Independent Auditors' Report

for the year ended 31st march 2026

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 2026, the Statement of Profit and Loss (including Other Comprehensive Income), Statement of changes in Equity and Statement of Cash Flows for the year then ended, and notes to the 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, 2026, 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 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. 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. 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 standards; 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. 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. 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. Reviewed the appropriateness of the disclosures made in accordance with the relevant accounting standards.

Key Audit matter	Principal Audit Procedure
2. Investments The Company has significant investments in its subsidiaries and associates. 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". 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. 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. Considered the independence, competence and objectivity of the management specialist involved in determination of valuation. Tested the fair value of the investment as mentioned in the valuation report to the carrying value in books. Made inquiries with management to understand key drivers of the cash flow forecasts, discount rates, etc. Assessed the disclosures made in the financial statements regarding such investments to comply with the requirements of Standards.
3. Intangible assets under development 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. 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: Assessed whether the Company's Internally generated intangible assets- research and development expenditure accounting policy is in compliance with Ind AS 38 “Intangible Assets”. 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. 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: 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, as on 31st March 2026. 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. Satisfied ourselves that it is not probable that an outflow of economic benefits will be required and disclosed such obligation as a contingent liability.

Independent Auditors' Report (Contd.)

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.

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

We 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.

Independent Auditors' Report (Contd.)

e. On the basis of the written representations received from the directors as on 31st March 2026 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March 2026 from being appointed as a director in terms of Section 164(2) of the Act.

f. With respect to the adequacy of the internal financial controls 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. Provision has been made in the Standalone financial statements, as required under applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts - 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, 2026 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
Membership No.: 211785
UDIN: 26211785SIUSGM6597

Place: Chennai
Date: 13th May 2026

Annexure A

to Independent Auditors' Report - 31st March 2026

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 2026, 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 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) (c) to (f) of para 3 of the Order are not applicable to the Company.

iv. According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not given any loans, or provided any guarantee or security as specified under Section 185 and 186 of the Companies Act, 2013 ("the Act"). In respect of the investments made by the Company, in our opinion the provisions of Section 186 of the Act have been complied with

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.

Independent Auditors' Report (Contd.)

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:

Name of the Statute / (Nature of dues)	Period of dues	Amount ₹ in Crores	Pre-deposit ₹ in Crores	Forum where dispute is pending
Customs Duty	2015-2016 to 2019-20	156.15	3.48	Central Excise and Service Tax Appellate Tribunal, Chennai/Mumbai
Central Excise Act, 1944 (Cenvat / Excise Duty)	2013-14 to 2015-16	7.41	0.29	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	-	Original assessing Authority for Giving effect order to Appellate order of CESTAT, Chennai
Finance Act, 1994 (Service Tax)	2002-2014	1.45	0.04	Central Excise and Service Tax Appellate Tribunal, Chennai / Bangalore
Sales Tax / VAT Laws (Sales Tax)	1998 to 2016	0.26	0.88	Sales Tax Appellate Tribunal - Madhya Pradesh & Jharkhand
		0.79		Assessing officer - Tamil Nadu, 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	23.44	1.41	Commissioner (Appeals) - GST - Andhra Pradesh, Telangana, Rajasthan, Madhya Pradesh, Delhi, Chhattisgarh, Bihar, West Bengal, Karnataka, Uttar Pradesh, Assam and Maharashtra
Goods and Service Tax Act	2017-18	8.54	1.12	Pending with GSTAT
Goods and Service Tax Act	2020-21	4.90	-	Writ before High Court of Karnataka
Goods and Service Tax Act	2017-18	0.12	-	High Court of Andhra Pradesh
Goods and Service Tax Act	2017-18	2.06	0.11	GSTAT, Salem
Goods and Service Tax Act	2019-20	0.40	0.02	GSTAT, Salem
Goods and Service Tax Act	2024-25	18.55	0.14	GSTAT,Chandigarh
Goods and Service Tax Act	2024-25	10.62	1.18	GSTAT,Tirupati
Goods and Service Tax Act	2017-18	6.16	0.24	GSTAT,Patna
Goods and Service Tax Act	2019-20	0.01	-	Assistant Commissioner, Nanjungud,Mysore
Gujarat Stamp Act, 1958	2025-26	1.26	-	High Court of Gujarat
Income Tax	AY 2018-19	3.63	-	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
Membership No.: 211785
UDIN: 26211785SIUSGM6597

Place: Chennai
Date: 13th May 2026

Annexure - B

to the Independent Auditors' Report - 31st March 2026
[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, 2026 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, 2026, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial 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
Membership No.: 211785
UDIN: 26211785SIUSGM6597

Place: Chennai
Date: 13th May 2026

Balance Sheet

as at 31st March 2026

₹ in crores

	Notes	As at 31-03-2026	As at 31-03-2025
ASSETS			
Non-current assets			
Property, plant and equipment	2	4,849.17	3,936.30
Capital work-in-progress	2	586.39	642.04
Other intangible assets	2	610.55	466.14
Intangible assets under development	2	773.58	596.78
Financial assets			
i. Investments	3	11,416.43	8,930.25
ii. Other financial assets	4	24.50	28.00
Other non-current assets	5	603.53	232.41
		18,864.15	**14,831.92**
Current assets			
Inventories	6	1,580.23	1,725.76
Financial assets			
i. Investments	3	231.02	233.19
ii. Trade receivables	7	2,086.50	1,280.06
iii. Cash and cash equivalents	8	400.83	324.45
iv. Bank balances other than (iii) above	9	573.90	264.77
v. Other financial assets	10	259.83	99.95
Other current assets	11	1,919.23	1,192.00
		7,051.54	**5,120.18**
Total assets		**25,915.69**	**19,952.10**
EQUITY AND LIABILITIES			
Equity			
Equity share capital	12	47.51	47.51
Other equity	13	11,186.79	9,849.71
		11,234.30	**9,897.22**
Liabilities			
Non-current liabilities			
Financial liabilities			
i. Borrowings	14	611.83	834.51
ii. Lease liabilities		426.28	194.05
Provisions	15	285.05	259.65
Deferred tax liabilities (Net)	16	358.10	276.23
Other non-current liabilities		24.50	28.00
		1,705.76	**1,592.44**
Current liabilities			
Financial liabilities			
i. Borrowings	17	2,522.36	900.43
ii. Lease liabilities		172.67	108.50
iii. Trade payables	18		
a. Total outstanding dues of micro and small enterprises		101.28	38.10
b. Total outstanding dues of other than (iii) (a) above		8,163.51	6,124.60
iv. Other financial liabilities	19	830.69	313.88
Other current liabilities	20	824.32	754.31
Provisions	15	216.95	185.22
Current tax liabilities (Net)		143.85	37.40
		12,975.63	**8,462.44**
Total liabilities		**14,681.39**	**10,054.88**
Total equity and liabilities		**25,915.69**	**19,952.10**
Material accounting policies	1		

See the accompanying notes to the financial statements

SUDARSHAN VENU
Chairman & 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

Chennai
13th May 2026

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 2026

₹ in crores

		Notes	Year Ended 31-03-2026	Year Ended 31-03-2025
I	Revenue from operations	21	47,270.32	36,251.32
II	Other income	22	(29.97)	(41.29)
III	**Total income (I + II)**		**47,240.35**	**36,210.03**
IV	Expenses:			
	Cost of materials consumed	23	32,786.77	25,542.35
	Purchase of stock-in-trade	23	487.98	406.73
	Changes in inventories of finished goods, stock-in-trade and work-in-progress	23	391.73	(188.43)
	Employee benefits expense	24	2,452.24	1,971.07
	Finance costs	25	203.88	138.84
	Depreciation and amortisation expense	26	900.61	747.91
	Other expenses	27	5,072.25	4,070.02
	Total expenses		**42,295.46**	**32,688.49**
V	**Profit before exceptional items and tax (III - IV)**		**4,944.89**	**3,521.54**
VI	Exceptional items	49	(41.37)	-
VII	**Profit before tax from continuing operations (V + VI)**		**4,903.52**	**3,521.54**
VIII	Tax expense / (credit) of continuing operations	28		
	i. Current tax		1,211.66	867.67
	ii. Deferred tax		76.64	49.89
	Total Tax expense / (credit) from continuing operations (i+ii)		**1,288.30**	**917.56**
IX	**Profit after tax from continuing operations (VII - VIII)**		**3,615.22**	**2,603.98**
X	**Profit / (Loss) before tax from discontinued operations**		**-**	**22.49**
XI	Tax expense / (credit) of discontinued operations			
	i. Current tax		-	2.63
	ii. Deferred tax		-	(10.05)
	Total Tax expense/ (credit) from discontinued operations (i+ii)		**-**	**(7.42)**
XII	**Profit / (Loss) after tax from discontinued operations (X - XI)**		-	29.91
XIII	**Profit / (Loss) for the year (IX + XII)**		**3,615.22**	**2,633.89**
XIV	Other comprehensive income			
	A. Items that will not be reclassified to profit or loss:			
	Remeasurements of post employment benefit obligations		37.77	5.87
	Fair value changes of equity instruments		151.18	23.27
	Income tax relating to these items		(11.28)	(4.61)
	B. Items that will be reclassified to profit or loss:			
	Fair value changes on cash flow hedges		(16.45)	10.23
	Income tax relating to these items		4.14	(2.57)
	Other comprehensive income for the year, net of tax		**165.36**	**32.19**
XV	**Total comprehensive income for the year (XIII + XIV)**		**3,780.58**	**2,666.08**
XVI	Earnings per equity share (Face value of Re.1/- each)	36		
	Basic & Diluted earnings per share (in ₹)			
	Continuing Operations		76.09	54.81
	Discontinued Operations		-	0.63
	Continuing Operations and Discontinued Operations		76.09	55.44
	Material accounting policies	1		

See the accompanying notes to the financial statements

SUDARSHAN VENU
Chairman & Managing Director
DIN: 03601690

K N RADHAKRISHNAN
Director & Chief Executive Officer
DIN: 02599393

As per our report annexed
For **Sundaram & Srinivasan**
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Firm Regn. No. 004207S

Chennai
13th May 2026

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

	₹ in crores
As at 01-04-2024	**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**
Changes in equity share capital due to prior period errors	-
Restated balance as at 01-04-2025	47.51
Changes in equity share capital during the year	-
As at 31-03-2026	**47.51**

b Other Equity

₹ 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 01-04-2024	**865.64**	**6.43**	**6,812.80**	**2.43**	**(3.77)**	**-**	**7,683.53**
Add : Change on account of Business Combination	8.05	(79.58)	109.39	(0.21)	-	-	37.65
Add : Profit for the year 2024-25	-	-	2,633.89	-	-	-	2,633.89
Add : Other comprehensive income for the year 2024-25 (Net of tax)	-	-	4.78	19.75	7.66	-	32.19
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	**873.69**	**(73.15)**	**9,085.77**	**21.97**	**3.89**	**(62.46)**	**9,849.71**
Add : Profit for the year 2025-26	-	-	3,615.22	-	-	-	3,615.22
Add/(Less) : Issue of 6% Non-Convertible redeemable preference shares (NCRPS) during the year	(865.64)	-	(1,034.71)	-	-	-	(1,900.35)
Add : Other comprehensive income for the year 2025-26 (Net of tax)	-	-	28.26	149.41	(12.31)	-	165.36
Add : Reversal of Tax on OCI on account of sale of equity instruments measured at FVTOCI	-	-	-	1.91	-	-	1.91
Add/(Less) : Transfer on account of Sale of Equity instruments measured at FVTOCI (Net of tax)	-	-	178.02	(178.02)	-	-	-
Add : Adjustment of reserves on exercise of ESOP by Employees	-	-	(9.40)	-	-	-	(9.40)
Less : Treasury shares held by ESOP Trust	-	-	-	-	-	(34.44)	(34.44)
Less : Distribution to shareholders :							
2025-26 Interim dividend	-	-	570.10	-	-	-	570.10
Balance as at 31-03-2026	**8.05**	**(73.15)**	**11,293.06**	**(4.73)**	**(8.42)**	**(28.02)**	**11,186.79**

Nature and purpose of Other Reserves

1. General reserve is available for distribution to shareholders.
2. Capital reserve

Particulars	₹ in crores
i. On shares forfeited (₹ 55,200/-)	-
ii. On surplus arising out of amalgamation	(73.15)
	(73.15)

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 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

SUDARSHAN VENU
Chairman & 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

Chennai
13th May 2026

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 2026

₹ in crores

		Year ended 31-03-2026		Year ended 31-03-2025	
A.	**Cash flow from operating activities:**				
	Profit before tax				
	From Continuing Operations		4,903.52		3,521.54
	From Discontinued Operations		-		22.49
	Add:				
	Depreciation and amortisation for the year	900.61		747.91	
	(Profit) / Loss on sale of property, plant and equipment (Net)	(14.92)		(8.42)	
	(Profit) / Loss on sale of investments (Net)	(2.09)		(1.15)	
	Loss / (Gain) on fair valuation of investment (Net)	87.83		78.27	
	(Gain) / Loss on lease preclosure (Net)	0.03		(0.07)	
	Unrealised exchange loss / (gain) (Net)	(63.31)		9.95	
	Interest income	(34.63)		(20.67)	
	Finance cost	203.88		138.84	
	Share based payment expense	18.97		32.81	
	Provisions	92.98		95.14	
			1,189.35		1,072.61
	Operating profit before working capital changes		**6,092.87**		**4,616.64**
	Adjustments for:				
	Trade receivables	(743.82)		10.94	
	Inventories	145.53		(354.96)	
	Other current assets	(727.23)		(413.50)	
	Other financial assets	(485.48)		(231.76)	
	Trade payables	2,102.78		1,042.68	
	Other financial liabilities	413.85		205.06	
	Other current liabilities	70.01		229.81	
	Other non-current assets	62.52		21.06	
			838.16		509.33
	Cash generated from operations		**6,931.03**		**5,125.97**
	Direct taxes paid (Net of refunds)		(1,200.89)		(833.98)
	Net cash from operating activities	**(A)**	**5,730.14**		**4,291.99**
B.	**Cash flow from investing activities:**				
	Purchase of property, plant and equipment, intangible assets, including capital advances	(2,013.06)		(1,798.47)	
	Proceeds from sale of property, plant and equipment	88.17		18.76	
	Investments in subsidiaries / associates	(2,625.05)		(2,129.26)	
	Purchase of other investments	(93.09)		(134.52)	
	Sale of investments in subsidiaries/associates	-		4.15	
	Sale / redemption of investments	296.61		49.51	
	Sale / redemption of mutual funds (Net)	2.09		-	
	Interest received	34.63		19.54	
			(4,309.70)		(3,970.29)
	Net cash used in investing activities	**(B)**	**(4,309.70)**		**(3,970.29)**

₹ in crores

		Year ended 31-03-2026		Year ended 31-03-2025	
C.	**Cash flow from financing activities :**				
	Borrowings:				
	Non-current borrowings availed / (repaid)	(500.81)		219.99	
	Finance cost paid	(136.76)		(138.60)	
	Purchase of treasury shares by ESOP trust	6.08		(95.27)	
	Repayment of lease liabilities	(142.47)		(98.82)	
	Dividend	(570.10)		(475.09)	
			(1,344.06)		(587.79)
	Net cash from financing activities	**(C)**	**(1,344.06)**		**(587.79)**
	Total (A+B+C)		**76.38**		**(266.09)**
	Dividend adjustment on account of Business Combination		-		100.27
	Cash and cash equivalents at the beginning of the year		324.45		490.27
	Cash and cash equivalents at the end of the year (Refer note no. 8)		400.83		324.45
D.	**Net Increase / (Decrease) in cash and cash equivalents**		**76.38**		**(266.09)**

Note : The above statement of cash flow is prepared using indirect method.

Change in liability arising from financing activities:

₹ in crores

Particulars	As at 01-04-2025	Cash flow	Foreign exchange movement	Amortisation	As at 31-03-2026
Non-current borrowings	1,734.94	(500.81)	-	1.12	1,235.25

Non-cash investing activities:

₹ in crores

Particulars	2025-26	2024-25
Acquisition of right-of-use assets	439.29	144.91

SUDARSHAN VENU
Chairman & Managing Director
DIN: 03601690

K N RADHAKRISHNAN
Director & Chief Executive Officer
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As per our report annexed
For **Sundaram & Srinivasan**
Chartered Accountants
Firm Regn. No. 004207S

Chennai
13th May 2026

K GOPALA DESIKAN
Chief Financial Officer

K S SRINIVASAN
Company Secretary

S USHA
Partner
Membership No.: 211785

Notes to the Standalone 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 2026 have been approved and authorized for issue by the board of directors at its meeting on 13th May 2026.

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 services, the revenue is recognised on a time proportion basis as the customer simultaneously receives and consumes the benefits

Notes to the Standalone Financial Statements (Contd.)

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.

Notes to the Standalone Financial Statements (Contd.)

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.

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:

Notes to the Standalone Financial Statements (Contd.)

- 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'

Notes to the Standalone Financial Statements (Contd.)

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.

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

Notes to the Standalone Financial Statements (Contd.)

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.

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.

Notes to the Standalone Financial Statements (Contd.)

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.

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 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

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

Notes to the Standalone Financial Statements (Contd.)

- 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.

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

Notes to the Standalone Financial Statements (Contd.)

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.

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.

Notes to the Standalone Financial Statements (Contd.)

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.

Notes to the Standalone Financial Statements (Contd.)

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.

The Company has applied the following Ind AS pronouncements pursuant to issuance of the Companies (Indian Accounting Standards) Second Amendment Rules, 2025 with effect from 1st April 2025:

(i) Ind AS 7 – Statement of Cash Flows and Ind AS 107 – Financial Instruments: Disclosures: The amendment requires disclosure of the effects of supplier finance arrangements on the Company's liabilities, cash flows and exposure to liquidity risk. The company has assessed the impact of such arrangements on the standalone Financial Statements and has provided requisite disclosures in accordance with the amendments. These amendments do no have any other impact on the Standalone Financial Statements.

(ii) Ind AS 1 – Presentation of Financial Statements: The amendments primarily impacts classification of liabilities. In accordance with the amendments, the requirement of classification of a liability as non-current based on the existence of a right to defer settlement for at least 12 months after the reporting date has been revised to require that such right must exist, with substance, at the end of the reporting period. The amendments also require assessment of compliance with covenants for the purpose of classification of liabilities, along with enhanced disclosures. The Company has assessed the impact of these amendments and has applied the revised requirements for classification of liabilities as current or non-current including compliance with covenants, where applicable. These amendments do not have any other impact on the Standalone Financial Statements.

Notes to the Standalone Financial Statements (Contd.)

2 Property, Plant & Equipment and Other Intangible Assets as at 31-03-2026

₹ 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 01-04-2025	522.35	1,137.31	5,638.58	189.80	328.96	315.32	458.18	8,590.50	290.05	960.23	1,250.28
Additions	168.15	184.53	565.51	91.64	178.92	71.03	439.29	1,699.07	71.37	263.43	334.80
Sub-total	**690.50**	**1,321.84**	**6,204.09**	**281.44**	**507.88**	**386.35**	**897.47**	**10,289.57**	**361.42**	**1,223.66**	**1,585.08**
Sales / deletion	64.53	0.45	94.33	1.10	4.31	9.43	2.16	176.31	-	1.45	1.45
Total	**625.97**	**1,321.39**	**6,109.76**	**280.34**	**503.57**	**376.92**	**895.31**	**10,113.26**	**361.42**	**1,222.21**	**1,583.63**
Depreciation / Amortisation											
Upto 31-03-2025	-	400.11	3,675.31	107.83	57.16	228.51	185.28	4,654.20	221.47	562.67	784.14
For the year	-	45.71	408.46	25.86	50.89	49.58	129.72	710.22	59.24	131.15	190.39
Sub-total	**-**	**445.82**	**4,083.77**	**133.69**	**108.05**	**278.09**	**315.00**	**5,364.42**	**280.71**	**693.82**	**974.53**
Withdrawn on assets sold / deleted	-	0.40	85.27	1.09	3.60	9.36	0.61	100.33	-	1.45	1.45
Total	**-**	**445.42**	**3,998.50**	**132.60**	**104.45**	**268.73**	**314.39**	**5,264.09**	**280.71**	**692.37**	**973.08**
Net carrying value as at 31-03-2026	625.97	875.97	2,111.26	147.74	399.12	108.19	580.92	4,849.17	80.71	529.84	610.55

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 31-03-2026

₹ in crores

(a) Building	126.92
(b) Plant & equipment	459.47
Total	**586.39**

Ageing of Capital work-in-progress as at 31-03-2026

₹ in crores

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	366.79	122.00	73.62	23.98	586.39

Ageing of Intangible assets under development as at 31-03-2026

₹ in crores

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	436.04	205.78	121.58	10.18	773.58

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 Standalone Financial Statements (Contd.)

2 Property, Plant & Equipment and Other Intangible Assets as at 31-03-2025

₹ 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
Other adjustments on account of Business Combination	1.94	46.41	33.28	0.16	1.43	0.25	1.78	85.25	-	-	-
Sub-total	**522.35**	**1,139.82**	**5,728.86**	**189.94**	**336.82**	**322.54**	**846.88**	**9,087.21**	**290.05**	**960.23**	**1,250.28**
Sales / deletion	-	2.51	90.28	0.14	7.86	7.22	388.70	496.71	-	-	-
Total	**522.35**	**1,137.31**	**5,638.58**	**189.80**	**328.96**	**315.32**	**458.18**	**8,590.50**	**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
Other adjustments on account of Business Combination	-	10.60	13.55	0.13	0.92	0.18	0.48	25.86	-	-	-
For the year	-	40.94	343.74	19.25	26.92	40.47	79.70	551.02	51.46	142.12	193.58
Other adjustments on account of Business Combination	-	1.62	1.56	-	-	-	0.13	3.31	-	-	-
Sub-total	**-**	**402.38**	**3,754.93**	**107.94**	**64.91**	**235.63**	**378.32**	**4,944.11**	**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	**-**	**400.11**	**3,675.31**	**107.83**	**57.16**	**228.51**	**185.28**	**4,654.20**	**221.47**	**562.67**	**784.14**
Net carrying value as at 31-03-2025	522.35	737.20	1,963.27	81.97	271.80	86.81	272.90	3,936.30	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

₹ in crores

(a) Building	304.63
(b) Plant & equipment	337.41
Total	**642.04**

Ageing of Capital work-in-progress as at 31-03-2025

₹ in crores

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 as at 31-03-2025

₹ in crores

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 Standalone Financial Statements (Contd.)

3 Investments

3A Non Current Investments

Sl. No.	Particulars	Subsidiary / Associate	No. of shares / units As at 31-03-2026	No. of shares / units As at 31-03-2025	Face Value	Currency	₹ in crores As at 31-03-2026	₹ in crores As at 31-03-2025
(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	0.74	1.20
	(ii) Indie Semiconductor Inc., USA (face value 0.01 cent)		24,008	-	0.0001	USD	0.65	-
	Unquoted :							
	(iii) Green Infra BTV Limited, New Delhi		32,50,000	32,50,000	10.00	INR	2.20	2.04
	(iv) TVS Lanka (Private) Limited, Colombo		50,00,000	50,00,000	10.00	LKR	27.83	16.99
	(v) Green Infra Wind Power Projects Limited, New Delhi		1,11,600	1,11,600	10.00	INR	0.08	0.08
	(vi) Green Infra Wind Power Generation Limited, New Delhi		2,16,000	2,16,000	10.00	INR	0.20	0.19
	(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) Atria Wind Power Bijapur 1 Limited, Bengaluru		1,01,217	1,01,217	10.00	INR	2.00	2.00
	(x) Altizon Systems Private Limited, Pune		10	10	10.00	INR	0.01	0.01
	(xi) Roppen Transportation Services Private Limited, Hyderabad		-	10	1.00	INR	-	0.05
	(xii) Roppen Transportation Services Private Limited, Hyderabad$		-	23,985	10.00	INR	-	125.84
	(xiii) Green Infra Wind Energy Generation Limited, Gurugram		23,45,000	23,45,000	10.00	INR	2.35	2.35
	(xiv) Atria Wind Power (Basavana Bagewadi), Bengaluru		47,000	47,000	100.00	INR	0.91	0.91
	(xv) Indian Foundation for Quality Management, Bengaluru		2,50,00,000	2,50,00,000	10.00	INR	-	25.00
	Valued at Cost (Unquoted):							
	(i) TVS Motor Company Europe B.V., Amsterdam	Subsidiary	2,25,301	2,25,301	100.00	EUR	1.80	1.80
	(ii) TVS Motor Singapore Pte. Limited, Singapore	Subsidiary	1,21,41,23,059	92,74,88,807	1.00	SGD	7,172.45	5,195.12
	(iii) PT. TVS Motor Company Indonesia, Jakarta	Subsidiary	95,97,000	85,97,000	97,400.00	IDR	477.27	389.06
	(iv) TVS Motor Services Limited, Chennai	Subsidiary	14,96,33,814	14,96,33,814	10.00	INR	148.68	148.68
	(v) TVS Credit Services Limited, Bengaluru	Subsidiary	20,52,30,324	20,23,19,089	10.00	INR	2,415.17	2,243.65
	(vi) TVS Credit Services Limited, Bengaluru$	Subsidiary	31,69,773	31,69,773	10.00	INR	100.00	100.00
	(vii) TVS Electric Mobility Limited, Chennai	Subsidiary	10,00,000	10,00,000	10.00	INR	1.00	1.00
	(viii) TVS Motor Company DMCC, Dubai	Subsidiary	2,20,552	92,000	1,000.00	AED	510.68	210.78
	(ix) DriveX Mobility Pvt Ltd, Coimbatore	Subsidiary	28,110	20,981	10.00	INR	313.83	225.74
	(x) Ultraviolette Automotive Private Limited, Bengaluru	Associate	14,85,000	14,85,000	10.00	INR	11.00	11.00
	(xi) Ultraviolette Automotive Private Limited, Bengaluru$	Associate	12,31,600	12,31,600	*	INR	110.00	110.00
	Total value of Equity Instruments (a)						**11,298.87**	**8,813.51**
(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	-	-
	(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**

Notes to the Standalone Financial Statements (Contd.)

Sl. No.	Particulars	Subsidiary / Associate	No. of shares / units		Face Value	Currency	₹ in crores	
			As at 31-03-2026	As at 31-03-2025			As at 31-03-2026	As at 31-03-2025
(c)	**Investment in Debt Instruments (Unquoted):**							
	Valued at Amortised Cost :							
	Pension Funds / Others							
	(i) ICICI Prudential Life Insurance Group Superannuation Fund, Mumbai					INR	6.85	6.95
	(ii) Life Insurance Corporation Pension Policy, Mumbai					INR	21.58	22.36
	(iii) Stemford Energy Private Limited		20,00,000	-	100	INR	5.17	-
	Total value of Debt Instruments (c)						**33.60**	**29.31**
(d)	**Other Non-Current Investments (Unquoted):**							
	Fair valued through OCI:							
	(i) Autotech Fund I, L.P., USA					USD	33.96	37.43
	Total value of Other Non-Current Investments (d)						**33.96**	**37.43**
	Total (a) + (b) + (c) + (d)						**11,416.43**	**8,930.25**
	Aggregate amount of quoted investments and market value thereof						1.39	1.20
	Aggregate amount of unquoted investments						11,415.04	8,929.05
	Total						**11,416.43**	**8,930.25**

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 31-03-2026	As at 31-03-2025	
Series A2 Preference Shares	99,000	99,000	50,545
Series B Preference Shares	7,38,700	7,38,700	40,616
Series C Preference Shares	3,93,900	3,93,900	10
Total	**12,31,600**	**12,31,600**	

3B Current Investments

Sl. No.	Particulars	No. of shares / units		Face Value	Currency	₹ in crores	
		As at 31-03-2026	As at 31-03-2025			As at 31-03-2026	As at 31-03-2025
(a)	**Investment in Equity Instruments Fair valued through Profit or**						
	Loss :						
	Quoted :						
	(i) TVS Supply Chain Solutions Limited, Madurai	2,53,95,032	1,92,72,200	1.00	INR	231.02	233.19
	Total (a)						
	Aggregate amount of quoted investments and market value thereof					231.02	233.19
	Total					**231.02**	**233.19**

All investments are fully paid up.

Notes to the Standalone Financial Statements (Contd.)

4 Other Financial Assets - Non Current

₹ in crores

Particulars	As at 31-03-2026	As at 31-03-2025
Claims receivable	24.50	28.00
	24.50	**28.00**

5 Other Non-Current Assets

₹ in crores

Particulars	As at 31-03-2026	As at 31-03-2025
Capital advances	554.22	215.67
Prepaid expenses	15.16	3.44
Advances other than capital advances:		
Deposits made	34.15	13.30
	603.53	**232.41**

6 Inventories

₹ in crores

Particulars	As at 31-03-2026	As at 31-03-2025
Raw materials and components	805.58	728.97
Goods-in-transit - Raw materials and components	298.37	132.47
Work-in-progress	73.44	50.12
Finished goods	180.12	617.84
Stock-in-trade	162.86	140.19
Stores and spares	59.86	56.17
	1,580.23	**1,725.76**

7 Trade Receivables

₹ in crores

Particulars	As at 31-03-2026	As at 31-03-2025
Secured, considered good	10.48	14.03
Unsecured, considered good*	2,076.02	1,266.03
Receivables which have significant increase in credit risk	37.41	29.60
	2,123.91	**1,309.66**
Less: Loss allowance	37.41	29.60
	2,086.50	**1,280.06**

* Includes balances with related parties [Refer Note 35 (d)(i)]

Notes to the Standalone Financial Statements (Contd.)

Ageing for trade receivables as on 31.03.2026

₹ 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	1,870.52	210.90	3.89	0.56	0.63	2,086.50
(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	7.01	4.24	3.06	1.70	21.40	37.41
(vi) Disputed Trade Receivables – credit impaired	-	-	-	-	-	-
Total	**1,877.53**	**215.14**	**6.95**	**2.26**	**22.03**	**2,123.91**

Ageing for trade receivables as on 31.03.2025

₹ 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**

8 Cash And Cash Equivalents

₹ in crores

Particulars	As at 31-03-2026	As at 31-03-2025
Balances with banks	400.65	304.14
Cash on hand	0.14	0.27
Cash equivalents:		
Deposits with maturity of less than three months from the date of deposit	0.04	20.04
	400.83	**324.45**
Cash and cash equivalents for the purpose of cash flow statement	**400.83**	**324.45**

Notes to the Standalone Financial Statements (Contd.)

9 Other Bank Balances

₹ in crores

Particulars	As at 31-03-2026	As at 31-03-2025
Earmarked balances with banks^	573.79	264.66
Deposits with maturity of more than three months and less than one year from the date of deposit	0.11	0.11
	573.90	**264.77**

^ Includes balances towards unpaid dividend

10 Other Financial Assets - Current

₹ in crores

Particulars	As at 31-03-2026	As at 31-03-2025
Unsecured, considered good :		
- Employee advances	19.12	13.83
- Other bank balances (Bank deposit)	2.10	2.09
- Security deposits	88.88	43.45
- Claims receivable	149.73	24.85
- Hedge asset (net)	-	15.73
	259.83	**99.95**

11 Other Current Assets

₹ in crores

Particulars	As at 31-03-2026	As at 31-03-2025
Balances with tax authorities	781.54	520.03
Prepaid expenses	119.95	103.50
Vendor advance*	265.78	125.71
Trade deposits	1.26	1.11
Incentive receivable from government	750.15	468.13
Employee benefit assets (Refer Note 33)	18.58	5.91
	1,937.26	**1,224.39**
Less: Loss allowance	18.03	32.39
	1,919.23	**1,192.00**

* Includes balances with related parties [Refer Note 35(d)(i)]

Notes to the Standalone Financial Statements (Contd.)

12 Share Capital

(a) Details of authorised, issued and subscribed share capital

(i) Equity Share Capital

Authorised, issued, subscribed and fully paid up

Particulars	As at 31-03-2026		As at 31-03-2025	
	Number	₹ in crores	Number	₹ in crores
Authorised:				
Equity shares of Re.1/- each	50,00,00,000	50.00	50,00,00,000	50.00
Issued, subscribed and fully paid up:				
Equity shares of Re.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**

(ii) Preference Share Capital

Particulars	As at 31-03-2026		As at 31-03-2025	
	Number	₹ in crores	Number	₹ in crores
Authorised:				
Preference shares of ₹ 10/- each	2,00,00,00,000	2,000.00	-	-
Issued, subscribed and fully paid up:				
6% Cumulative Non-Convertible Redeemable Preference shares of ₹ 10/- each (NCRPS)	1,90,03,48,456	1,900.35	-	-
	1,90,03,48,456	**1,900.35**	**-**	**-**

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

(i) Equity Share Capital

Particulars	As at 31-03-2026		As at 31-03-2025	
	Number	₹ in crores	Number	₹ 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

(ii) Preference Share Capital

Particulars	As at 31-03-2026		As at 31-03-2025	
	Number	₹ in crores	Number	₹ in crores
Shares outstanding at the beginning of the year	-	-	-	-
Shares issued during the year	1,90,03,48,456	1,900.35	-	-
Shares outstanding at the end of the year	1,90,03,48,456	1,900.35	-	-

(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.

There are no restrictions attached to equity shares.

Notes to the Standalone Financial Statements (Contd.)

(ii) Rights and preferences attached to NCRPS share:

The NCRPS do not have voting rights other than in respect of matters directly affecting it. The NCRPS will be redeemed along with interest on 01st September, 2026.

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

Name of shareholder	Class of share	As at 31-03-2026		As at 31-03-2025	
		No. of shares held	% of holding	No. of shares held	% of holding
TVS Holdings Limited, Chennai (Holding Company)	Equity	23,87,82,786	50.26	23,87,82,786	50.26

Name of shareholder	Class of share	As at 31-03-2026		As at 31-03-2025	
		No. of shares held	% of holding	No. of shares held	% of holding
TVS Holdings Limited, Chennai (Holding Company)	Preference	95,51,31,144	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 31-03-2026		As at 31-03-2025	
		No. of shares held	% of holding	No. of shares held	% of holding
ICICI Prudential Mutual Fund	Equity	2,76,08,033	5.81	3,49,41,063	7.35

Name of shareholder	Class of share	As at 31-03-2026		As at 31-03-2025	
		No. of shares held	% of holding	No. of shares held	% of holding
ICICI Prudential Mutual Fund	Preference	16,37,88,001	8.62	-	-

(f) Shares held by Promoters at the end of the year 31-03-2026

Promoter name	Class of share	As at 31-03-2026		As at 31-03-2025		% change during the year
		No. of shares held	% of holding	No. of shares held	% of holding	
TVS Holdings Limited, Chennai (Holding Company)	Equity	23,87,82,786	50.26	23,87,82,786	50.26	-

Promoter name	Class of share	As at 31-03-2026		As at 31-03-2025		% change during the year
		No. of shares held	% of holding	No. of shares held	% of holding	
TVS Holdings Limited, Chennai (Holding Company)	Preference	95,51,31,144	50.26	-	-	-

(g) 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	-

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)	Preference	-	-	-	-	-

Notes to the Standalone Financial Statements (Contd.)

13 Other Equity

₹ in crores

Particulars	As at 31-03-2026	As at 31-03-2025
General reserve	8.05	873.69
Capital reserve	(73.15)	(73.15)
Retained earnings	11,293.06	9,085.77
Other Reserves	(41.17)	(36.60)
	11,186.79	**9,849.71**

14 Non-Current Liabilities - Financial Liabilities - Borrowings

₹ in Crores

Description	Frequency	No. of instalments due	Maturity	As at 31-03-2026	As at 31-03-2025
Secured:					
State Owned Corporation	Specific Period	2	Apr 2030	10.58	10.11
Unsecured:					
Non Convertible Debentures	-	-	Mar 2026	-	124.93
Term loan from Bank - I	Quarterly	4	Mar 2027	139.99	289.98
Term loan from Bank - II	-	-	Mar 2026	-	46.46
Term loan from Bank - III	Quarterly	2	July 2026	20.92	104.17
Term loan from Bank - IV	Quarterly	1	May 2026	62.32	312.11
Term loan from Bank - V	Quarterly	8	Mar 2028	200.00	300.00
Term loan from Bank - VI	Quarterly	8	Mar 2028	100.00	150.00
Term loan from Bank - VII	Quarterly	16	Mar 2030	119.98	150.00
Term loan from Bank - VIII	Quarterly	9	Apr 2028	150.00	200.00
Term loan from Bank - IX	Quarterly	12	Mar 2029	400.00	-
Sales Tax Deferral	Yearly	2	Jun 2027	31.46	47.18
Total Long-term Borrowings:				**1,235.25**	**1,734.94**
Less : Current Maturities of Long-term Borrowings				623.42	900.43
Total Long-term Borrowings (net)				**611.83**	**834.51**

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)	
Term Loan from Bank - I	INR	4 quarterly equated instalments from 28th June 2026	6.30%
Term loan from Bank - III	INR	2 quarterly unequated instalments from 30th June 2026	Repo Rate plus Margin
Term loan from Bank - IV	INR	1 quarterly instalment beginning from 31st May 2026	Repo Rate plus Margin
Term loan from Bank - V	INR	8 quarterly equated instalments beginning from 21st June 2026	Repo Rate plus Margin
Term loan from Bank - VI	INR	8 quarterly equated instalments beginning from 21st June 2026	Repo Rate plus Margin
Term loan from Bank - VII	INR	16 quarterly equated instalments beginning from 30th June 2026	Repo Rate plus Margin
Term loan from Bank - VIII	INR	9 quarterly equated instalments beginning from 19th April 2026	Repo Rate plus Margin
Term loan from Bank - IX	INR	12 quarterly equated instalments beginning from 25th June 2026	Repo Rate plus Margin
Sales tax deferral	INR	₹ 15.73 crores per annum from June - 2026 to June - 2027	Nil

*undiscounted cash outflows

Notes to the Standalone Financial Statements (Contd.)

15 Provisions

₹ in crores

Particulars	As at 31-03-2026		As at 31-03-2025	
	Current	Non-current	Current	Non-current
Provision for employee benefits:				
(a) Pension	61.55	129.49	59.38	127.95
(b) Leave salary	15.98	109.09	12.64	93.97
Others:				
(a) Warranty	139.42	46.47	113.20	37.73
	216.95	**285.05**	**185.22**	**259.65**

16 Deferred Tax Liabilities (Net)

The balance comprises temporary differences attributable to:

₹ in crores

Particulars	As at 31-03-2026	As at 31-03-2025
Deferred tax liability consists of tax impact on:		
- Depreciation	511.85	397.25
- Others	17.78	18.60
Other adjustments on account of Business Combination		
- Depreciation	10.31	10.31
Total deferred tax liability (A)	**539.94**	**426.16**
Deferred tax asset consists of tax impact on:		
- Employee benefit expenses	72.87	35.48
- Warranty provision	-	37.99
- Others	108.97	76.46
Total deferred tax assets (B)	**181.84**	**149.93**
Net deferred tax liability (A)-(B)	**358.10**	**276.23**

Movement in deferred tax :

₹ in crores

Particulars	Depreciation	Others	Total
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
- Other adjustments on account of Business Combination	10.31	-	10.31
- relating to earlier years	-	21.23	21.23
As at 31-03-2025			**276.23**
Charged / (Credited):			
- to profit or loss	114.60	(37.96)	76.64
- to other comprehensive income	-	7.14	7.14
- Reversal of DTL relating to earlier years on account of sale of equity instruments measured at FVTOCI	-	(1.91)	(1.91)
As at 31-03-2026			**358.10**

Notes to the Standalone Financial Statements (Contd.)

17 Financial Liabilities - Borrowings - Current

₹ in crores

Particulars	As at 31-03-2026	As at 31-03-2025
6% Cumulative Non-Convertible Redeemable Preference shares (NCRPS)	1,898.94	-
Current Maturities of long term borrowings:		
Unsecured	623.42	900.43
	2,522.36	**900.43**

18 Trade Payables

₹ in crores

Particulars	As at 31-03-2026	As at 31-03-2025
Dues to Micro and Small Enterprises**	101.28	38.10
Dues to enterprises other than Micro and Small Enterprises#	8,163.51	6,124.60
	8,264.79	**6,162.70**

***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 35(d)(ii)].

Ageing for trade payables as on 31-03-2026

₹ 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)	101.28	-	-	-	-	101.28
(ii) Others	4,592.90	696.79	63.99	1.87	43.31	5,398.86
(iii) Disputed dues – MSME	-	-	-	-	-	-
(iv) Disputed dues – Others	-	-	-	-	-	-
Total (i) to (iv)	**4,694.18**	**696.79**	**63.99**	**1.87**	**43.31**	**5,500.14**
Accrued expenses						2,764.65
Total						**8,264.79**

Ageing for trade payables as on 31-03-2025

₹ 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	627.24	11.56	19.52	25.34	4,369.19
(iii) Disputed dues – MSME	-	-	-	-	-	-
(iv) Disputed dues – Others	-	-	-	-	-	-
Total (i) to (iv)	**3,722.74**	**627.24**	**11.56**	**19.52**	**25.34**	**4,406.40**
Accrued expenses						1,756.30
Total						**6,162.70**

Notes to the Standalone Financial Statements (Contd.)

Supplier finance arrangement

₹ in crores

Particulars	As at 31-03-2026	As at 31-03-2025
Carrying amount of trade payables that are part of a supplier finance arrangement	946.15	1,236.11
Of which suppliers have received payment	651.70	829.02

The Company has a supplier financing program with external financial institutions in respect of approved trade payables. Under these arrangements, participating suppliers may, at their discretion, elect to receive early payment on approved invoices from the finance providers, subject to the suppliers' separate agreements with such financial institutions. The Company's payment obligation to settle the full invoice amount with the finance providers arises on the contractual maturity date of the invoice. The supplier finance arrangements do not modify the contractual payment terms between the Company and its suppliers or result in an extension of payment terms, hence there is no effect on the Company's obligation to pay amounts due under the supplier contracts. The Company does not provide any collateral, guarantees, or other forms of security in connection with these arrangements.

19 Other Financial Liabilities

₹ in crores

Particulars	As at 31-03-2026	As at 31-03-2025
Interest accrued but not due on loans	67.07	2.99
Trade deposits received	32.30	34.66
Unpaid dividend	573.23	215.14
(Not due for transfer to Investor Education and Protection Fund)		
Payables against capital goods	99.97	61.09
Hedge liability (Net)	58.12	-
	830.69	**313.88**

20 Other Current Liabilities

₹ in crores

Particulars	As at 31-03-2026	As at 31-03-2025
Statutory dues	128.44	174.49
Employee related	314.57	211.37
Advance received from customers	377.81	364.95
Deferred income	3.50	3.50
	824.32	**754.31**

21 Revenue From Operations

₹ in crores

Particulars	Year Ended 31-03-2026	Year Ended 31-03-2025
Revenue from Contract with Customers		
Sale of products	45,963.25	35,618.32
Sale of services	96.47	74.38
Other operating revenue#	1,210.60	558.62
	47,270.32	**36,251.32**

#Includes Government Grants of ₹ 973.62 crores (Last year ₹ 488.48 crores)

Notes to the Standalone Financial Statements (Contd.)

22 Other Income

₹ in crores

Particulars	Year Ended 31-03-2026	Year Ended 31-03-2025
Dividend income from:		
(i) Subsidiaries*	-	-
Interest income	34.63	20.67
Profit on sale of investments - (Net)	2.09	1.15
Profit on sale of property, plant and equipment (Net)	14.92	8.42
(Loss)/Gain on valuation of investments Fair Valued through profit and loss (Net)	(87.83)	(78.27)
Other non-operating income	6.22	6.74
	(29.97)	**(41.29)**

**Dividend Income of ₹ 100.27 Crores in FY 2024-25 was restated due to the Business Combination and considered in Opening reserves.*

23 Material Cost

₹ in crores

Particulars	Year Ended 31-03-2026	Year Ended 31-03-2025
Cost of materials consumed:		
Opening stock of raw materials and components	728.97	650.11
Add: Purchases	32,863.38	25,621.21
	33,592.35	**26,271.32**
Less: Closing stock of raw materials and components	805.58	728.97
	32,786.77	**25,542.35**
Purchases of stock-in-trade:		
Spare parts	287.03	223.16
Engine oil	200.95	183.57
	487.98	**406.73**
Changes in inventories of finished goods, work-in-progress and stock-in-trade:		
Opening stock:		
Work-in-progress	50.12	48.89
Stock-in-trade	140.19	104.70
Finished goods	617.84	466.13
(A)	**808.15**	**619.72**
Closing stock:		
Work-in-progress	73.44	50.12
Stock-in-trade	162.86	140.19
Finished goods	180.12	617.84
(B)	**416.42**	**808.15**
(A)-(B)	**391.73**	**(188.43)**

24 Employee Benefits Expense

₹ in crores

Particulars	Year Ended 31-03-2026	Year Ended 31-03-2025
Salaries, wages and bonus	2,035.62	1,631.32
Employee share-based payment expense	18.97	32.81
Contribution to provident and other funds	181.60	146.40
Staff welfare expenses	216.05	160.54
	2,452.24	**1,971.07**

Notes to the Standalone Financial Statements (Contd.)

25 Finance Costs

₹ in crores

Particulars	Year Ended 31-03-2026	Year Ended 31-03-2025
Interest on borrowings	169.59	120.78
Interest on lease liabilities	31.24	15.76
Exchange differences	3.05	2.30
	203.88	**138.84**

26 Depreciation and Amortisation Expense

₹ in crores

Particulars	Year Ended 31-03-2026	Year Ended 31-03-2025
Depreciation on property, plant and equipment	580.50	474.50
Amortisation on right of use asset	129.72	79.83
Amortisation on intangible assets	190.39	193.58
	900.61	**747.91**

27 Other Expenses

₹ in crores

Particulars	Year Ended 31-03-2026	Year Ended 31-03-2025
(a) Consumption of stores, spares and tools	60.81	53.75
(b) Power and fuel	128.83	111.23
(c) Repairs - buildings	57.06	43.87
(d) Repairs - plant and equipment	98.84	133.91
(e) Insurance	60.84	53.06
(f) Rates and taxes (excluding taxes on income)	17.09	11.47
(g) Audit fees#	1.81	1.34
(h) Cost audit fees	0.08	0.08
(i) Packing and freight charges	625.22	556.89
(j) Advertisement and publicity	888.25	762.03
(k) Other marketing expenses	999.08	774.24
(l) Foreign exchange loss (Net)	-	3.89
(m) Corporate Social Responsibility expenditure*	56.37	40.00
(n) Contributions to Electoral Trust / Bond	-	13.00
(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)	2,077.97	1,511.26
	5,072.25	**4,070.02**

#Refer Note No. 39 for details on Audit fees.

**Refer Note No. 48 for details on Corporate Social Responsibility expenditure.*

Notes to the Standalone Financial Statements (Contd.)

28 Tax Expense and Reconciliation

₹ in crores

Particulars		Year Ended 31-03-2026	Year Ended 31-03-2025
(a) Tax expense			
Current tax:			
On profits for the year		1,211.66	867.67
	(A)	**1,211.66**	**867.67**
Deferred tax:			
Decrease / (increase) in deferred tax assets		(75.93)	(45.09)
(Decrease) / increase in deferred tax liabilities		152.57	94.98
	(B)	**76.64**	**49.89**
	(A + B)	**1,288.30**	**917.56**
(b) Reconciliation of tax expense and the accounting profit multiplied by India's tax rate:			
Profit before income tax expense		**4,903.52**	**3,521.54**
Tax expense at 25.168%		1,234.12	886.30
Add / (Less) : Tax Impact on			
- Tax on income chargeable at lower rates		5.10	(6.67)
- Expenses not admissible for deduction		49.08	37.93
Tax expense		**1,288.30**	**917.56**

29 Fair Value Measurements

₹ in crores

Particulars	As at 31-03-2026			As at 31-03-2025		
	FVTPL$	FVTOCI*	Amortised cost	FVTPL$	FVTOCI*	Amortised cost
Financial assets						
Investments						
- Equity instruments	231.02	36.99	-	233.19	176.68	-
- Preference shares	50.00	-	-	50.00	-	-
- Other non-current investments	-	33.96	-	-	37.43	-
- Debt Instruments	-	-	33.60	-	-	29.31
Trade receivables	-	-	2,086.50	-	-	1,280.06
Derivative financial asset	-	-	-	-	15.73	-
Cash and cash equivalents	-	-	400.83	-	-	324.45
Other bank balances - Bank deposit	-	-	2.21	-	-	2.20
Earmarked balances with banks	-	-	573.79	-	-	264.66
Other financial assets	-	-	282.23	-	-	110.13
	281.02	**70.95**	**3,379.16**	**283.19**	**229.84**	**2,010.81**
Financial liabilities						
Borrowings	-	-	3,134.19	-	-	1,734.94
Trade payables	-	-	8,264.79	-	-	6,162.70
Lease liability	-	-	598.95	-	-	302.55
Derivative financial liability	-	58.12	-	-	-	-
Other financial liability	-	-	772.57	-	-	313.88
	-	**58.12**	**12,770.50**	**-**	**-**	**8,514.07**

** FVTOCI - Fair Valued Through Other Comprehensive Income $ FVTPL- Fair Value Through Profit or Loss*

Notes to the Standalone 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

₹ in crores

As at 31-03-2026	Notes	Level 1	Level 2	Level 3	Total
Financial assets					
Financial investments at FVTPL	3A & 3B	231.02	-	50.00	281.02
Financial investments at FVTOCI	3A	1.39	33.96	35.60	70.95
		232.41	**33.96**	**85.60**	**351.97**
Financial liabilities					
Derivatives	19	-	58.12	-	58.12
		-	**58.12**	**-**	**58.12**

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

₹ in crores

As at 31-03-2026	Notes	Level 1	Level 2	Level 3	Total
Financial assets					
Investments:					
Debt instruments	3A	-	-	33.60	33.60
		-	**-**	**33.60**	**33.60**
Financial liabilities					
Borrowings	14 & 17	1,898.94	-	1,235.25	3,134.19
		1,898.94	**-**	**1,235.25**	**3,134.19**

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

₹ 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

₹ in crores

As at 31-03-2025	Notes	Level 1	Level 2	Level 3	Total
Financial assets					
Investments:					
Debt instruments	3A	-	-	29.31	29.31
		-	**-**	**29.31**	**29.31**
Financial liabilities					
Borrowings	14 & 17	-	-	1,734.94	1,734.94
		-	**-**	**1,734.94**	**1,734.94**

Notes to the Standalone Financial Statements (Contd.)

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.

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

₹ in crores

Particulars	Unlisted Equity Shares	Unlisted Preference Shares	Debt Instruments	Total
As at 01-04-2024	**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**
Additions / (Deletions)	(287.93)	-	-	(287.93)
Gains/(losses) recognised in other comprehensive income	148.05	-	-	148.05
As at 31-03-2026	**35.60**	**50.00**	**-**	**85.60**

Notes to the Standalone Financial Statements (Contd.)

(iv) Valuation inputs and relationships to fair value

₹ in crores

Particulars	Fair value as at		Significant unobservable input	Probability weighted range for the year ended		Sensitivity
	31-03-2026	31-03-2025		31-03-2026	31-03-2025	
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	-	-	a) Earnings growth rate	1-3%	1-3%	Not significant
			b) Risk adjusted discount rate	8%	8%	
Unquoted Equity shares	35.60	175.48	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

₹ in crores

Particulars	31-03-2026		31-03-2025	
	Carrying amount	Fair value	Carrying amount	Fair value
Financial assets				
Investments:				
Preference shares	-	-	-	-
Debt instruments	33.60	33.60	29.31	29.31
	33.60	**33.60**	**29.31**	**29.31**
Financial liabilities				
Borrowings	3,134.19	3,134.19	1,734.94	1,734.94
	3,134.19	**3,134.19**	**1,734.94**	**1,734.94**

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 Standalone 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 Standalone Financial Statements (Contd.)

(A) Credit risk

Basis of recognition of expected credit loss provision

<table>
<tr><th>Rating</th><th>Category</th><th>Description of category</th><th>Investments</th><th>Loans and deposits</th><th>Trade receivables</th></tr>
<tr><td>1</td><td>High Quality assets, negligible credit risk</td><td>Assets where the counter-party has strong capacity to meet the obligations and where the risk of default is negligible or nil.</td><td rowspan="3">12 month expected credit losses</td><td rowspan="3">12 month expected credit losses</td><td rowspan="5">Life time expected credit losses (simplified approach)</td></tr>
<tr><td>2</td><td>Quality assets, low credit risk</td><td>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.</td></tr>
<tr><td>3</td><td>Standard Assets, moderate credit risk</td><td>Assets where the probability of default is considered moderate and where the counter-party's capacity to meet the obligations is not strong.</td></tr>
<tr><td>4</td><td>Substandard Assets, relatively high credit risk</td><td>Assets where there has been a significant increase in credit risk since initial recognition.</td><td colspan="2" rowspan="2">Life time expected credit losses</td></tr>
<tr><td>5</td><td>Low quality assets, very high credit risk</td><td>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.</td></tr>
<tr><td>6</td><td>Doubtful assets, credit impaired</td><td>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.</td><td colspan="3">Asset is written off</td></tr>
</table>

As at 31-03-2026

a) Expected credit loss for investments, loans and other financial assets

₹ 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	33.60	0%	-	33.60
	1	Other financial assets	282.23	0%	-	282.23

b) Expected credit loss for trade receivables under simplified approach

₹ in crores

Particulars	0 to 180 days past due	More than 180 days past due	Total
Gross carrying amount	1,877.53	246.38	2,123.91
Expected loss rate	0.4%	12%	2%
Expected credit losses	7.01	30.40	37.41
Carrying amount of trade receivables	1,870.52	215.98	2,086.50

Notes to the Standalone Financial Statements (Contd.)

As at 31-03-2025

a) Expected credit loss for investments, loans and other financial assets

₹ 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	29.31	0%	-	29.31
	1	Other financial assets	110.13	0%	-	110.13

b) Expected credit loss for trade receivables under simplified approach

₹ 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	0.1%	11%	1.8%
Expected credit losses	1.09	28.51	29.60
Carrying amount of trade receivables	1,060.26	219.80	1,280.06

Reconciliation of loss allowance provision - Trade receivables

	₹ in crores
Loss allowance on 01-04-2024	28.13
Changes in loss allowance	1.47
Loss allowance on 31-03-2025	29.60
Changes in loss allowance	7.81
Loss allowance on 31-03-2026	37.41

(B) Liquidity risk

(i) Financing arrangements

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

₹ in crores

Particulars	As at 31-03-2026	As at 31-03-2025
Floating rate		
- Expiring within one year (bank overdraft and other facilities)	1,469.71	1,952.03
- 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.

Notes to the Standalone 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 31-03-2026

₹ 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	233.33	2,029.04	259.99	614.97	-	3,137.33
Lease liabilities	45.24	44.04	83.39	455.42	93.50	721.59
Trade payables	8,264.79	-	-	-	-	8,264.79
Other financial liabilities	830.69	-	-	-	-	830.69

As at 31-03-2025

₹ 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	193.20	194.14	513.09	838.59	-	1,739.02
Lease liabilities	28.42	29.91	50.17	205.84	26.95	341.29
Trade payables	6,162.70	-	-	-	-	6,162.70
Other financial liabilities	313.88	-	-	-	-	313.88

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:

₹ in crores

Particulars	As at 31-03-2026		As at 31-03-2025	
Exposure in foreign currency	USD	EUR	USD	EUR
Financial assets:				
Trade receivables	1,276.61	202.23	711.31	40.45
Investments	34.61	-	37.43	-
Derivative assets:				
Foreign exchange forward contracts				
Sell foreign currency	(1,276.61)	(202.23)	(711.31)	(40.45)
Financial liabilities:				
Foreign currency loan	-	-	-	-
Trade payables	288.48	22.77	159.42	8.70
Derivative liabilities:				
Foreign exchange forward contracts				
Buy foreign currency	-	-	-	-
Principal swap				
Buy foreign currency	-	-	-	-

Notes to the Standalone 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.

₹ in crores

Particulars	Impact on profit after tax*		Impact on other components of equity*	
	As at 31-03-2026	As at 31-03-2025	As at 31-03-2026	As at 31-03-2025
USD sensitivity				
INR/USD increases by 10%	72.85	40.81	(91.57)	(49.83)
INR/USD decreases by 10%	(72.85)	(40.81)	91.57	49.83
EURO sensitivity				
INR/EURO increases by 10%	13.23	2.38	(14.91)	(3.03)
INR/EURO decreases by 10%	(13.23)	(2.38)	14.91	3.03

** 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)

₹ in crores

Particulars	As at 31-03-2026	As at 31-03-2025
Variable rate borrowings	2,955.30	1,538.14
Fixed rate borrowings	182.03	200.88

The Amount disclosed in the table are the contractual undiscounted cash flows.

₹ in crores

Sensitivity	Impact on profit after tax	
	As at 31-03-2026	As at 31-03-2025
Increase in interest rates by 100 bps	(21.79)	(11.37)
Decrease in interest rates by 100 bps	21.79	11.37

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 Standalone Financial Statements (Contd.)

(D) Impact of hedging activities

i) Disclosure of effects of hedge accounting on financial position

Disclosure of effects of hedge accounting on financial position as at 31-03-2026

₹ in crores

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	1,478.84	-	-	58.12	Apr'26 to June'26	58.12	(58.12)

Disclosure of effects of hedge accounting on financial position as at 31-03-2025

₹ in crores

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)

ii) Disclosure of effects of hedge accounting on financial performance

Disclosure of effects of hedge accounting on financial performance for the year ended 31-03-2026

₹ 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	(8.42)	-	3.89	Revenue and Borrowing cost

Disclosure of effects of hedge accounting on financial performance for the year ended 31-03-2025

₹ 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

Notes to the Standalone 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:

₹ in crores

Particulars	As at 31-03-2026	As at 31-03-2025
Net debt	2,733.36	1,410.49
Total equity	11,234.30	9,897.22
Net debt to equity ratio (times)	**0.24**	**0.14**

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:

₹ in crores

Particulars	Year Ended 31-03-2026	Year Ended 31-03-2025
EBIT	5,117.53	3,644.62
Interest	172.64	123.08
Interest coverage ratio (times)	**29.64**	**29.61**

(b) Dividends

₹ in crores

Particulars	Year ended 31-03-2026	Year ended 31-03-2025
(i) Equity shares		
Interim dividend for the year ended 31-03-2026 of ₹ 12.00 (31-03-2025 of ₹ 10.00) per fully paid share	570.10	475.09
(ii) Dividends not recognised at the end of the reporting period	-	-

(c) Issuance of 6% Cumulative Non-Convertible redeemable preference shares of ₹ 10/- each (NCRPS)

During the year, the Company issued 6% NCRPS aggregating to 1900.35 crores, redeemable at par after 12 months from the date of allotment. The issuance is part of the Company's capital management framework to optimise capital structure and maintain financial flexibility .

Notes to the Standalone Financial Statements (Contd.)

32 Key Financial Ratios

Sl. No.	Particulars	As at 31-03-2026	As at 31-03-2025	Variance
1	Current ratios (times) [Current Assets / Current Liabilities]	0.54	0.61	10.2%
2	Net Debt / Equity Ratio (times) [(Total borrowing - Cash) / Equity] - Note 1	0.24	0.14	(70.7%)
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)]	4.77	5.18	(8.0%)
4	Return on Equity (%) [Net Profit after tax / Average shareholders equity]	34.2%	29.5%	15.8%
5	Inventory Turnover Ratio (times) [Annualised Cost of goods sold / Average Inventory]	20.37	16.64	(22.4%)
6	Debtors Turnover ratio (times) [Annualised Turnover / Average Debtors]	28.08	28.08	(0.0%)
7	Trade Payable turnover ratio (times) [(Cost of Goods sold + Other expenses) / Average Trade payable]	5.37	5.29	(1.5%)
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]	7.6%	7.3%	5.3%
10	Return on Capital Employed (%) [Earnings before Interest, Tax and Exceptional Items / Capital Employed]	35.0%	30.7%	13.7%
11	Return on Investment (%) [Income generated from invested funds / Average invested funds.] - Note 2	NA	NA	NA

Notes:

1. The increase in Debt Equity ratio is mainly due to issue of NCRPS.
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

₹ in crores

Particulars	Funded Plan			Unfunded Plan
	Gratuity			Pension
	Present value of obligation	Fair value of plan assets	Net amount	Present value of obligation
As at 01-04-2024	**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**

Notes to the Standalone Financial Statements (Contd.)

₹ in crores

Particulars	Funded Plan			Unfunded Plan
	Gratuity			Pension
	Present value of obligation	Fair value of plan assets	Net amount	Present value of obligation
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**
Current service cost	53.85	-	53.85	-
Past service cost	25.80	-	25.80	-
Interest expense / (income)	18.37	(17.31)	1.06	11.71
Total amount recognised in profit or loss	**98.02**	**(17.31)**	**80.71**	**11.71**
Remeasurements				
Return on plan assets, excluding amounts included in interest expense / (income)	-	(1.90)	(1.90)	-
(Gain) / loss from change in financial assumptions	(24.64)	-	(24.64)	2.40
Experience (gains) / losses	(15.06)	-	(15.06)	1.43
Total amount recognised in other comprehensive income	**(39.70)**	**(1.90)**	**(41.60)**	**3.83**
Employer contributions	-	(51.78)	(51.78)	-
Benefit payments	(10.46)	10.46	-	(7.03)
As at 31-03-2026	**296.60**	**(315.18)**	**(18.58)**	**191.04**

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, 2026 are as follows

₹ in crores

Year ending March 31,	Defined Benefit Obligations
2026	38.16
2027	21.20
2028	24.84
2029	22.47
2030	22.56
2031-2035	123.80

The significant actuarial assumptions were as follows:

₹ in crores

Particulars	As at 31-03-2026	As at 31-03-2025
Discount rate (Gratuity)	7.42%	6.67%
Discount rate (Pension)	6.23%	6.34%
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.

Notes to the Standalone Financial Statements (Contd.)

(i) Sensitivity analysis

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

₹ in crores

Particulars	Impact on defined benefit obligation - Gratuity					
	Change in assumption		Increase in assumption		Decrease in assumption	
	Year ended 31-03-2026	Year ended 31-03-2025	Year ended 31-03-2026	Year ended 31-03-2025	Year ended 31-03-2026	Year ended 31-03-2025
Discount rate	0.50%	0.50%	284.72	238.05	309.37	260.26
Salary growth rate	0.50%	0.50%	309.55	260.33	284.46	237.89
Mortality	5.00%	5.00%	296.66	248.77	296.53	248.70

₹ in crores

Particulars	Impact on defined benefit obligation - Pension					
	Change in assumption		Increase in assumption		Decrease in assumption	
	Year ended 31-03-2026	Year ended 31-03-2025	Year ended 31-03-2026	Year ended 31-03-2025	Year ended 31-03-2026	Year ended 31-03-2025
Discount rate	1.00%	1.00%	173.59	165.91	211.60	202.14
Salary growth rate	1.00%	1.00%	212.56	203.13	172.54	164.89
Mortality	5.00%	5.00%	189.15	180.82	193.02	184.32

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 ₹ 71.24 crores (previous year ₹ 58.79 crores) has been recognised in the Statement of Profit and Loss.

Notes to the Standalone Financial Statements (Contd.)

34 TVS Motor Company Employee Stock Option Plan

(A) 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. The Nomination and Remuneration Committee of the Company granted a further 1,27,027 stock options during the year under the TVS Motor Company Stock Option Plan (ESOP Plan 2024) comprising 28,337 options under Category I and 98,690 options under Category II.

As at 31st March 2026

Plan	No. of options granted	Grant Date	Vesting of options	No. of options outstanding	Expected life of options (years)	Weighted average fair value of the options at the grant date (₹)
ESOP 2024-Category 1	28,337	28th April 2025	100%	28,337	1.12	1,458.38
ESOP 2024-Category 2	98,690	28th April 2025	25%	98,690	1.12	1,573.71
			25%		2.12	
			25%		3.12	
			25%		4.12	

As at 31st March 2025

Plan	No. of options granted	Grant Date	Vesting of options	No. of options outstanding	Expected life of options (years)	Weighted average fair value of the options at the grant date (₹)
ESOP 2024	3,51,000	4th July 2024	100%	3,51,000	1.12	1,263.66

(B) Method used for accounting for share based payment plan

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:

Category 1

Grant Date	Weighted average fair value of the options at the grant date	Weighted average share price	Exercise Price	Expected Volatility	Expected life of options (years)	Dividend yield (%)	Risk-free interest rate (%)
28th April 2025	1,458.38	2,470.04	1,369.00	23.50%	1.12	0.44%	6.01%

Category 2

Grant Date	Weighted average fair value of the options at the grant date	Weighted average share price	Exercise Price	Expected Volatility	Expected life of options (years)	Dividend yield (%)	Risk-free interest rate (%)
28th April 2025	1,573.71	2,470.04	1,369.00	23.50%	1.12	0.44%	6.01%
				20.83%	2.12		6.13%
				21.52%	3.12		6.20%
				21.52%	4.12		6.20%

Notes to the Standalone Financial Statements (Contd.)

For the year ended 31st March 2026, the Company has accounted expense of ₹ 18.97 crores (31st March 2025: ₹ 32.81 crores) as employee benefits expense (Note no. 24) on the aforementioned employee stock option plan.

(C) Movement in ESOP

Particulars	As at 31st March 2026		As at 31st March 2025	
	No of options	Weighted average fair value of the options at the grant date (₹ 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	3,51,000	1,263.66	-	-
Granted during the year	-	-	3,51,000	1,263.66
Granted during the year- Category 1	28,337	1,458.38	-	-
Granted during the year- Category 2	98,690	1,573.71	-	-
Forfeited/ cancelled during the year	-	-	-	-
Exercised during the year	3,51,000	1,263.66	-	-
Outstanding at the end of the year	-	-	3,51,000	1,263.66
Outstanding at the end of the year- Category 1	28,337	1,458.38	-	-
Outstanding at the end of the year- Category 2	98,690	1,573.71	-	-
Exercisable at the end of the year	-	-	-	-

35 Related Party Disclosure

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

Holding Company

TVS Holdings Limited, Chennai

Subsidiaries

TVS Credit Services Limited, Bengaluru

The Norton Motorcycle Co Limited, UK

PT TVS Motor Company Indonesia, Jakarta

DriveX Mobility Private Limited, Coimbatore

TVS Motor Singapore Pte. Limited, Singapore

TVS Motor Services Limited, Chennai

TVS Electric Mobility Limited, Chennai

TVS Motor Company DMCC, Dubai

TVS Motor Company Europe B.V., Amsterdam

Harita ARC Services Private Limited, Chennai

Harita Two Wheeler Mall Private Limited, Chennai

TVS Housing Finance Private Limited, Chennai

Norton Motorcycle Private Limited, Chennai (w.e.f 19.08.2025)

Norton USA LLC, Delaware (w.e.f 06.11.2025)

TVS EBike Company AG, Switzerland (Formerly known as Swiss E-Mobility Group (Holding) AG, Switzerland) (name change w.e.f 30.06.2025)

TVS Digital Pte Limited, Singapore

TVS EBike Company Limited, UK (Formerly known as EBCO Limited) (name change w.e.f 12.08.2025)

TVS Motor GmbH, Germany (Formerly Known as Celerity Motor GmbH, Germany) (name change w.e.f 11.12.2025)

Engines Engineering S.p.A, Castenaso, Italy (w.e.f 03.10.2025)

Notes to the Standalone Financial Statements (Contd.)

EGO Movement Deutschland GmbH, Germany

TVS EBike Company GmbH, Germany, Nuremberg (Formerly Known as Colag E-Mobility GmbH, Germany, Nuremberg) (name change w.e.f 15.10.2025)

Swiss E-mobility group (österreich) GmbH, Austria

The GO Corporation, Switzerland (GO AG) (Merged with TVS Ebike Company AG, Switzerland on 30.06.2025)

Swiss E-Mobility Group (Schweiz) AG Switzerland, Zurich (Merged with TVS Ebike Company AG, Switzerland on 30.06.2025)

Alexand'Ro Edouard'O Passion Vélo Sàrl, Switzerland (Merged with TVS Ebike Company AG, Switzerland on 30.06.2025)

Associate Company

Ultraviolette Automotive Private Limited, Bengaluru

(ii) Other related parties and their relationship where transaction exists

Fellow Subsidiaries

TVS Digital Limited, Chennai

Associate / Branches / Joint Venture of Holding / Subsidiary / Fellow Subsidiary company

TVS Training & Services Limited, Chennai

TVS Motor Singapore Pte. Limited, Italy Branch

TVS Motor Singapore Pte. Limited, Philippines Branch

(iii) Enterprises under Common Control

Sundaram - Clayton Limited, Chennai

Sundaram - Clayton USA LLC, USA (Subsidiary of Sundaram - Clayton Limited)

TVS Emerald Limited, Chennai (Enterprises in which one of the promoter group holding control)

Emerald Haven Development Limited, Chennai (Subsidiary of TVS Emerald Limited, Chennai)

(iv) Enterprises in which Directors are Interested

Trichur Sundaram Santhanam & Family Private Limited, Chennai

T.V Sundram Iyengar & Sons Private Limited, Madurai

TVS Organics Private Limited, Chennai

TVS Automobile Solutions Private Limited, Madurai

TVS Cheema Scholarship Foundation, Chennai

Veeyes Charities Foundation, Chennai

Adwaith Lakshmi Industries Private Limited, Coimbatore

Lakshmi Energy and Environment Designs Private Limited, Coimbatore

Southern Roadways Private Limited, Madurai

Gleco International Private Limited, Mumbai

Eeshapriya LLP, Coimbatore (formerly known as Eeshapriya Private Limited)

Rapidue Technologies Private Limited, Hyderabad (upto 18.11.2025)

Notes to the Standalone Financial Statements (Contd.)

(v) Limited Liability Partnership controlled by Promoter / Promoter Group

Harita Receivables and Collection Services LLP, Chennai

Harita Insurance Broking LLP, Chennai

Future Accessories LLP, Chennai

Khadak Restaurant LLC, UAE

Bagalur Development LLP, Chennai

Key Management Personnel

Executive Directors

Mr. Sudarshan Venu, Chairman and Managing Director

Mr. Venu Srinivasan, Chairman Emeritus & Managing Director

Mr. K N Radhakrishnan, Director & Chief Executive Officer

Non-executive Directors

Independent Directors

Mr. Shailesh Haribhakti

Mr. Vijay Sankar

Mr. B Sriram

Ms. Kalpana Unadkat (w.e.f 15.12.2025)

Dr. Deepali Pant Joshi (up to 06.11.2025)

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 Standalone Financial Statements (Contd.)

(b) Transactions with related parties: (Transactions from the date of becoming / upto the date of ceasing to be related party)

₹ in crores

Particulars	As at 31-03-2026	As at 31-03-2025
(i) Purchase of Goods		
- Subsidiary Companies		
PT. TVS Motor Company Indonesia, Jakarta	1.26	0.54
The Norton Motorcycle Co Limited, UK	0.39	-
- Enterprises under Common Control		
Sundaram-Clayton Limited, Chennai	20.51	426.83
- Enterprises in which directors are interested		
TVS Organics Private Limited, Chennai	1.07	0.90
Adwaith Lakshmi Industries Private Limited, Coimbatore	0.01	-
- Limited Liability Partnership controlled by Promoter / Promoter Group		
Future Accessories LLP, Chennai	39.11	-
(ii) Sale of Goods		
- Holding Company		
TVS Holdings Limited, Chennai	-	113.76
- Subsidiary Companies		
PT. TVS Motor Company Indonesia, Jakarta	430.84	301.77
The Norton Motorcycle Co. Limited, UK	10.75	3.03
TVS Motor GmbH, Germany (Formerly Known as Celerity Motor GmbH, Germany) (name change w.e.f 11.12.2025)	0.01	0.02
DriveX Mobility Private Limited, Coimbatore	0.04	0.07
- Associate / Branches / Joint Venture of Holding / Subsidiary / Fellow Subsidiary Company		
TVS Motor Singapore Pte. Limited, Italy Branch	17.54	14.23
TVS Motor Singapore Pte. Limited, Philippines Branch	9.00	0.60
- Enterprises under Common Control		
Sundaram-Clayton Limited, Chennai	17.09	20.49
(iii) Purchase of Assets		
- Holding Company		
TVS Holdings Limited, Chennai	-	7.42
- Enterprises under Common Control		
Sundaram-Clayton Limited, Chennai	-	108.00
- Enterprises in which directors are interested		
Trichur Sundaram Santhanam & Family Private Limited, Chennai	0.19	1.87
Eeshapriya LLP, Coimbatore (formerly known as Eeshapriya Private Limited)	9.50	-
- Key Management Personnel	-	18.71
(iv) Sale of Assets		
- 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	0.23	-
- Subsidiary Companies		
PT. TVS Motor Company Indonesia, Jakarta	1.12	0.55
TVS Credit Services Limited, Bengaluru	2.16	2.46
The Norton Motorcycle Co. Limited, UK	26.33	22.53
TVS EBike Company AG, Switzerland	2.94	-

Notes to the Standalone Financial Statements (Contd.)

₹ in crores

Particulars			As at 31-03-2026	As at 31-03-2025
		DriveX Mobility Private Limited, Coimbatore	0.13	-
		Engines Engineering S.p.A, Castenaso, Italy (w.e.f 03.10.2025)	0.25	-
	-	**Fellow Subsidiary Companies**		
		TVS Digital Limited, Chennai	0.01	-
	-	**Enterprises under Common Control**		
		Sundaram-Clayton Limited, Chennai	2.42	1.79
		Emerald Haven Development Limited, Chennai (Subsidiary of TVS Emerald Limited, Chennai)	0.06	-
		TVS Emerald Limited, Chennai	1.15	-
	-	**Limited Liability Partnership controlled by Promoter / Promoter Group**		
		Future Accessories LLP, Chennai	0.83	-
		Harita Insurance Broking LLP, Chennai	0.96	-
(vi)	**Availing of Services**			
	-	**Holding Company**		
		TVS Holdings Limited, Chennai	181.81	141.72
	-	**Subsidiary Company**		
		TVS Credit Services Limited, Bengaluru	15.10	8.81
		TVS Digital Pte Limited, Singapore	-	1.51
		TVS Motor GmbH, Germany (Formerly Known as Celerity Motor GmbH, Germany) (name change w.e.f 11.12.2025)	31.07	16.95
		TVS Motor Singapore Pte. Limited, Singapore	5.81	-
		TVS EBike Company AG, Switzerland	29.00	-
		PT. TVS Motor Company Indonesia, Jakarta	1.91	-
	-	**Fellow Subsidiary Companies**		
		TVS Digital Limited, Chennai	36.44	12.53
	-	**Associate / Branches / Joint Venture of Holding / Subsidiary / Fellow Subsidiary Company**		
		TVS Training & Services Limited, Chennai	-	0.01
		TVS Motor Singapore Pte. Limited, Philippines Branch	0.45	0.01
	-	**Enterprises under Common Control**		
		Sundaram-Clayton Limited, Chennai	3.75	3.91
	-	**Enterprises in which directors are interested**		
		Trichur Sundaram Santhanam & Family Private Limited, Chennai	0.13	0.16
		TVS Automobile Solutions Private Limited, Madurai	3.41	0.17
		Southern Roadways Private Limited, Madurai	1.15	-
		Lakshmi Energy and Environment Designs Private Limited, Coimbatore	0.41	-
		Gleco International Private Limited, Mumbai	0.07	-
		Rapidue Technologies Private Limited, Hyderabad (upto 18.11.2025)	0.31	-
	-	**Limited Liability Partnership controlled by Promoter / Promoter Group**		
		Khadak Restaurant LLC, UAE	0.05	-
(vii)	**Investments made during the year**			
	-	**Subsidiary Companies**		
		TVS Motor Singapore Pte. Limited, Singapore	1,977.33	1,497.24
		TVS Credit Services Limited, Bengaluru	171.52	282.67
		TVS Motor Company DMCC, UAE	299.90	210.78
		DriveX Mobility Private Limited, Coimbatore	88.09	40.79
		PT. TVS Motor Company Indonesia, Jakarta	88.21	-
	-	**Fellow Subsidiary Companies**		
		TVS Digital Limited, Chennai	-	(3.05)

Notes to the Standalone Financial Statements (Contd.)

₹ in crores

Particulars		As at 31-03-2026	As at 31-03-2025
(viii)	**Remuneration to Key Management and Managerial Personnel**		
	Short-term employee benefits	106.45	75.60
	Post-employment benefits	0.86	0.54
	Share based payments	60.86	-
	(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 for the options which have not been exercised)		
(ix)	**Contributions to Post Employment Benefit Plans**		
	TVS Motor Company Employees' Gratuity Fund	52.25	30.37
	TVS Motor Company Employees' Provident Fund	170.01	142.75
	(Including Employee and Employer Contributions)		
(x)	**Dividend paid to**		
	- Holding Company (TVS Holdings Limited, Chennai)	286.53	238.78
	- KMP and their relatives	0.37	0.05
(xi)	**Donations made**		
	- Enterprises in which directors are interested		
	TVS Cheema Scholarship Foundation, Chennai	60.00	39.98
	Veeyes Charities Foundation, Chennai	7.43	7.00
(xii)	**Others**		
	Srinivasan Services Trust - CSR contribution	56.37	40.00
	TVSM Employees Stock Option Trust - Purchase of Shares	35.44	95.27
	TVSM Employees Stock Option Trust - Amount received on Exercise of Options	41.52	-

(c) Reimbursements made / received

₹ in crores

Particulars		As at 31-03-2026	As at 31-03-2025
(i)	**Reimbursements made**		
	- Holding Company		
	TVS Holdings Limited, Chennai	8.60	1.78
	- Subsidiary Company		
	TVS Motor GmbH, Germany (Formerly Known as Celerity Motor GmbH, Germany) (name change w.e.f 11.12.2025)	10.93	9.14
	PT. TVS Motor Company Indonesia, Jakarta	2.18	10.47
	TVS Motor Singapore Pte. Limited, Singapore	289.79	183.79
	The Norton Motorcycle Co. Limited, UK	25.54	-
	- Associate / Branches / Joint Venture of Holding / Subsidiary / Fellow Subsidiary Company		
	TVS Motor Singapore Pte. Limited, Italy Branch	7.64	-
	- Enterprises under Common Control		
	Sundaram-Clayton Limited, Chennai	3.00	0.12
	- Limited Liability Partnership controlled by Promoter / Promoter Group		
	Future Accessories LLP, Chennai	0.27	-

Notes to the Standalone Financial Statements (Contd.)

₹ in crores

Particulars		As at 31-03-2026	As at 31-03-2025
(ii)	**Reimbursements received**		
-	**Subsidiary Company**		
	TVS Credit Services Limited, Bengaluru	3.05	1.60
	The Norton Motorcycle Co. Limited, UK	26.49	8.57
	TVS EBike Company AG, Switzerland	0.70	-
	TVS Digital Pte Limited, Singapore	0.17	-
	PT. TVS Motor Company Indonesia, Jakarta	9.91	1.49
-	**Fellow Subsidiary Companies**		
	TVS Digital Limited, Chennai	0.87	-
-	**Enterprises under Common Control**		
	TVS Emerald Limited, Chennai	3.48	6.28
-	**Limited Liability Partnership controlled by Promoter / Promoter Group**		
	Future Accessories LLP, Chennai	0.88	-

(d) Balances with related parties:

₹ in crores

Particulars		As at 31-03-2026	As at 31-03-2025
(i)	**Trade Receivables / Other Current Assets**		
-	**Holding Company**		
	TVS Holdings Limited, Chennai	1.21	-
-	**Subsidiary Companies**		
	PT. TVS Motor Company Indonesia, Jakarta	310.49	300.78
	TVS Credit Services Limited, Bengaluru	1.40	8.68
	TVS Motor Singapore Pte Limited, Singapore	0.02	-
	The Norton Motorcycle Co. Limited, UK	88.80	32.31
	TVS Digital Pte Limited, Singapore	8.14	8.06
	TVS EBike Company AG, Switzerland	2.08	4.82
	DriveX Mobility Private Limited, Coimbatore	0.17	-
	Engines Engineering S.p.A, Castenaso, Italy (w.e.f 03.10.2025)	0.25	-
-	**Associates**		
	Ultraviolette Automotive Private Limited, Bengaluru	0.02	0.02
-	**Associate / Branches / Joint Venture of Holding / Subsidiary / Fellow Subsidiary Company**		
	TVS Motor Singapore Pte. Limited, Italy Branch	23.91	4.61
	TVS Motor Singapore Pte. Limited, Philippines Branch	4.03	0.59
-	**Fellow Subsidiary Companies**		
	TVS Digital Limited, Chennai	-	1.00
-	**Enterprises under Common Control**		
	Sundaram-Clayton Limited, Chennai	12.73	1.65
	Emerald Haven Development Limited, Chennai (Subsidiary of TVS Emerald Limited, Chennai)	0.21	0.16
	TVS Emerald Limited, Chennai	9.77	14.09
	Sundaram - Clayton USA LLC, USA (Subsidiary of Sundaram - Clayton Limited)	0.24	-
-	**Enterprises in which directors are interested**		
	Trichur Sundaram Santhanam & Family Private Limited, Chennai	-	0.21
	TVS Cheema Scholarship Foundation, Chennai	-	0.48

Notes to the Standalone Financial Statements (Contd.)

₹ in crores

Particulars		As at 31-03-2026	As at 31-03-2025
	- Limited Liability Partnership controlled by Promoter / Promoter Group		
	Harita Insurance Broking LLP, Chennai	2.67	-
	Bagalur Development LLP, Chennai	1.74	-
	Harita Receivables and Collection Services LLP, Chennai	1.00	-
	Future Accessories LLP, Chennai	0.95	-
(ii)	**Trade payables**		
	- Holding Company	-	2.67
	TVS Holdings Limited, Chennai	-	2.67
	- Subsidiary Companies		
	TVS Motor Singapore Pte Limited, Singapore	46.12	10.69
	TVS Credit Services Limited, Bengaluru	5.39	5.36
	The Norton Motorcycle Co. Limited, UK	0.20	-
	PT. TVS Motor Company Indonesia, Jakarta	1.93	0.17
	TVS Motor GmbH, Germany (Formerly Known as Celerity Motor GmbH, Germany) (name change w.e.f 11.12.2025)	0.42	0.41
	DriveX Mobility Private Limited, Coimbatore	0.01	0.02
	- Enterprises under Common Control		
	Sundaram-Clayton Limited, Chennai	9.91	1.78
	- Enterprises in which directors are interested		
	Trichur Sundaram Santhanam & Family Private Limited, Chennai	0.16	-
	Lakshmi Energy and Environment Designs Private Limited, Coimbatore	0.02	-
	T.V Sundram Iyengar & Sons Private Limited, Madurai	0.03	0.03
	TVS Automobile Solutions Private Limited, Madurai	0.36	-
	TVS Organics Private Limited, Chennai	0.01	-
	- Limited Liability Partnership controlled by Promoter / Promoter Group		
	Future Accessories LLP, Chennai	8.00	-

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

₹ in crores

Particulars	As at 31-03-2026	As at 31-03-2025
Profit after tax from Continuing Operations	3,615.22	2,603.98
Profit after tax from Discontinued Operations	-	29.91
Number of equity shares	47,50,87,114	47,50,87,114
Face value of the share (in ₹)	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 continuing operations (in ₹)	76.09	54.81
Basic and diluted earnings per share for discontinued operations (in ₹)	-	0.63
Basic and diluted earnings per share for continuing and discontinued operations (in ₹)	76.09	55.44

Notes to the Standalone Financial Statements (Contd.)

37 Warranty Provision

₹ in crores

Particulars	As at 31-03-2026	As at 31-03-2025
Opening balance	150.93	88.32
Add: Provision for the year (Net)	185.89	150.93
	336.82	**239.25**
Less: Payments / debits (Net)	150.93	88.32
Closing balance	**185.89**	**150.93**

38 Disclosure Under Micro, Small and Medium Enterprises Development Act, 2006.

₹ in crores

Particulars	As at 31-03-2026	As at 31-03-2025
Trade Payables pertaining to dues to Micro and Small Enterprises (all are within agreed credit period and not due for payment) [Refer Note 18]	101.28	37.21
(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	Nil	Nil
of each accounting year		
(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

₹ in crores

Particulars	As at 31-03-2026	As at 31-03-2025
Audit fees	1.25	0.85
Tax Audit fees	0.30	0.20
Certification fees	0.20	0.10
Other services	0.06	0.19
	1.81	**1.34**
Miscellaneous expenses include travel and stay expenses of auditors	-	-
	1.81	**1.34**

Notes to the Standalone Financial Statements (Contd.)

40 Contingent Liabilities And Commitments Not Provided For

₹ in crores

Particulars	As at 31-03-2026	As at 31-03-2025
(a) Claims against the company not acknowledged as debts:		
(i) Central Excise	27.72	27.72
(ii) GST	79.03	63.93
(iii) Service tax	1.49	1.49
(iv) Customs	159.63	-
(v) Income tax	32.09	39.98
(vi) Stamp Duty Authorities	1.26	-
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	459.50	330.98
(c) Commitments:		
Estimated amount of contracts remaining to be executed on capital account and not provided for	472.01	314.55

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.

(i) Classification of current and non current lease liabilities

₹ in crores

Particulars	As at 31-03-2026	As at 31-03-2025
Current Liabilities	172.67	108.50
Non Current Liabilities	426.28	194.05
Total Lease Liabilities	**598.95**	**302.55**

(ii) Movement in the carrying value of the Lease liabilities

₹ in crores

Particulars	As at 31-03-2026	As at 31-03-2025
Opening Balance	302.55	450.18
Interest expenses	31.24	15.76
Lease repayments	(153.36)	(114.68)
Additions during the year	410.04	144.57
Adjustments/Deletions	8.48	(193.28)
Closing balance	**598.95**	**302.55**

Payment made towards short term leases during the year is ₹ 136.81 Crores (Previous year: ₹ 87.84 Crores)

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 ₹ 1.98 Crores (Previous year: ₹ 0.39 Crores)

Notes to the Standalone Financial Statements (Contd.)

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.

(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 31st March 2026.

(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 2026.

(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) a. The Company has issued Cumulative Non-Convertible Redeemable Preference Shares (NCRPS) in accordance with the applicable provisions of the Companies Act, 2013 and relevant rules thereunder.

b. A scheme of amalgamation of Sundaram Auto Components Limited (a wholly owned subsidiary) with the company was duly approved by the competent authority in terms of Sections 230 to 232 of the Companies Act, 2013. Apart from the above, no other scheme of arrangement has been approved during the year."

(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 Standalone Financial Statements (Contd.)

43 Segment Information

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.

₹ in crores

Particulars	Business Segment					
	Year ended 31-03-2026			Year ended 31-03-2025		
	Automotive vehicles & parts	Financial Services	Total	Automotive vehicles & parts	Financial Services	Total
Revenue						
External sales - domestic	36,334.13	-	36,334.13	27,819.21	-	27,819.21
- exports	10,936.19	-	10,936.19	8,432.11	-	8,432.11
Other income	(37.28)	7.31	(29.97)	(44.16)	2.87	(41.29)
Inter segment sales	-	-	-	-	-	-
Total revenue	**47,233.04**	**7.31**	**47,240.35**	**36,207.16**	**2.87**	**36,210.03**
Segment-wise results before interest and tax	5,100.09	7.31	5,107.40	3,657.51	2.87	3,660.38
Less: Interest	203.88	-	203.88	138.84	-	138.84
Profit / (Loss) before tax from continuing operations	4,896.21	7.31	4,903.52	3,518.67	2.87	3,521.54
Less: Tax expense	1,286.39	1.91	1,288.30	916.81	0.75	917.56
Profit / (Loss) after tax from continuing operations	3,609.82	5.40	3,615.22	2,601.87	2.12	2,603.98
Profit / (Loss) before tax from discontinued operations	-	-	-	22.49	-	22.49
Less: Tax expense	-	-	-	(7.42)	-	(7.42)
Profit / (Loss) after tax from discontinued operations	-	-	-	29.91	-	29.91
Profit / (Loss) for the year	**3,609.82**	**5.40**	**3,615.22**	**2,631.78**	**2.12**	**2,633.89**
Segment assets	23,166.49	2,749.20	25,915.69	17,371.14	2,580.96	19,952.10
Segment liabilities	14,681.39	-	14,681.39	10,054.88	-	10,054.88
Segment depreciation / amortisation	900.61	-	900.61	747.91	-	747.91

Notes to the Standalone Financial Statements (Contd.)

44 Revenue From Contract With Customers:

₹ in crores

Particulars		Year Ended 31-03-2026	Year Ended 31-03-2025
(a)	Geographical market		
	(i) Domestic	35,123.53	27,260.59
	(ii) Exports	10,936.19	8,432.11
		46,059.72	**35,692.70**
(b)	Revenue recognized that was included in the contract liabilities at the beginning of the period	424.71	265.58
	(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.)		
(c)	Reconciliation of revenue with contract price:		
	(i) Contract price	47,972.74	37,124.81
	(ii) Adjustments :		
	Incentive schemes	1,138.86	829.73
	Transport cost	774.16	602.38
	Revenue from sale of products/services	**46,059.72**	**35,692.70**

45 Disclosure Made in Terms of Regulation 34(3) of Listing Regulations

₹ in crores

Sl. No.	Particulars	Name of the company		Amount outstanding as at 31-03-2026	Amount outstanding as at 31-03-2025
(a)	**Investments by the company**				
(i)	**In subsidiary companies**	**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, Bengaluru		2,415.17	2,243.65
		[20,52,30,324 (last year - 20,23,19,089) Equity shares of ₹ 10/- each fully paid up]			
		Maximum amount held at any time			
		During the year	2,415.17		
		During the previous year	2,243.65		
		TVS Credit Services Limited, Bengaluru		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		

Notes to the Standalone Financial Statements (Contd.)

₹ in crores

Sl. No.	Particulars	Name of the company		Amount outstanding as at 31-03-2026	Amount outstanding as at 31-03-2025
		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		7,172.45	5,195.12
		[1,21,41,23,059 (last year 92,74,88,807) Ordinary shares of Singapore $ 1/- each fully paid up]			
		Maximum amount held at any time			
		During the year	7,172.45		
		During the previous year	5,195.12		
		PT. TVS Motor Company Indonesia, Jakarta		477.27	389.06
		[95,97,000 (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	477.27		
		During the previous year	389.06		
		DriveX Mobility Private Limited, Coimbatore		313.83	225.74
		[28,110 (last year - 20,981) Equity shares of ₹ 10 each fully paid]			
		Maximum amount held at any time			
		During the year	313.83		
		During the previous year	225.74		
		TVS Motor Company DMCC, Dubai		510.68	210.78
		[2,20,552 (last year - 92,000) Equity shares of AED1000 each fully paid]			
		Maximum amount held at any time			
		During the year	510.68		
		During the previous year	210.78		
		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 Standalone Financial Statements (Contd.)

₹ in crores

Sl. No.	Particulars	Name of the company		Amount outstanding as at 31-03-2026	Amount outstanding as at 31-03-2025
(ii)	**in associate companies**	**Ultraviolette Automotive Private Limited, Bengaluru**		11.00	11.00
		[14,85,000 (last year-14,85,000) 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
		[99,000 (last year - 99,000) 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		
		(7,38,700 (last year - 7,38,700) 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		
		[3,93,900 (last year - 3,93,900) Preference shares of ₹ 10/- 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		
(b)	**Investments by the holding company**	**TVS Holdings 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		

Notes to the Standalone Financial Statements (Contd.)

46. Disclosure Pursuant to Ind As 103 " Business Combination" - Amalgamation of Sundaram Auto Components Limited with TVS Motor Company Limited

The National Company Law Tribunal, Chennai Bench, has approved the Scheme of Amalgamation of Sundaram Auto Components Limited ('SACL' or the 'Transferor Company') with TVS Motor Company Limited ('TVSM' or the 'Transferee Company') vide order dated 6th May 2026. The appointed date under the Scheme is 1st April 2025.

During the financial year 2024–25, SACL entered into a Business Transfer Agreement under which its Injection Moulding and Seating Business was transferred by way of a slump sale, following which SACL discontinued its operations. Consequently, with the objective of simplifying the group structure and consolidating assets and liabilities, it was decided to merge SACL with TVSM.

The Merger is accounted for under the Pooling of Interests method in accordance with Appendix C of Ind AS 103 Business Combinations of Entities under Common Control involving the following:

(i) All assets and liabilities have been recorded at their carrying values as appearing in the consolidated financial statements of the Company.

(ii) The reserves of the SACL have been preserved and recorded by the Company in the same form and at the same carrying amounts as appearing in the consolidated financial statements prior to the amalgamation. Any surplus or deficit arising after giving effect to the above adjustments has been transferred to Capital Reserve, which is disclosed separately with its nature and purpose.

(iii) Inter-company balances between the Company have been cancelled pursuant to the amalgamation.

(iv) Comparative financial information has been restated as if the amalgamation had occurred from the beginning of the comparative period

The impact of the merger on the previous year included in these standalone results as under:

₹ in crores

Particualrs	Year ended 31.03.2025	
	Reported	**Restated**
Profit before tax	3,628.79	3,521.54
Profit after tax#	2,710.54	2,633.89
Other comprehensive income	32.62	32.19

#Includes Profit from Discontinued operations

47 Details of Loans Given, Investments Made and Guarantees Given

(Disclosure as per Section 186 of The Companies Act, 2013)

(a) Investments made - Refer Note 3

Notes to the Standalone Financial Statements (Contd.)

48 Corporate Social Responsibility

Expenditure incurred on Corporate Social Responsibility (CSR) activities:

(a) Gross amount required to be spent during the year is ₹ 55.99 crores (Previous year ₹ 39.55 crores)

(b) Amount spent during the year:

₹ in crores

Sl. No.	Particulars	In cash	Yet to be paid in cash	Year ended 31-03-2026	Year ended 31-03-2025
1	Construction / acquisition of any asset	-	-	-	-
2	Other than above	-	-	56.37	40.00

₹ in crores

Sl. No.	Particulars	Year ended 31-03-2026	Year ended 31-03-2025
1	Amount required to be spent by the Company during the year	55.99	39.55
2	Amount of expenditure incurred	56.37	40.00
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	56.37	40.00
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.		

49 The Government of India notified on November 21, 2025, the four Labour Codes - the Code on Wages, 2019, the Industrial Relations Code, 2020, the Code on Social Security, 2020, and the Occupational Safety, Health and Working Conditions Code, 2020 - consolidating existing labour laws. The entity has assessed the incremental impact of these changes on the basis consistent with the Labour Codes, draft rules, FAQs and legal opinion. Considering the regulatory driven non-recurring nature, the past period employee benefit liability has been disclosed under Exceptional Items in the Statement of Profit and Loss for the year ended March 31, 2026.

The Government of India is in the process of notifying related rules to the New Labour Codes and the impact of these will be evaluated and appropriately accounted as and when notified.

50 Previous Year's Figures have been regrouped wherever necessary to conform to the Current Year's classification.

See the accompanying notes to the financial statements

SUDARSHAN VENU
Chairman & 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

Chennai
13th May 2026

K GOPALA DESIKAN
Chief Financial Officer

K S SRINIVASAN
Company Secretary

S USHA
Partner
Membership No.: 211785