | – | 2.49 |
| Profit / Loss for the period | 696.10 | (78.49) | 115.98 | (2.71) | 730.88 |
| Segment assets | 9,953.30 | 1,318.19 | 15,765.03 | 35.56 | 27,072.08 |
| Segment liabilities | 7,791.84 | 604.71 | 13,609.43 | 13.09 | 22,019.07 |
| Segment depreciation / amortisation | 668.29 | 51.36 | 19.12 | 4.09 | 742.86 |

Notes to the Financial Statements - *(continued)*

47 ADDITIONAL INFORMATION ON NET ASSETS AND SHARE OF PROFITS AND OTHER COMPREHENSIVE INCOME FOR THE YEAR ENDED 31-03-2023

| Name of the entity | Net Assets (Total Assets - Total Liabilities) | | Share in profit or (loss) | | Share in other comprehensive income | | Share in total comprehensive income | |
|---|---|---|---|---|---|---|---|---|
| | As % of consolidated net assets | Amount Rs. in crores | As % of consolidated profit or loss | Amount Rs. in crores | As % of consolidated other comp-rehensive income | Amount Rs. in crores | As % of consolidated total comp-rehensive income | Amount Rs. in crores |
| **Parent** | | | | | | | | |
| TVS Motor Company Limited, Chennai | 4.64% | 274.06 | 113.82% | 1,490.48 | (46.69%) | (27.68) | 106.87% | 1,462.80 |
| **Subsidiaries - Indian** | | | | | | | | |
| Sundaram Auto Components Limited, Chennai | 2.54% | 149.73 | 1.20% | 15.66 | 5.48% | 3.25 | 1.38% | 18.91 |
| TVS Credit Service Limited, Chennai | 40.35% | 2,384.76 | 25.60% | 335.19 | 8.42% | 4.99 | 24.85% | 340.18 |
| TVS Motor Service Limited, Chennai | 5.62% | 332.13 | - | (2.25) | - | - | (0.16%) | (2.25) |
| TVS Housing Limited, Chennai | 0.02% | 0.90 | (0.17%) | 0.02 | - | - | - | 0.02 |
| Intellicar Telematics private limited, Bengaluru | - | - | 0.25% | 3.24 | - | - | 0.24% | 3.24 |
| TVS Electric Mobility ltd, Chennai | 0.02% | 1.00 | - | - | - | - | - | - |
| **Subsidiaries - Foreign** | | | | | | | | |
| TVS Motor (Singapore) Pte Limited, Singapore | 3.81% | 225.02 | (1.84%) | (24.05) | 20.31% | 12.04 | (0.88%) | (12.01) |
| TVS Motor Company Europe B.V. Amsterdam | 0.00% | 0.04 | (0.05%) | (0.64) | (0.02%) | (0.01) | (0.05%) | (0.65) |
| PT. TVS Motor Company Indonesia, Jakarta | 10.79% | 637.91 | 3.04% | 39.87 | 18.56% | 11.00 | 3.72% | 50.87 |
| Sundaram Holdings USA Inc.Delaware, USA | - | - | (1.39%) | (18.23) | 35.70% | 21.16 | 0.21% | 2.93 |
| The Norton Motorcycle Co.Limited, UK | 4.65% | 274.64 | (21.18%) | (277.28) | (1.25%) | (0.74) | (20.31%) | (278.02) |
| TVS Digital Pte Limited, Singapore | (0.14%) | (8.25) | (3.07%) | (40.19) | 12.45% | 7.38 | (2.40%) | (32.81) |
| The GO AG, Zurich | 2.81% | 166.19 | (4.16%) | (54.53) | (0.35%) | (0.21) | (4.00%) | (54.74) |
| Swiss E-Mobility Group (Holding) AG, Nuremberg | 10.19% | 602.32 | (6.94%) | (90.84) | 8.16% | 4.84 | (6.28%) | (86.00) |
| Celerity Motor GmbH, Germany | 0.52% | 31.01 | (0.23%) | (2.98) | 0.49% | 0.29 | (0.20%) | (2.69) |
| EBCO Limited, UK | 0.38% | 22.31 | (0.31%) | (4.09) | (0.49%) | (0.29) | (0.32%) | (4.38) |
| Non-controlling Interest in all subsidiaries | 6.85% | 404.85 | (1.47%) | (19.21) | 39.29% | 23.29 | 0.30% | 4.08 |



TVS MOTOR COMPANY LIMITED

CONSOLIDATED FINANCIAL STATEMENTS OF TVS MOTOR COMPANY LIMITED

Notes to the Financial Statements - *(continued)*

47 ADDITIONAL INFORMATION ON NET ASSETS AND SHARE OF PROFITS AND OTHER COMPREHENSIVE INCOME FOR THE YEAR ENDED 31-03-2023 - *(continued)*

| Name of the entity | Net Assets (Total Assets - Total Liabilities) | | Share in profit or (loss) | | Share in other comprehensive income | | Share in total comprehensive income | |
|---|---|---|---|---|---|---|---|---|
| | As % of consolidated net assets | Amount Rs. in crores | As % of consolidated profit or loss | Amount Rs. in crores | As % of consolidated other comp-rehensive income | Amount Rs. in crores | As % of consolidated total comp-rehensive income | Amount Rs. in crores |
| **Associates - Indian (Investment as per the equity method)** | | | | | | | | |
| Emerald Haven Realty Limited, Chennai | 1.52% | 89.63 | (2.22%) | (29.12) | (0.05% | (0.03) | (2.13%) | (29.15) |
| Ultraviolette Automotive Private Limited, Bengaluru | 1.98% | 117.29 | (0.13%) | (1.69) | – | – | (0.12%) | (1.69) |
| Predictronics Corp, USA | 0.32% | 18.89 | (0.09%) | (1.15) | – | – | (0.08%) | (1.15) |
| Tag Box Solutions Private Limited, Bengaluru | 0.18% | 10.41 | (0.07%) | (0.95) | – | – | (0.07%) | (0.95) |
| Tag Box Pte limited, Singapore | 0.24% | 14.22 | (0.01%) | (0.19) | – | – | (0.01%) | (0.19) |
| Scienaptics Systems Inc., USA | 0.91% | 53.83 | (0.27%) | (3.60) | – | – | (0.26%) | (3.60) |
| Altizon Inc, USA | 0.40% | 23.35 | (0.04%) | (0.47) | – | – | (0.03%) | (0.47) |
| Drivex Mobility Private Limited, Coimbatore | 1.41% | 83.61 | (0.27%) | (3.56) | – | – | (0.26%) | (3.56) |
| Total | 100.00% | 5,909.85 | 100% | 1,309.46 | 100.00% | 59.28 | 100.00% | 1,368.74 |

48 Previous year's figures have been regrouped wherever necessary to conform to the current year's classificaton.

| | | | |
|---|---|---|---|
| PROF. SIR RALF DIETER SPETH<br>*Chairman*<br>DIN: 03318908 | SUDARSHAN VENU<br>*Managing Director*<br>DIN: 03601690 | K.N.RADHAKRISHNAN<br>*Director &*<br>*Chief Executive Officer*<br>DIN: 02599393 | As per our report annexed<br>For V. Sankar Aiyar & Co.<br>*Chartered Accountants*<br>*Firm Regn. No.: 109208W* |
| Place : Chennai<br>Date : 4th May 2023 | K. GOPALA DESIKAN<br>*Chief Financial Officer* | K.S. SRINIVASAN<br>*Company Secretary* | S. VENKATARAMAN<br>*Partner*<br>*Membership No.: 023116* |

## Annexure

## Form AOC - I

### Statement containing salient features of the financial statement of subsidiaries / associate companies

(Pursuant to first proviso to sub-section (3) of Section 129 read with rule 5 of Companies (Accounts) Rules, 2014)

**Part A - Subsidiaries**

Information in respect of each subsidiary — Rupees in crores

| Sl No. | Particulars | Indian Subsidiaries | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|
| | | Sundaram Auto Components Limited | TVS Housing Limited | TVS Motor Services Limited | TVS Credit Services Limited | TVS Two-Wheeler Mall Private Limited | Harita ARC Private Limited | TVS Housing Finance Private Limited | TVS Electric Mobility Limited |
| | | (1) | (2) | (3) | (4) | (5) | (6) | (7) | (8) |
| 1. | Date on which subsidiary was acquired | 01-04-2003 | 21-06-2010 | 07-09-2017 | 07-09-2017 | 07-09-2017 | 07-09-2017 | 08-09-2017 | 13-12-2021 |
| 2. | Reporting period | 01-04-2022 to 31-03-2023 | | | | | | | |
| 3. | Reporting currency | Indian Rupees | | | | | | | |
| | Closing Exchange rate | Not applicable | | | | | | | |
| 4 | Share capital | 44.57 | 0.05 | 149.63 | 228.23 | ^ | ^ | 12.00 | 1.00 |
| 5 | Reserves & Surplus | 393.79 | 0.85 | 11.11 | 2,529.89 | (0.01) | (0.01) | 2.76 | - |
| 6 | Total assets | 724.31 | 2.39 | 218.11 | 22,749.91 | - | - | 14.95 | 1.00 |
| 7 | Total Liabilities | 285.95 | 1.49 | 57.37 | 19,991.80 | 0.01 | 0.01 | 0.19 | - |
| 8 | Investments | 312.76 | - | 19.49 | 12.01 | - | - | - | - |
| 9 | Turnover | 780.57 | 0.07 | 0.39 | 4,160.32 | - | - | 0.73 | - |
| 10 | Profit before taxation | 24.08 | 0.03 | (3.06) | 511.28 | - | - | 0.73 | - |
| 11 | Provision for taxation | 8.58 | 0.01 | (0.81) | 122.61 | - | - | 0.18 | - |
| 12 | Profit after taxation | 15.50 | 0.02 | (2.25) | 388.67 | - | - | 0.55 | - |
| 13 | Proposed Dividend | - | - | - | - | - | - | - | - |
| 14 | % of shareholding | 100 | 100 | 100 | 86.11 | 86.11 | 86.11 | 86.11 | 100 |

^ Share Capital of INR 25,000



## Annexure

## Form AOC - I - *(continued)*

### Statement containing salient features of the financial statement of subsidiaries / associate companies

(Pursuant to first proviso to sub-section (3) of Section 129 read with rule 5 of Companies (Accounts) Rules, 2014)

**Part A - Subsidiaries**

Information in respect of each subsidiary — Rupees in crores

| Sl No. | Particulars | Foreign Subsidiaries | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| | | TVS Motor Company (Europe) B.V.* | PT TVS Motor Company Indonesia | TVS Motor (Singapore) Pte. Ltd | The Norton Motorcycle Co. Limited | TVS Digital Pte Limited | The GO Corporation * | Swiss E-Mobility Group(Holding) AG * | Celerity Motor GmbH* | EBCO Limited |
| | | (9) | (10) | (11) | (12) | (13) | (14) | (15) | (16) | (17) |
| 1. | Date on which subsidiary was acquired | 21-07-2005 | 05-09-2005 | 21-10-2005 | 03-04-2020 | 24-05-2021 | 16-09-2021 | 27-01-2022 | 06-12-2022 | 01-04-2022 |
| 2. | Reporting period | 01-04-2022 to 31-03-2023 | | | | | | | | |
| 3. | Reporting currency | USD | IDR | SGD | GBP | SGD | CHF | CHF | EUR | GBP |
| | Closing Exchange rate | INR 82.17/ USD | INR 0.55/ IDR 100 | INR 61.79/ SGD | INR 101.65/ GBP | INR 61.79/ SGD | INR 89.58/ CHF | INR 89.58/ CHF | INR 89.44/ EUR | INR 101.65/ GBP |
| 4 | Share capital | 126.52 | 906.08 | 2134.10 | 725.65 | 138.78 | 1.05 | 1.23 | 0.22 | ^ |
| 5 | Reserves & Surplus | (127.15) | (636.38) | (178.70) | (462.36) | (75.06) | (49.79) | 55.51 | (2.69) | (10.65) |
| 6 | Total assets | 0.10 | 996.64 | 2630.56 | 603.78 | 141.32 | 86.71 | 687.73 | 31.52 | 12.11 |
| 7 | Total Liabilities | 0.73 | 726.94 | 675.16 | 340.49 | 77.60 | 135.45 | 630.99 | 33.99 | 22.76 |
| 8 | Investments | – | – | 1880.04 | – | 127.93 | – | – | – | – |
| 9 | Turnover | – | 839.91 | 61.70 | 0.01 | 3.46 | 40.59 | 515.64 | – | 4.29 |
| 10 | Profit before taxation | (0.64) | 39.14 | (24.05) | (280.47) | (40.19) | (54.83) | (99.52) | (2.98) | (5.84) |
| 11 | Provision for taxation | – | (0.73) | – | (3.19) | – | 0.03 | (7.58) | – | – |
| 12 | Profit after taxation | (0.64) | 39.87 | (24.05) | (277.28) | (40.19) | (54.86) | (91.94) | (2.98) | (5.84) |
| 13 | Proposed Dividend | – | – | – | – | – | – | – | – | – |
| 14 | % of shareholding | 100 | 100 | 100 | 100 | 100 | 81.90 | 75 | 100 | 70 |

*Unaudited financial statement. ^ Share capital of GBD 100.

1) The GO AG, Switzerland includes the consolidation of its subsidiary viz, EGO Movement Stuttgart, GmbH, Germany.
2) Swiss E-Mobility Group (Holding) AG include the consolidation of its subsidiaries viz, Swiss E-Mobility Group (Schweiz) AG, Zurich, Switzerland, Colag E-Mobility GmBH, Nuremberg, Germany and Alexand 'RO Edouard' O Passion Vélo Sàrl ("Passion Vélo"), Germany.

**Notes:**

1. Subsidiaries which are yet to commence operations: (1) TVS Two Wheeler Mall Private Ltd, (2) Harita ARC Private Ltd, (3) TVS Housing Finance Private Ltd (4) TVS Electric Mobility Ltd
2. Subsidiaries which have been liquidated or sold during the year: (1) Intellicar Telematics Private Limited and its Subsidiary Intellicar Singapore Pte. Limited, Singapore (2)Sundaram Holding USA Inc and its Subsidiaries Green Hills Land Holding LLC, Component Equipment Leasing LLC, Sundaram-Clayton USA LLC and Premier Land Holding LLC, all located at South Carolina, USA.

## Annexure

## Form AOC - I - *(continued)*

## Statement containing salient features of the financial statement of subsidiaries / associate companies

(Pursuant to first proviso to sub-section (3) of Section 129 read with rule 5 of Companies (Accounts) Rules, 2014)

**Part B - Associates**

Rupees in crores

| Sl.No. | Particulars | Emerald Haven Realty Limited | Ultraviolette Automotive Private Limited * | Tagbox Solutions Private Limited * | Predictronics Corp * | Tagbox Pte Limited * | Scienaptic Systems Inc.* | Altizon Inc* | Drivex Mobility Private Limited |
|---|---|---|---|---|---|---|---|---|---|
| 1. | Latest audited Balance Sheet Date | 31-03-2023 | 31-03-2022 | 31-03-2022 | 31-12-2020 | 31-03-2022 | ** | ** | 31-03-2023 |
| 2. | Date on which the Associate was acquired | 26-03-2012 | 09-08-2018 | 08-05-2019 | 17-08-2019 | 08-05-2019 | 28-09-2020 | 01-02-2021 | 15-10-2022 |
| 3. | Shares of Associate held by the company on the year end | | | | | | | | |
| (i) | No. of shares | 11,12,19,512 | 27,166 | 4,29,693 | 24,827 | 2,43,243 | 28,05,357 | 8,06,429 | 9,766 |
| (ii) | Amount of investment in Associates / Joint Venture | 111.22 | 121.00 | 11.18 | 22.36 | 15.42 | 64.81 | 25.34 | 87.17 |
| (iii) | Extent of holding % | 43.54 | 28.66 | 23.50 | 23.49 | 24.32 | 21.03 | 20.00 | 48.27 |
| 4. | Description of how there is significant influence | Holding more than 20% of share capital | | | Subsidiary holding more than or equal to 20% of share capital | | | | Holding more than 20% of share capital |
| 5. | Reason why the associate/joint venture is not consolidated | Not applicable | | | | | | | |
| 6. | Net worth attributable to Shareholding as per latest audited Balance Sheet | 89.63 | 117.29 | 10.41 | 18.89 | 14.22 | 53.83 | 23.35 | 83.61 |
| 7. | Profit / Loss for the year: | | | | | | | | |
| (i) | Considered in consolidation | (29.12) | (1.69) | (0.95) | (1.15) | (0.19) | (3.60) | (0.47) | (3.56) |
| (ii) | Not considered in consolidation | Not Applicable | | | | | | | |

* Unaudited financial statements upto 31.03.2023 has been consolidated.

** Audit of financial statements are not mandated by the regulations of the respective country in which the Company is incorporated.

**Note:**

1. Associates which have been liquidated or sold during the year - Nil.

PROF. SIR RALF DIETER SPETH
*Chairman*
DIN: 03318908

SUDARSHAN VENU
*Managing Director*
DIN: 03601690

K.N.RADHAKRISHNAN
*Director &*
*Chief Executive Officer*
DIN: 02599393

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

S. VENKATARAMAN
*Partner*
*Membership No.: 023116*

Place: Chennai
Date : 4th May 2023

K. GOPALA DESIKAN
*Chief Financial Officer*

K.S. SRINIVASAN
*Company Secretary*



