BDO

Optare PLC
Consolidated balance sheet as at March 31, 2025

| Particulars | Note No. | As at March 31, 2025 Rs. Crores | As at March 31, 2024 Rs. Crores |
|---|---|---|---|
| **ASSETS** | | | |
| **Non-current assets** | | | |
| Property, plant and equipment | 1.1 | 431.09 | 402.71 |
| Capital work-in-progress | 1.1 | 8.12 | 7.79 |
| Goodwill | | - | - |
| Other Intangible assets | 1.2 | 307.29 | 172.89 |
| Intangible assets under development | 1.2 | 25.10 | 111.39 |
| Right To use Asset | 1.3 | 120.54 | 103.46 |
| Financial Assets | | | |
| (i) Trade receivables | 1.4 | - | 2.30 |
| (ii) Other financial assets | 1.5 | 28.02 | 30.69 |
| Deferred tax assets (net) | 1.26 | 72.70 | 52.83 |
| Advance tax assets (net) | 1.6 | 0.95 | 0.67 |
| Other non-current assets | 1.7 | 14.71 | 5.11 |
| | | 1,008.52 | 889.84 |
| **Current assets** | | | |
| Inventories | 1.8 | 347.26 | 309.35 |
| Financial Assets | | | |
| (i)Trade receivables | 1.9 | 266.28 | 200.64 |
| (ii) Cash and cash equivalents | 1.10 | 544.06 | 86.80 |
| (iii) Bank balances other than (iii) above | 1.11 | 27.93 | 41.39 |
| (iv) Other financial assets | 1.12 | 28.65 | 71.95 |
| Contract Assets | 1.13 | 10.81 | 12.12 |
| Other current assets | 1.14 | 187.89 | 240.83 |
| | | 1,412.88 | 963.08 |
| Assets classified as held for sale | | - | 73.41 |
| | | - | 73.41 |
| **TOTAL ASSETS** | | 2,421.40 | 1,926.33 |
| **EQUITY AND LIABILITIES** | | | |
| **Equity** | | | |
| Equity share capital | 1.15 | 1,030.97 | 1,030.97 |
| Other equity | 1.16 | (975.18) | (945.32) |
| Equity Attributable to parent | | 55.79 | 85.65 |
| Non controlling interest | | (10.69) | 6.47 |
| | | 45.10 | 92.12 |
| **Liabilities** | | | |
| **Non-current liabilities** | | | |
| Financial liabilities | | | |
| (i) Borrowings | 1.17 | 1,129.29 | 254.83 |
| (ii) Lease liabilities | | 84.07 | 65.28 |
| Provisions | 1.19 | 67.71 | 29.58 |
| Other non-current liabilities | 1.18 | 6.67 | - |
| | | 1,287.74 | 349.69 |
| **Current liabilities** | | | |
| Financial liabilities | | | |
| (i) Borrowings | 1.20 | 384.13 | 896.73 |
| (ii) Trade payables | | | |
| a) Total outstanding dues of micro and small enterprises | 1.21 | 9.55 | 0.52 |
| b) Total outstanding dues of creditors other than Micro and Small Enterprises | 1.21 | 292.57 | 273.51 |
| (iii) Lease Liabilities | | 28.41 | 46.23 |
| (iv) Other financial liabilities | 1.22 | 36.60 | 12.80 |
| Contract liabilities | 1.23 | 12.26 | 57.28 |
| Other current liabilities | 1.25 | 114.73 | 97.01 |
| Provisions | 1.24 | 210.31 | 100.44 |
| Current tax liabilities (net) | | | |
| | | 1,088.56 | 1,484.52 |
| **TOTAL EQUITY AND LIABILITIES** | | 2,421.40 | 1,926.33 |

The above Balance Sheet should be read in conjunction with the accompanying notes.

Lalit

Lalit Malik
Chief Financial Officer

BDO

Optare PLC
Consolidated statement of Profit and Loss for the period ended March 31, 2025

| Particulars | Note No. | Quarter ended March 31, 2025<br>Rs. Crores | Quarter ended December 31, 2024<br>Rs. Crores | Variance current quarter vs prior quarter<br>Rs. Crores | Quarter ended March 31, 2024<br>Rs. Crores | Variance current quarter vs prior year quarter<br>Rs. Crores | Year Ended March 31, 2025<br>Rs. Crores | Variance current 12 months vs prior year 12 months<br>Rs. Crores | Year ended March 31, 2024<br>Rs. Crores |
|---|---|---|---|---|---|---|---|---|---|
| **Continuing Operations** | | | | | | | | | |
| **Income** | | | | | | | | | |
| Revenue from operations | 2.1 | 516.63 | 319.79 | 196.84 | 350.60 | 166.03 | 1,213.41 | 517.03 | 696.38 |
| Other Income | 2.2 | 2.80 | 0.96 | 1.82 | 6.92 | (4.12) | 19.18 | 8.26 | 10.92 |
| **Total Income** | | 519.43 | 320.77 | 198.66 | 357.52 | 161.91 | 1,232.59 | 525.29 | 707.30 |
| **Expenses** | | | | | | | | | |
| Cost of materials and services consumed | | 433.26 | 292.06 | 141.20 | 200.33 | 232.93 | 860.69 | (1,456.16) | 497.27 |
| Purchases of stock-in-trade | | 0.54 | 9.97 | (9.43) | (1.26) | 1.80 | 17.18 | (14.21) | (2.97) |
| Changes in inventories of finished goods and work-in-progress | 2.3 | (28.97) | 81.22 | 52.25 | 23.06 | (52.03) | (86.05) | 97.78 | (11.73) |
| | | 404.83 | 220.81 | 184.02 | 222.13 | 182.70 | 892.02 | (1,374.59) | 482.57 |
| Employee benefits expense | 2.4 | 49.28 | 54.92 | (5.64) | 59.93 | (10.65) | 216.67 | (429.45) | 212.78 |
| Finance costs | 2.5 | 33.30 | 28.47 | 4.83 | 33.63 | (0.33) | 112.70 | (265.95) | 153.25 |
| Depreciation and amortisation expense | 2.6 | 110.43 | 28.34 | 82.09 | 24.23 | 86.20 | 194.52 | (291.27) | 96.75 |
| Other expenses | 2.7 | 81.58 | 53.03 | 28.55 | 92.19 | (10.61) | 233.97 | (484.76) | 250.79 |
| **Total Expenses** | | 679.42 | 385.57 | 293.85 | 432.11 | 247.31 | 1,649.88 | (2,848.02) | 1,196.14 |
| **Profit before exchange (loss) on swap contracts, exceptional items and tax** | | (159.99) | (64.80) | (95.19) | (74.59) | (85.40) | (417.29) | 3,371.31 | (488.84) |
| Exchange (loss) on swap contracts | | - | - | - | - | - | - | - | - |
| **Profit before exceptional items and tax** | | (159.99) | (64.80) | (95.19) | (74.59) | (85.40) | (417.29) | 3,371.31 | (488.84) |
| Exceptional items | 2.8 | (108.96) | - | (108.96) | 13.53 | 95.43 | (108.96) | 95.43 | 13.53 |
| **Profit before tax** | | (268.95) | (64.80) | (204.15) | (61.06) | 10.03 | (526.25) | 3,466.74 | (475.31) |
| **Tax expense:** | | | | | | | | | |
| Current tax | | - | - | - | - | - | - | - | - |
| Deferred tax - Charge/ (Credit) | | (7.33) | (0.31) | (7.02) | (3.65) | (3.68) | (19.40) | (1.11) | (18.29) |
| | | (7.33) | (0.31) | (7.02) | (3.65) | (3.68) | (19.40) | (1.11) | (18.29) |
| **Net Profit / (Loss) for the year from continuing operations** | | (261.62) | (64.49) | (197.13) | (57.41) | 13.71 | (506.85) | 3,467.85 | (457.02) |
| Loss from discontinued operations | | | | | | | | | |
| **Net Profit / (Loss) for the year** | | (261.62) | (64.49) | (197.13) | (57.41) | 13.71 | (506.85) | 3,467.85 | (457.02) |
| **Profit before tax from discontinued operations** | | - | - | - | - | - | - | | - |
| **Tax expense of discontinued operations** | | - | - | - | - | - | - | | - |
| **Loss from discontinued operations (after tax)** | | - | - | - | - | - | - | | - |
| **Other Comprehensive Income** | | | | | | | | | |
| A (i) Items that will not be reclassified to Profit or Loss | | | | | | | | | |
| - Remeasurement of Defined Benefit Plans | | (1.84) | - | (1.84) | - | (1.84) | (1.84) | (1.84) | - |
| (ii) Income tax relating to items that will not be reclassified to Profit or Loss | | 0.46 | - | 0.46 | - | 0.46 | 0.46 | 0.46 | - |
| (i) Items that will be reclassified to Profit or Loss | | | | | | | | | |
| - Translation difference | | (51.70) | 51.57 | 103.27 | (3.53) | 48.17 | (37.53) | 0.40 | (37.13) |
| - Defined benefit pension scheme | | - | - | - | 0.41 | (0.41) | - | (0.16) | 0.16 |
| **Total Other Comprehensive Income** | | (53.08) | 51.57 | (104.65) | (3.12) | (48.58) | (38.91) | (0.56) | (36.97) |
| **Total Comprehensive Income for the year** | | (314.70) | (12.92) | (301.78) | (60.53) | (34.87) | (545.76) | 3,467.29 | (493.99) |
| **Profit or loss attributable to** | | | | | | | | | |
| **Owners** | | (257.59) | (54.12) | (203.47) | (56.04) | (201.55) | (490.06) | (40.74) | (449.32) |
| **Non Controlling Interest** | | (4.03) | (10.37) | 6.34 | (1.37) | (2.66) | (16.79) | (9.09) | (7.70) |
| | | (261.62) | (64.49) | (197.13) | (57.41) | (204.21) | (506.85) | (49.83) | (457.02) |
| **Other Comprehensive Income** | | | | | | | | | |
| **Owners** | | (52.59) | 51.37 | (103.96) | (3.16) | (49.43) | (38.54) | (1.62) | (36.92) |
| **Non Controlling Interest** | | (0.49) | 0.20 | (0.69) | 0.04 | (0.53) | (0.37) | (0.32) | (0.05) |
| | | (53.08) | 51.57 | (104.65) | (3.12) | (49.96) | (38.91) | (1.94) | (36.97) |
| **Total Comprhensive Income for the year** | | | | | | | | | |
| **Owners** | | (310.18) | (2.75) | (307.43) | (59.20) | (250.98) | (528.60) | (42.36) | (486.24) |
| **Non Controlling Interest** | | (4.52) | (10.17) | 5.65 | (1.33) | (3.19) | (17.16) | (9.41) | (7.75) |
| | | (314.70) | (12.92) | (301.78) | (60.53) | (254.17) | (545.76) | (51.77) | (493.99) |
| **Earnings per equity share** | | | | | | | | | |
| -Basic earnings per share | | (0.02) | (0.00) | | (0.04) | | (0.05) | | (0.05) |
| -diluted earnings per share | | (0.02) | (0.00) | | (0.04) | | (0.05) | | (0.05) |

The above Statement of Profit and Loss should be read in conjunction with the accompanying notes.

Lalit

Lalit Malik
Chief Financial Officer

BDO

Optare PLC
Consolidated statement of Changes in Equity for the period ended March 31, 2025

A. Equity Share Capital

Rs. Crores

| Balance at the beginning of April 1, 2023 | Changes in equity share capital during the year | Balance at the end of March 31, 2024 | Changes in equity share capital during the period | Balance at the end of March 31, 2025 |
|---|---|---|---|---|
| 899.37 | 131.60 | 1,030.97 | - | 1,030.97 |

B. Other Equity

Rs. Crores

| Particulars | Shares Pending Allotment | Reserves and Surplus | | | | Other comprehensive income | | | Attributable to owners of the Company | Non-controlling interests |
|---|---|---|---|---|---|---|---|---|---|---|
| | | Capital Reserve | Securities Premium | Preference share reserve | Retained Earnings | Cash flow hedge reserve | Remeasurement of defined benefit obligation | Foreign currency translation reserve | | |
| **Balance at the beginning of April 1, 2023** | - | (96.08) | - | 260.13 | (1,631.66) | - | - | (37.12) | (1,504.73) | (7.83) |
| Pursuant to business combination | | | | | | | | | - | - |
| **Adjusted balance at the beginning of the year** | - | (96.08) | - | 260.13 | (1,631.66) | - | - | (37.12) | (1,504.73) | (7.83) |
| Recognition on conversion of slump sale liability to Preference share | | | | | | | | | | |
| Change in shareholding between owners and non controlling interest | | | | | - | | | | - | |
| Profit for the year | | | | | (449.32) | | | - | (449.32) | (7.70) |
| Other comprehensive income | | | | | 0.16 | | | (37.08) | (36.92) | (0.05) |
| **Total Comprehensive Income for the year** | - | - | - | - | (449.16) | - | - | (37.08) | (486.24) | (7.75) |
| **Transactions with owners:** | | | | | | | | | | - |
| Recognition on conversion of slump sale liability to Preference share | | | | | | | - | | - | - |
| Change in shareholding between owners and non controlling interest - capital investment | | | | | (22.05) | | | | (22.05) | 22.05 |
| On issue of shares | | | 1,067.70 | | | | | | 1,067.70 | |
| **Balance at the end of March 31, 2024** | - | (96.08) | 1,067.70 | 260.13 | (2,102.87) | - | - | (74.20) | (945.32) | 6.47 |
| Profit for the year | | | | | (490.06) | | (1.38) | - | (491.44) | (16.79) |
| Other comprehensive income | | | | | | | | (37.16) | (37.16) | (0.37) |
| **Total Comprehensive Income for the year** | - | - | - | - | (490.06) | - | (1.38) | (37.16) | (528.60) | (17.16) |
| **Transactions with owners:** | | | | | | | | | - | |
| Share Application money pending allotment | 498.76 | | | | | | | | 498.76 | |
| Capital reserve addition | | (0.02) | | | | | | | (0.02) | - |
| On issue of shares | | | - | | | | | | - | |
| **Balance at the end of March 31, 2025** | 498.76 | (96.10) | 1,067.70 | 260.13 | (2,592.93) | - | (1.38) | (111.36) | (975.18) | (10.69) |

The above Statement of Changes in Equity should be read in conjunction with the accompanying notes.

Lalit

**Lalit Malik**
Chief Financial Officer

BDO

Optare PLC

Consolidated statement of Cash flows for the period ended March 31, 2025

| Particulars | | As at March 31, 2025 Rs. Crores | As at March 31, 2024 Rs. Crores |
|---|---|---|---|
| **Cash flow from operating activities** | | | |
| **Profit before tax for the year from continuing operations** | | (506.86) | (475.31) |
| Adjustments for : | | | |
| Depreciation and amortisation expense | | 194.52 | 96.75 |
| Foreign exchange loss/ (gain) unrealised | | 0.05 | (4.78) |
| Tax expense | | (19.40) | |
| Loss / (Profit) on sale of Property,plant and equipment (PPE) and intangible assets - net | | (9.22) | (2.58) |
| Gain/(loss) on termination of lease contract | | (5.31) | |
| Finance costs | | 112.70 | 153.25 |
| Interest Income | | (4.60) | (3.62) |
| Payments of Lease Liability | | - | 21.20 |
| Impairment / (Reversal) of loss allowance, write off on trade receivable / other receivable (net) | | (2.41) | |
| Cashflow translation difference unrealised | | - | (38.19) |
| **Operating profit before working capital changes** | | (240.52) | (253.28) |
| Adjustments for changes in : | | | |
| Trade receivables | | (64.45) | (133.87) |
| Inventories | | (33.27) | 5.07 |
| Non-current and current financial assets | | 10.29 | 71.73 |
| Contract assets | | 1.32 | (3.98) |
| Other non-current and current assets | | 49.17 | 21.72 |
| Trade payables | | 24.70 | (141.70) |
| Non-current and current financial liabilities | | 14.89 | 50.01 |
| Contract liabilities | | (45.18) | 17.22 |
| Other non-current and current liabilities | | 23.94 | (37.01) |
| Other non-current and current provisions | | 133.54 | 70.37 |
| **Net cashflows from operations** | | (125.57) | (333.72) |
| Income tax paid (net of refund) | | (0.10) | - |
| **Net cash (used in)/ from operating activities** | [A] | (125.67) | (333.72) |
| **Cash flow from Investing activities** | | | |
| Purchase of PPE, intangible assets & right to use assets | | (231.44) | (366.94) |
| Proceeds on sale of PPE and intangible assets | | 85.34 | 28.64 |
| Interest Income | | 3.68 | 3.62 |
| Maturity of other bank deposits | | 17.11 | 0.75 |
| Inter corporate deposits (given)/repaid | | 40.00 | |
| **Net cash from/ (used in) investing activities** | [B] | (85.31) | (333.93) |
| **Cash flow from financing activities** | | | |
| Proceeds from issue of equity shares including securities premium | | - | 1,199.30 |
| Proceeds from issues of share application money pending allotment | | 498.78 | - |
| Proceeds from non-current borrowings | | 918.27 | 98.87 |
| Proceeds from current borrowings | | 212.22 | 211.81 |
| Proceeds from non-current loans received from related parties | | - | 500.00 |
| Repayments of non-current borrowings | | (62.41) | (438.21) |
| Repayments of current borrowings | | (655.37) | (25.78) |
| Repayment of current loans from related parties | | (95.00) | (690.89) |
| Payments of Lease Liability | | (55.35) | (21.20) |
| Interest paid | | (92.72) | (145.18) |
| **Net cash (used in) financing activities** | [C] | 668.42 | 688.72 |
| **Net cash Inflow / (Outflow)** | [A+B+C] | 457.44 | 21.07 |
| **Opening cash and cash equivalents** | | 86.80 | 107.87 |
| Exchange fluctuation on foreign currency bank balances | | (0.18) | |
| **Closing cash and cash equivalents [Refer Note 1.10 & 1.11 to the consolidated financial statements]** | | 544.06 | 86.80 |

**Notes:**

The above Statement of Cash Flows should be read in conjunction with the accompanying notes.

Lalit Malik

Chief Financial Officer

BDO



## 1.1C PROPERTY, PLANT AND EQUIPMENT AND CAPITAL WORK IN PROGRESS

Rs. Crores

| DESCRIPTION | GROSS CARRYING AMOUNT ( COST ) | | | | | | | DEPRECIATION / AMORTISATION | | | | | | NET CARRYING AMOUNT |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Property, plant and equipment (PPE) | 01.04.2024 | Adjustments | Additions | Acquisition through business combination | Exchange | Disposals/Transfers | 31.03.25 | Upto 01.04.2024 | Adjustments | Charge during the year | Exchange | Disposals/Transfers | 31.03.2025 | 31.03.2025 |
| Freehold land | 45.49 | 0.23 | | | 1.13 | | 46.85 | - | | | | | - | 46.85 |
| Buildings | 4.56 | 0.07 | 0.99 | | 0.03 | - | 5.65 | 0.44 | (0.04) | 0.97 | 0.02 | - | 1.39 | 4.26 |
| Leasehold property improvements | 21.85 | | 2.56 | | 1.18 | | 25.59 | 18.40 | | 3.65 | 1.09 | - | 23.14 | 2.45 |
| Plant and equipment | 91.35 | 0.17 | 47.71 | | 3.59 | (2.41) | 140.41 | 58.05 | 0.34 | 14.53 | 3.63 | (0.28) | 76.28 | 64.13 |
| Furniture and fittings | 11.19 | - | 1.21 | | 0.33 | (0.68) | 12.05 | 3.94 | 0.01 | 3.67 | 0.18 | (0.17) | 7.63 | 4.42 |
| Vehicles | 361.29 | 0.01 | 61.56 | | 3.30 | (0.30) | 425.86 | 60.93 | (0.16) | 62.22 | 1.68 | (0.30) | 124.37 | 301.49 |
| Computer equipment | 14.53 | | - | | 0.78 | | 15.31 | 11.59 | (0.01) | 3.03 | 0.70 | | 15.31 | 0.00 |
| Office Equipment | 8.42 | 0.33 | 4.83 | | 0.01 | (0.69) | 12.90 | 2.63 | (0.02) | 2.85 | 0.00 | (0.03) | 5.44 | 7.46 |
| TOTAL | 558.69 | 0.81 | 118.86 | | 10.35 | (4.08) | 684.62 | 155.98 | 0.12 | 90.92 | 7.30 | (0.78) | 253.56 | 431.09 |

Notes :

a) During the year, the Company has revised the estimated useful life of batteries included in vehicles from 12 years to 7 years. This has resulted in additional depreciation charge of ₹ 11.39 crores upto March 31, 2024 and ₹ 8.09 crores for the year ended March 31, 2025.

b) These additions represents vehicles transferred from inventories for fleet operations given to customers

c) The title relating to 40 (PY 40) vehicles which was acquired through a business combination during an earlier year is in the name of the selling entity and is yet to be transferred in the name of the Company. Gross value of such assets are Rs.29.12 crores (PY 29.12 crores).

| Capital work-in-progress | 01.04.2024 | Additions / Adjustments | Acquisition through business combination | Exchange | Capitalised during the year | 31.03.2025 |
|---|---|---|---|---|---|---|
| Capital work-in-progress | 7.79 | 118.90 | - | 0.29 | (118.86) | 8.12 |

CWIP Ageing Schedule

| Amount in CWIP for a period of | Less than 1 year | 1-2 years | 2-3 years | 3-4 years | More than 4 years | Total |
|---|---|---|---|---|---|---|
| Projects in progress | 8.12 | - | - | | - | 8.12 |

There are no projects as Capital Work in Progess as at 31 March 2025 and 31 March 2024, whose completion is overdue or cost of which has exceeds in comparison to its original plan.

**1.1B Assets classified as held for sale**

| | As at March 31, 2025 Rs. Crores | As at March 31, 2024 Rs. Crores |
|---|---|---|
| As at April 01,2024 | 73.41 | - |
| Additions | - | 73.41 |
| Deletions | (73.41) | - |
| Exchange | - | - |
| As at March 31,2025 | - | 73.41 |

The above assets comprise of 71 buses which have been sold to OHM Global Mobility Private Limited.

## 1.1A PROPERTY, PLANT AND EQUIPMENT AND CAPITAL WORK IN PROGRESS

Rs. Crores

| DESCRIPTION | GROSS CARRYING AMOUNT ( COST ) | | | | | | | DEPRECIATION / AMORTISATION | | | | | | | NET CARRYING AMOUNT |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Property, plant and equipment (PPE) | 01.04.2023 | Adjustments | Additions | Reclassified as Held for Sale | Exchange | Disposals | 31.03.2024 | Upto 01.04.2023 | Adjustments | Charge during the year | Exchange | Disposals | Reclassified as Held for Sale | 31.03.2024 | 31.03.2024 |
| Freehold land | 45.49 | | | | | | 45.49 | - | | | | | | - | 45.49 |
| Buildings | 4.83 | (1.78) | 1.78 | | 0.24 | (0.50) | 4.56 | 0.14 | 0.01 | 0.35 | 0.00 | (0.06) | | 0.44 | 4.12 |
| Leasehold property improvements | 14.93 | 3.85 | 2.41 | | 0.66 | | 21.85 | 12.72 | 4.90 | 0.19 | 0.59 | | | 18.40 | 3.45 |
| Plant and equipment | 91.35 | (17.10) | 15.21 | | 1.89 | | 91.35 | 37.85 | 14.09 | 4.43 | 1.69 | | | 58.05 | 33.30 |
| Furniture and fittings | 8.54 | 0.88 | 1.58 | | 0.19 | | 11.19 | 2.19 | 0.52 | 1.15 | 0.09 | | | 3.94 | 7.25 |
| Vehicles | 232.13 | (6.65) | 244.23 | (81.06) | 1.26 | (28.62) | 361.29 | 37.07 | (3.19) | 36.80 | 1.04 | (3.14) | (7.65) | 60.93 | 300.37 |
| Computer equipment | 13.96 | 0.10 | | | 0.47 | | 14.53 | 8.69 | (0.32) | 2.90 | 0.32 | | | 11.59 | 2.94 |
| Office Equipment | 12.90 | (6.02) | 1.68 | | 0.00 | (0.14) | 8.42 | 0.75 | 0.06 | 1.82 | | | | 2.63 | 5.79 |
| TOTAL | 424.13 | - 26.72 | 266.89 | - 81.06 | 4.71 | (29.26) | 558.69 | 99.41 | 16.07 | 47.63 | 3.72 | (3.20) | - 7.65 | 155.98 | 402.71 |

Notes:
a) The title relating to 40 vehicles which was acquired through a business combination during previous years which is in the name of the selling entity and are yet to be transferred in the name of the Company. Gross value of such assets are Rs.29.12 Crores
b) These additions represents vehicles transferred from inventories for fleet operations given to customers
c) Refer Note 3.11 for secured loans over Property, Plant and Equipment pledged as security by the Group.

| Capital work-in-progress | 01.04.2023 | Adjustments | Additions | Acquisition through business combination | Capitalised during the year | Exchange | 31.03.2024 |
|---|---|---|---|---|---|---|---|
| Capital work in progress | 82.39 | (78.38) | 268 | - | (266.89) | 2.19 | 7.79 |

must agree to additions

CWIP Ageing Schedule

| Amount in CWIP for a period of | Less than 1 year | 1-2 years | 2-3 years | More than 3 years | Total |
|---|---|---|---|---|---|
| Projects in progress | 7.79 | - | - | - | 7.79 |

Note:
There are no projects as Capital Work in Progess as at 31 March 2024 and 31 March 2023, whose completion is overdue or cost of which has exceeds in comparison to its original plan.

Optare PLC
Notes annexed to and forming part of the consolidated financial statements

## 1.2a OTHER INTANGIBLE ASSETS AND INTANGIBLE ASSETS UNDER DEVELOPMENT

Rs. Crores

| DESCRIPTION | GROSS CARRYING AMOUNT ( COST ) | | | | | | | DEPRECIATION / AMORTISATION | | | | | | NET CARRYING AMOUNT |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Intangible assets | 01.04.2024 | Adjustments | Additions | Acquisition through business combination | Exchange | Disposals | 31.03.2025 | Upto 01.04.2024 | Adjustment | Charge during the year | Exchange | Disposals | Upto 31.03.2025 | 31.03.2025 |
| Computer software | | | | | | | | | | | | | | |
| - Developed | 10.09 | - | - | | - | - | 10.09 | 5.42 | - | 1.44 | - | - | 6.86 | 3.23 |
| - Acquired | 19.78 | (0.02) | 0.47 | | 0.59 | - | 20.82 | 9.70 | - | 5.49 | 0.43 | - | 15.62 | 5.20 |
| Others | | | | | | | | | | | | | | |
| Technical knowhow | | | | | | | | | | | | | | |
| - Developed | 194.42 | (0.03) | 199.94 | | 10.19 | - | 404.52 | 110.57 | (0.01) | 58.60 | 6.81 | - | 175.96 | 228.56 |
| - Acquired | 112.67 | - | - | | 0.14 | - | 112.81 | 38.38 | - | 4.01 | 0.12 | - | 42.51 | 70.30 |
| TOTAL | 336.95 | (0.05) | 200.42 | - | 10.92 | - | 548.24 | 164.07 | (0.01) | 69.53 | 7.36 | - | 240.95 | 307.29 |

Employee expenses capitalised Rs. 29.92 crores (2023-2024: Rs. 29.88 crores) - Refer Notes 2.4

| Other Intangible Assets | 01.04.2024 | Adjustments | Additions | Exchange | Capitalised during the year | Reclassification | 31.03.2025 |
|---|---|---|---|---|---|---|---|
| Intangible assets under development | 111.39 | | 109.42 | 4.23 | (199.94) | - | 25.10 |

**Intangible assets under development**

| Amount in IAUD for a period of | Less than 1 year | 1-2 years | 2-3 years | More than 3 years | Total |
|---|---|---|---|---|---|
| Projects in progress | 25.10 | - | - | - | 25.10 |

**Notes:**

(a) Intangibles under development pertains to development of new model electric vehicles.
(b) There are no projects as Intangible assets under development as at March 31, 2025 and March 31, 2024, whose completion is overdue or cost of which has exceeded in comparison to its original plan.
(c) Additions to other intangible assets and Intangible assets under development include expenses capitalised Rs.32.18 crores - Refer Note 2.7 to the financial statements
(d) During the year, commercial production started and intangibles under development to the extent of Rs.199.94 crores were capitalised.

1.2 OTHER INTANGIBLE ASSETS AND INTANGIBLE ASSETS UNDER DEVELOPMENT

Rs. Crores

| DESCRIPTION | GROSS CARRYING AMOUNT ( COST ) | | | | | | | DEPRECIATION / AMORTISATION | | | | | | NET CARRYING AMOUNT |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Intangible assets | 01.04.2023 | Adjustment | Additions | Acquisition through business combination | Exchange | Disposals | 31.03.2024 | Upto 01.04.2023 | Adjustment | Charge during the year | Exchange | Disposals | 31.03.2024 | 31.03.2024 |
| Computer software | | | | | | | | | | | | | | |
| - Developed | 6.86 | | 3.23 | | - | | 10.09 | 3.23 | 0.02 | 2.17 | - | | 5.42 | 4.67 |
| - Acquired | 11.96 | 1.30 | 6.20 | | 0.32 | | 19.78 | 7.15 | 0.17 | 2.17 | 0.22 | | 9.70 | 10.08 |
| Others | | | | | | | | | | | | | | |
| Technical knowhow | | | | | | | | | | | | | | |
| - Developed | 110.33 | 41.20 | 38.52 | | 4.37 | | 194.42 | 84.56 | 11.05 | 11.73 | 3.23 | | 110.57 | 83.85 |
| - Acquired | 135.53 | (22.89) | | | 0.03 | | 112.67 | 20.66 | (0.71) | 18.43 | - | | 38.38 | 74.28 |
| TOTAL | 264.68 | 19.61 | 47.95 | - | 4.71 | - | 336.95 | 115.60 | 10.53 | 34.49 | 3.45 | - | 164.07 | 172.89 |

| Intangible assets under development | 01.04.2023 | Adjustments | Additions | Capitalised during the year | Exchange | 31.03.2024 |
|---|---|---|---|---|---|---|
| Intangible assets under development | 33.97 | 69.32 | 56.04 | (47.95) | | 111.39 |

Intangible assets under development

| Amount in IAUD for a period of | Less than 1 year | 1-2 years | 2-3 years | More than 3 years | Total |
|---|---|---|---|---|---|
| Projects in progress | 86.48 | 15.29 | 9.62 | | 111.39 |

**Notes:**

a) Intangibles under development pertains to development of new model electric vehicles.

(b) There are no projects as Intangible assets under development as at 31 March 2024 and 31 March 2023, whose completion is overdue or cost of which has exceeds in comparison to its original plan.

(c) For amount of contractual commitments for the acquisition of intangible assets, Refer Note 3.9b

(d) Employee expenses capitalised Rs. 13.19 Crores (2022-2023: Rs. 29.88 Crores) - Refer Notes 2.4

Optare PLC

Notes annexed to and forming part of the consolidated financial statements

1.3a

| Description | Gross carrying amount | | | | | | Depreciation/Amortisation | | | | | | Net Carrying Amount |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Right of use asset | 01.04.2024 | Adjustments | Additions | Disposals | Exchange | 31.03.2025 | 01.04.2024 | Adjustments | Charge during the year | Disposals | Exchange | 31.03.2025 | 31.03.2025 |
| Land and building | 117.88 | 7.44 | 15.32 | (109.45) | 6.66 | 37.85 | 50.97 | - | 18.98 | (55.03) | 2.81 | 17.73 | 20.12 |
| Vehicle | 42.46 | - 4.54 | 50.80 | (0.41) | 0.18 | 88.49 | 5.91 | - 2.94 | 12.24 | (0.41) | - 0.76 | 14.04 | 74.45 |
| Plant and Equipment | - | - | 28.82 | - | - | 28.82 | - | - | 2.85 | - | - | 2.85 | 25.97 |
| Total | 160.34 | 2.90 | 94.94 | (109.87) | 6.84 | 155.16 | 56.88 | - 2.94 | 34.07 | (55.44) | 2.05 | 34.62 | 120.54 |

Note :

1. A range from 2% - 9% discounting rates have been used for the purpose of computing right to use assets
2. Rental amount per annum ranges from Rs 0.1 Crores to Rs 5 Crores.
3. The lease period ranges from 2 to 17 years over which the right to use asset is depreciated on a straight line basis.
4. Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. The lease agreements do not impose any major covenants other than the security interests in the leased assets that are held by the lessor. Leased assets may not be used as security for borrowing purposes.

5. Variable lease payment not included in measurement of lease liabilities - Nil

6. Escalation clause - the percentage of escalation is NIL

Optare PLC

Notes annexed to and forming part of the consolidated financial statements

1.3

| Description | Gross carrying amount | | | | | Depreciation/Amortisation | | | | | Net Carrying Amount |
|---|---|---|---|---|---|---|---|---|---|---|---|
| Right of use asset | 01.04.2023 | Additions | Disposals | Exchange | 31.03.2024 | 01.04.2023 | Charge during the year | Disposals | Exchange | 31.03.2024 | 31.03.2024 |
| Land and building | 112.25 | 3.16 | | 2.47 | 117.88 | 37.24 | 12.53 | | 1.20 | 50.97 | 66.91 |
| Vehicle | 5.46 | 36.82 | | 0.18 | 42.46 | 3.69 | 2.10 | | 0.12 | 5.91 | 36.55 |
| **Total** | **117.71** | **39.98** | - | **2.65** | **160.34** | **40.93** | **14.63** | - | **1.44** | **56.88** | **103.46** |

Note :

1. A range from 2% -8% discounting rates have been used for the purpose of computing right to use assets
2. Rental amount per annum ranges from Rs 0.1 Crores to Rs 6.58 Crores across the leases held.
3. The lease period ranges from 2 to 15 years over which the right to use asset is depreciated on a straight line basis.
4. Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. The lease agreements do not impose any major covenants other than the security interests in the leased assets that are held by the lessor. Leased assets may not be used as security for borrowing purposes.

5. Escalation clause - the percentage of escalation is NIL

6. Expense relating to short term leases (included in other expenses - Refer Note 2.7) amounting to Rs. Nil Crores. The Rs. 7.20 Crores relates to other admin related expenses for rent (March 31, 2023 - Rs. 5.53 Crores)
7. The company did not enter into lease contracts that contain variable lease options.
8. The total cash outflow for the lease for the year ended March 31, 2024 was Rs. 21.20 Crores (March 31, 2023 - Rs. 14.54 Crores)
9 During the year, the group entered into sale and lease agreement with the Hinduja Leyland Finance limited.
10. The Company has given 50 Nos. vehicles on sale and lease back for which lease rental was Rs.4.11 crores till March 31, 2024. The lease contract is for a period of 6 years. This has been accounted as per Ind AS 116 for recognition and measurement of right of use asset.

| | | As at March 31, 2025 | As at March 31, 2024 |
|---|---|---|---|
| | **Trade receivables** | | |
| **1.4** | **(Unsecured, considered good)** | **Rs Crores** | **Rs Crores** |
| | Trade receivables - considered good | | |
| | Related parties | - | - |
| | Others | - | 2.30 |
| | Trade receivables - considered doubtful | | |
| | Related parties | | |
| | Others | | |
| | Less: Provision | - | - |
| | | - | 2.30 |

**Note:**
These are carried at amortised cost.

| | As at March 31, 2025 Rs. Crores | As at March 31, 2024 Rs. Crores |
|---|---|---|
| **Non-current - Other financial assets** | | |
| **1.5 (Unsecured, considered good unless otherwise stated)** | | |
| a) Security Deposits * | 8.51 | 7.54 |
| b) Bank deposits with remaining maturity of greater than 12 months | 19.51 | 23.15 |
| | **28.02** | **30.69** |

*Included in security deposits are related party balances of Rs. 7.64 Crores (31 Mar 24: Rs. 6.90 Crores).

| | | As at March 31, 2025 Rs. Crores | As at March 31, 2024 Rs. Crores |
|---|---|---|---|
| 1.7 | **Other non-current assets** | | |
| | **(Unsecured, considered good unless otherwise stated)** | | |
| | Capital advances | | |
| | Considered good | 8.63 | 5.11 |
| | Considered doubtful | - | - |
| | Less: Allowance for doubtful advances | - | - |
| | | **8.63** | **5.11** |
| | Customs duty paid under protest | 3.34 | - |
| | Others* | 2.74 | - |
| | | 14.71 | 5.11 |

*Others include prepaid expenses of 2.74 Crores

## 1.6 Non-current Income Tax Assets (Net)

| | As at March 31, 2025 Rs. Crores | As at March 31, 2024 Rs. Crores |
|---|---|---|
| Advance income tax (net of provision) # | - | - |
| TDS Receivable | 0.95 | 0.67 |
| | **0.95** | **0.67** |

**Current Tax Assets**

| | | |
|---|---|---|
| Advance income tax (net of provision) # | - | - |
| | - | - |

# mainly represents tax refund receivable on account of conclusion of assessments/ litigations.

## 1.8 Inventories

| | As at March 31, 2025 Rs. Crores | As at March 31, 2024 Rs. Crores |
|---|---|---|
| (a) Raw materials and components | 150.69 | 202.92 |
| (b) Work-in-progress | 111.09 | 65.98 |
| (c) Finished goods | 82.30 | 31.69 |
| (d) Stock-in-trade | 2.30 | 2.37 |
| (e) Stores, spares and consumable tools | 0.88 | 6.39 |
| | **347.26** | **309.35** |

**Notes:**

Amount of inventories recognised as an expense and write down of inventories during the year are Rs. 27.53 crores (2023-2024: Rs. 482.57 crores). Goods in transit included above in raw materials and components totalling Rs. 1.19 crores (2023-2024: Rs. 5.96 crores).

See note for 3.11 for the group availed Working Capital facility and other non fund based facilities namely Bank Guarantee, Letter of Credit etc some of which are secured by hypothecation of inventories.

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Notes annexed to and forming part of the consolidated financial statements

| | | As at March 31, 2025 Rs. Crores | As at March 31, 2024 Rs. Crores |
|---|---|---|---|
| 1.9 | **Current financial assets - Trade receivables** | | |
| | **Unsecured, Considered good** | | |
| | Related parties | 34.24 | 104.83 |
| | Others | 232.04 | 95.81 |
| | | 266.28 | 200.64 |
| | Receivables which have significant increase in credit risk | 1.12 | 3.53 |
| | | 1.12 | 3.53 |
| | Less: Allowance for doubtful receivables | (1.12) | (3.53) |
| | | 266.28 | 200.64 |

Trade Receivables ageing schedule :

| Particulars | Outstanding as at March 31,2025 | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| | Unbilled | Not Due | Less than 6 months | 6 months -1 year | 1-2 years | 2-3 years | More than 3 years | Total |
| **Related Parties** | | | | | | | | |
| (i) Undisputed Trade receivables – considered good | | 0.02 | 33.19 | 0.39 | 0.63 | - | - | 34.24 |
| (ii) Undisputed Trade Receivables – which have significant credit risk | | | | | | | | |
| **Others** | | | | | | | | |
| (i) Undisputed Trade receivables – considered good | | 13.51 | 210.65 | 7.92 | 0.39 | 0.21 | 0.48 | 233.16 |
| (ii) Undisputed Trade Receivables – which have significant credit risk | | | | | | | | |
| **Gross Debtor Balance** | - | 13.53 | 243.84 | 8.31 | 1.02 | 0.21 | 0.48 | 267.40 |
| (iii) Undisputed Trade Receivables – credit impaired | | - | | | | | | - 1.12 |
| | - | 13.53 | 243.84 | 8.31 | 1.02 | 0.21 | 0.48 | 266.28 |

Comparative trade Receivables ageing schedule

| Particulars | Outstanding as at March 31,2024 | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| | Unbilled | Not Due | Less than 6 months | 6 months -1 year | 1-2 years | 2-3 years | More than 3 years | Total |
| **Related Parties** | | | | | | | | |
| (i) Undisputed Trade receivables – considered good | | 62.35 | 40.27 | 2.21 | | | | 104.83 |
| (ii) Undisputed Trade Receivables – which have significant credit risk | | | | | | | | - |
| **Others** | | | | | | | | |
| (i) Undisputed Trade receivables – considered good | | 60.64 | 34.25 | 0.92 | 2.03 | - | 0.27 | 98.11 |
| (ii) Undisputed Trade Receivables – which have significant credit risk | | 3.53 | - | - | - | - | - | 3.53 |
| **Gross Debtor Balance** | - | 126.53 | 74.52 | 3.13 | 2.03 | - | 0.27 | 206.48 |
| (iii) Undisputed Trade Receivables – credit impaired | - | 3.53 | | | | | | - 3.53 |
| | | 122.99 | 74.52 | 3.13 | 2.03 | - | 0.27 | 202.94 |

| | |
|---|---|
| Short Term | 200.64 |
| Long Term (Note 1.4) | 2.30 |
| | 202.94 |

**Notes :**

1. Movement in loss allowance is as follows:

| | Mar-25 | Mar-24 |
|---|---|---|
| Opening | 3.53 | 19.88 |
| Pursuant to business combination | - | - |
| Additions/Transfers | 0.36 | 1.22 |
| Utilisations / Reversals | (2.77) | (17.57) |
| Closing | 1.12 | 3.53 |

2. These are carried at amortised cost.
3. For details of assets given as security against borrowings - Refer Note 3.11.
4. There are no trade or other receivable which are either due from directors or other officers of the company either severally or jointly with any other person nor any trade or other receivable are due from firms or private companies respectively in which any director is a partner, a director or a member.
5. Trade receivables are non-interest bearing and are generally on terms of 15 to 30 days.

| | As at March 31, 2025 Rs. Crores | As at March 31, 2024 Rs. Crores |
|---|---|---|
| **1.10 A. Cash and cash equivalents** | | |
| i) Balance with banks: | | |
| a) In current accounts | 544.05 | 40.38 |
| b) In deposit accounts * | - | 46.42 |
| ii) Cash and stamps on hand | 0.01 | - |
| | **544.06** | **86.80** |
| **1.11 B. Bank balances other than (A) above** | | |
| i) Unclaimed dividend accounts (earmarked) | | |
| ii) In deposit accounts # | 27.93 | 41.39 |
| | **27.93** | **41.39** |

* This represents deposits with original maturity of less than or equal to 3 months.

# This represents deposits with original maturity of more than 3 months and remaining maturity less than 12 months.

## 1.12 Current financial assets - Others

| | As at March 31, 2025 | As at March 31, 2024 |
|---|---|---|
| | Rs. Crores | Rs. Crores |
| **(Unsecured, considered good unless otherwise stated)** | | |
| a) Interest accrued | 2.25 | 1.33 |
| b) Security deposits | 0.07 | 2.47 |
| c) Employee advances | 0.03 | 0.03 |
| d) Subsidy receivable** | 25.92 | 25.73 |
| e) Loans given to Hinduja Group Limited | - | 40.00 |
| f) Other Receivable+ | 0.38 | 2.39 |
| | **28.65** | **71.95** |
| Less:Allowance for doubtful amount | - | |
| | **28.65** | **71.95** |
| | **28.65** | **71.95** |

**Subsidy represents amount receivable from both Central and State Government on completion of milestone as specified in the relevant notification issued by the respective authorities.

Included in other receivables are Rs. 0.03 Crores recoverable from operators in respect of Emaas business.

| | As at March 31, 2025 Rs. Crores | As at March 31, 2024 Rs. Crores |
|---|---|---|
| **1.13 Contract assets** | | |
| Unbilled revenue | | |
| Others | 7.80 | 11.41 |
| Related party | 3.01 | 0.71 |
| | **10.81** | **12.12** |

## 1.14 Other current assets

| | As at March 31, 2025 Rs. Crores | As at March 31, 2024 Rs. Crores |
|---|---|---|
| a) Supplier advances | | |
| Considered good | 15.33 | 121.69 |
| Considered doubtful | - | |
| | 15.33 | 121.69 |
| Less: Allowance for doubtful advances | - | - |
| | 15.33 | 121.69 |
| b) Balances with customs, port trust, central excise etc. | 142.94 | 79.45 |
| c) VAT debtor | - | 1.98 |
| d) Others* | 29.62 | 37.71 |
| | **187.89** | **240.83** |

**Note:**

Others include prepaid expenses of 28.26 Crores (2023-24 37.03 Crores).

No movement in allowance for doubtful advances as no allowance in current or prior year

## 1.15 Equity Share Capital

| | As at March 31, 2025 Rs. Crores | As at March 31, 2024 Rs. Crores |
|---|---|---|
| **Authorised** | | |
| 108,670,441,233 (March 31 2024, 108,670,441,233) Equity Shares of 0.001 pound | 1,030.97 | 1,030.97 |
| | **1,030.97** | **1,030.97** |
| **Issued** | | |
| 108,670,441,233 (March 31 2024, 108,670,441,233) Equity Shares of 0.001 pound | 1,030.97 | 1,030.97 |
| | **1,030.97** | **1,030.97** |
| **Subscribed and fully paid up** | | |
| 108,670,441,233 (March 31 2024, 108,670,441,233) Equity Shares of 0.001 pound | 1,030.97 | 1,030.97 |
| | **1,030.97** | **1,030.97** |

# amount is below rounding off norms adopted by the group

**Notes:**

| 1. Reconciliation of number of equity shares subscribed | Mar-25 | Mar-24 |
|---|---|---|
| Balance as at the beginning of the year | 108,670,441,233 | 96,210,291,827.00 |
| Issued during the year | - | 12,460,149,406.00 |
| Balance as at end of the period | 108,670,441,233 | 108,670,441,233.00 |

**2. Shares issued in preceding 5 years**

a) The Company had issued and allotted the following: 2,000,000,000 ordinary shares during the year 2017-18; 11,000,000,000 ordinary shares during the year 2019-20; and 22,750,000,000 ordinary shares in the year 2020-21.
The company had issued and allotted the following in the year ended 31 March 2024: 6,898,918,198 in November 2023 and 5,561,231,208 in February 2024.

**3. Shareholders other than the Holding Company holding more than 5% of the equity share capital:**

| | |
|---|---|
| Hinduja Automotive Ltd | 7,500,000,000 |

| Shares held by promoters at the end of the year | | | | | | % Change during the year |
|---|---|---|---|---|---|---|
| S. No | Promoter name | Mar 25: No. of Shares | Mar 25: %of total shares | Mar 24: No. of Shares | Mar 24: %of total shares | |
| | Ashok Leyland Limited | 100,613,853,568 | 92.59% | 100,613,853,568 | 92.59% | 0% |
| | Hinduja Automotive Ltd | 7,500,000,000 | 6.90% | 7,500,000,000 | 6.90% | 0% |
| Total | | 108,113,853,568 | 99.49% | 108,113,853,568 | 99.49% | 0% |

## 1.16 Other Equity

| | | As at March 31, 2025 Rs. Crores | As at March 31, 2024 Rs. Crores |
|---|---|---|---|
| a) | Shares Pending Allotment | 498.76 | - |
| b) | Capital Reserve | (96.10) | (96.08) |
| c) | Securities Premium | 1,067.70 | 1,067.70 |
| d) | Foreign currency monetary item translation difference | (111.36) | (74.20) |
| e) | Retained Earnings | (2,592.93) | (2,102.87) |
| f) | Preference Share Reserve | 260.13 | 260.13 |
| g) | OCI - Remeasurement of defined benefit obligation | (1.38) | - |
| | | (975.18) | (945.32) |

*Refer "Statement of Changes in Equity" for additions / deletions in each reserve.

a) Share application money pending allotment represents amounts received from holding company, Ashok Leyland Limited, towards the allotment of share capital.

| Particulars | |
|---|---|
| Number of shares proposed to be issued | 6,496,355,352 |
| Amount of securities premium | 426.76 |

b) Capital reserve represents consideration paid over and above the net assess taken over pursuant to the business combinations accounted as per IND AS 103 in the previous year.

c) Securities premium represents premium received on equity shares issued, which can be utilised only in accordance with the provisions of the Companies Act, 2023 for specified purposes.

d) Foreign currency translation reserve represents exchange differences relating to the translation of the results and net assets of the Group's foreign operations from their functional currencies to the Group's presentation currency (i.e. Indian Rupees) which are recognised directly in other comprehensive income and accumulated in this foreign currency translation reserve. Exchange differences previously accumulated in the foreign currency translation reserve are reclassified to profit or loss on the disposal of the foreign operation.

e) Retained earnings reserve represents the accumulated profit and losses of the group, inclusive of the profit or loss for the year ended Mar 24. See Statement of Changes in Equity for split of brought forward, profit and loss in year, and amounts attributable to minority interest and parent.

f) The Company has issued 8.5% 301,00,000 Non-Convertible Redeemable preference shares to M/s.Ashok Leyland Limited (ultimate Holding Company) redeemable on or before 20 years. These preference shares are fair valued as per Accounting Standard 109 Financial Instruments at a discount rate of 10.5% and the equity component amounting to Rs.260.12 crores was recognised in Other Equity and the liability component of Rs.50.02 crores is disclosed under financial liability and measured at amortised cost, until it is redeemed. The carrying amount of equity is not measured in subsequent years.

## 1.17 Non-current financial liabilities - Borrowings

| | As at March 31, 2025 Rs. Crores | As at March 31, 2024 Rs. Crores |
|---|---|---|
| **a) Secured borrowings** | | |
| i. External commercial borrowings from banks | | |
| ii. Term loan from banks | 1,079.17 | 208.04 |
| **b) Unsecured borrowings** | | |
| i. Debt Component of Non-Convertible Redeemable Preference shares* | 50.12 | 45.36 |
| ii. Loan from Siemens | - | 1.43 |
| | **1,129.29** | **254.83** |

**Notes:**

1. These are carried at amortised cost.
2. Refer Note 3.11 for current maturities of non-current borrowings.
3. Refer Note 3.11 for security and terms of the borrowings.
4. Refer Note 3.6 for details on debt convenants.
5. The Company has utilised the borrowings for the purpose for which it is obtained as mentioned in the agreements.
6. The Company is not declared as a wilful defaulter by any bank or financial institution or government or any government authority.

| | As at March 31, 2025 Rs. Crores | As at March 31, 2024 Rs. Crores |
|---|---|---|
| **1.18 Contract Liabilities** | | |
| Income received in advance | - | - |
| | - | - |
| **Other non-current liabilities** | | |
| Subsidy received in advance | 6.67 | - |
| | **6.67** | - |

## 1.19 Non-current provisions

| | As at March 31, 2025 Rs. Crores | As at March 31, 2024 Rs. Crores |
|---|---|---|
| a) Provision for employee benefits | | |
| i. Compensated absences | - | 1.43 |
| ii. Gratuity | 2.02 | |
| Others | | |
| i. Product warranties | 65.69 | 28.15 |
| | **67.71** | **29.58** |

**Note:**

Movement in Provision for product warranties is as follows :

| **Particulars** | **Mar-25** | **Mar-24** |
|---|---|---|
| Opening | 28.15 | 38.41 |
| Net movement from short term . See note 1.24 | 37.54 | -10.26 |
| Closing | **65.69** | **28.15** |

This provision is recognised once the products are sold. The estimated provision takes into account historical information, frequency and average cost of warranty claims and the estimate regarding possible future incidence of claims. The provision for warranty claims represents the present value of management's best estimate of the future economic benefits. The outstanding provision for product warranties as at the reporting date is for the balance unexpired period of the respective warranties on the various products which range from 1 to 6 years

| 1.20 Current financial liabilities - Borrowings | As at March 31, 2025 Rs. Crores | As at March 31, 2024 Rs. Crores |
|---|---|---|
| **Secured borrowings** | | |
| Loans from banks | 374.19 | 799.89 |
| (Includes cash credit, packing credit, etc) | | |
| Current maturities of long term borrowings | 8.39 | - |
| **Unsecured borrowings** | | |
| Loan from Siemens | 1.55 | 1.84 |
| Loans from related parties | - | 95.00 |
| | 384.13 | 896.73 |

**Note:**

1. These are carried at amortised cost.
2. The cash credit facility shall be utilised for meeting the working capital requirements and other general corporate purpose with first pari passu charge by way of hypothecation of the Company 's current as:
3. The Inter Corporate Borrowing of ₹95 Crores is repaid during April 30, 2024
4. The Compay has utilised the borrowings for the purpose for which it is obtained as mentioned in the agreements.
5. Net debt reconciliation:

| | As at March 31, 2025 Rs. Crores | As at March 31, 2024 Rs. Crores |
|---|---|---|
| Cash and cash equivalents | 571.99 | 128.19 |
| Non Current borrowings | (1,079.17) | (209.47) |
| Preference shares | (50.12) | (45.36) |
| Leases | (112.48) | (111.51) |
| Current borrowings | (384.13) | (896.73) |
| Interest Accrued on borrowings | (8.46) | (3.57) |
| Derivative Asset / (Liability) | - | - |
| Net debt | (1,062.37) | (1,138.45) |

| Particulars | cash and bank overdraft | Non Current borrowings | Preference Shares | Leases | Curent borrowings & accrued interest | Total |
|---|---|---|---|---|---|---|
| **Net debt as at March 31, 2023** | 107.87 | 548.81 | 41.04 | 89.76 | 901.96 | 1,689.44 |
| Recognised on adoption of Ind As 116 | | | | | | |
| Cash flows (net) | 20.32 | - 339.34 | | 21.20 | - 4.86 | - 302.68 |
| Interest expense | | 12.46 | 4.32 | 2.22 | 134.26 | 153.25 |
| Interest paid | | - | | - 1.67 | - 131.05 | - 132.72 |
| **Net debt as at March, 2024** | 128.19 | 209.47 | 45.36 | 111.51 | 896.73 | 1,407.29 |
| Recognised on adoption of Ind As 116 | | | | | | - |
| Cash flows (net) | 443.80 | 862.67 | | 0.97 | (514.03) | 793.40 |
| Interest expense | | 52.49 | 4.76 | 10.17 | 37.86 | 105.28 |
| Interest paid | | (45.46) | - | (10.17) | (36.43) | (92.06) |
| **Net debt as at March 31, 2025** | 571.99 | 1,079.17 | 50.12 | 112.48 | 384.13 | 2,213.91 |

## 1.21 Trade Payables

| | As at March 31, 2025 Rs. Crores | As at March 31, 2024 Rs. Crores |
|---|---|---|
| a) Total outstanding dues of micro enterprises and small enterprises | 9.55 | 0.52 |
| b) Total outstanding dues of creditors other than micro enterprises and small enterprises | 292.57 | 273.51 |
| | 302.12 | 274.03 |

| Particulars | Outstanding as at March 31, 2025 | | | | | | |
|---|---|---|---|---|---|---|---|
| | Unbilled | Not Due | Less than 1 year | 1-2 years | 2-3 years | More than 3 years | Total |
| (i) MSME - undisputed | | 9.39 | 0.17 | | | | 9.55 |
| (ii) Others - undisputed | | 80.99 | 167.33 | 3.55 | 2.26 | 1.49 | 255.62 |
| (iii) Related Parties | | 2.16 | 34.71 | 0.08 | - | - | 36.95 |
| (iv) Disputed dues - Others | | | | | | | - |
| | - | 92.54 | 202.21 | 3.63 | 2.26 | 1.49 | 302.12 |

**Comparative trade Payables ageing schedule**

| Particulars | Outstanding as at March 31, 2024 | | | | | | |
|---|---|---|---|---|---|---|---|
| | Unbilled | Not Due | Less than 1 year | 1-2 years | 2-3 years | More than 3 years | Total |
| (i) MSME | | 0.518 | | | | | 0.52 |
| (ii) Others | | 54.32 | 156.64 | 4.85 | 0.29 | | 216.10 |
| (iii) Related Parties | | 14.55 | 21.09 | 0.38 | | | 36.02 |
| (iv) Disputed dues - Others | | | | | | | - |
| | - | 69.39 | 177.73 | 5.23 | 0.29 | - | 252.64 |

a) Trade payables are recognised at amortised cost.
b) Payment towards trade payables is made as per the terms and conditions of the contract / purchase orders. Generally, the average credit periof on purchases is 0 to 90 days.
c) Terms and conditions of the above financial liabilities:
 (i) Trade payables are non-interest bearing.
 (ii) For explanations on the Company's credit risk management processes, refer to Note 3.6

## 1.22 Current financial liabilities - Others

| | As at March 31, 2025 Rs. Crores | As at March 31, 2024 Rs. Crores |
|---|---|---|
| a) Interest accrued but not due on borrowings | 8.46 | 3.57 |
| b) Employee benefits | 24.56 | 8.72 |
| c) Capital creditors | 3.55 | 0.51 |
| d) Slump sale - related party | - | - |
| e) Others | 0.03 | - |
| | **36.60** | **12.80** |

**Notes:**

1. Refer Note 3.11 for security and terms of the borrowings.

| 1.23 Contract liabilities | As at March 31, 2025 Rs. Crores | As at March 31, 2024 Rs. Crores |
|---|---|---|
| a) Advance from customers | | |
| Others | 9.59 | 13.74 |
| Related Parties | 1.67 | 43.54 |
| b) Income received in advance | 1.00 | - |
| | **12.26** | **57.28** |

Refer Note 3.7 for disclosures relating to revenue from contracts with customers.

## 1.24 Current provisions

| | As at March 31, 2025 Rs. Crores | As at March 31, 2024 Rs. Crores |
|---|---|---|
| a) Provision for employee benefits | | |
| i. Compensated absences | 3.16 | 2.08 |
| b) Others | | |
| i. Product warranties | 98.19 | 98.36 |
| ii. Provision for retrenchment cost | 108.96 | - |
| | **210.31** | **100.44** |

1. Movement in Provision for product warranties is as follows :

| **Particulars** | **March 2025** | **March 2024** |
|---|---|---|
| Opening | 98.36 | 18.18 |
| Additions | 60.30 | 116.74 |
| Utilisations | (24.32) | (41.25) |
| Unwinding of discount | 1.39 | (5.56) |
| Moved Long Term - see note 1.19 | (37.54) | 10.26 |
| Closing | **98.19** | **98.36** |

This provision is recognised once the products are sold. The estimated provision takes into account historical information, frequency and average cost of warranty claims and the estimate regarding possible future incidence of claims. The provision for warranty claims represents the present value of management's best estimate of the future economic benefits. The outstanding provision for product warranties as at the reporting date is for the balance unexpired period of the respective warranties on the various products which range from 1 to 6 years.

## 1.25 Other current liabilities

| | As at March 31, 2025 Rs. Crores | As at March 31, 2024 Rs. Crores |
|---|---|---|
| a) Statutory liabilities | 16.98 | 6.98 |
| b) Accrued gratuity | 0.14 | 0.02 |
| c) Subsidy received in advance - Switch India | 43.32 | 35.81 |
| d) Others* | 54.29 | 54.20 |
| | **114.73** | **97.01** |

*Others include provision made towards maintanence of buses in respect of Emaas business.

### 1.26 Deferred Tax Assets (Net)

| | As at March 31, 2025 Rs. Crores | As at March 31, 2024 Rs. Crores |
|---|---|---|
| i) Deferred tax (liabilities) | (70.97) | (38.70) |
| i) Deferred tax assets | 143.67 | 91.53 |
| | 72.70 | 52.83 |

| 2.1 Revenue from operations | | Year ended March 31, 2025 | Year ended March 31, 2024 |
|---|---|---|---|
| | | Rs. Crores | Rs. Crores |
| a) Sale of products | | | |
| Manufactured | | | |
| - Commercial vehicles | | 977.54 | 471.45 |
| Traded | | | |
| - Spare parts and others | | 65.37 | 68.56 |
| | (A) | **1,042.91** | **540.01** |
| b) Sale of services | (B) | 183.76 | 160.14 |
| c) Other operating revenues | | | |
| - Grant income | | - | 0.16 |
| - Export incentives | | 2.55 | - |
| - Scrap sales | | 0.42 | 0.11 |
| - Others | | 2.24 | 0.66 |
| | (C) | **5.21** | **0.93** |
| | (A+B) | **1,231.88** | **701.08** |
| Less: Rebates and discounts | | (18.47) | (4.70) |
| | | **1,213.41** | **696.38** |

## 2.2 Other Income

| | Year ended March 31, 2025 | Year ended March 31, 2024 |
|---|---|---|
| | Rs. Crores | Rs. Crores |
| a) Interest income from | | |
| i. Loans to related parties (Refer Note 3.8) | - | - |
| ii. Others | 4.60 | 3.62 |
| Other non-operating income | | |
| i.Profit/(loss) on sale of Property, Plant and Equipment (net) | 9.22 | 2.58 |
| ii. Gain or loss on termination of lease contract | 5.31 | - |
| iii. Foreign exchange gain (net) | - | - |
| iv. R&D Tax Credit | - | 4.40 |
| v. Others | 0.05 | 0.32 |
| | **19.18** | **10.92** |

## 2.3 Changes in Inventories of Finished Goods, Stock-in-trade and Work-in-progress

| | Year ended March 31, 2025 | Year ended March 31, 2024 |
|---|---|---|
| | Rs. Crores | Rs. Crores |
| Changes in inventories | | |
| - Finished goods and stock-in-trade | (148.65) | 38.79 |
| - Work-in-progress | 62.60 | (50.52) |
| **Net change** | **(86.05)** | **(11.73)** |

## 2.4 Employee Benefit Expense

| | Year ended March 31, 2025 | Year ended March 31, 2024 |
|---|---|---|
| | Rs. Crores | Rs. Crores |
| a) Salaries and wages | 231.68 | 211.17 |
| b) Contribution to defined contribution retirement benefit schemes | 5.88 | 6.12 |
| c) Staff welfare expenses | 9.03 | 8.68 |
| | **246.59** | **225.97** |
| Less: Expenses capitalised | (29.92) | (13.19) |
| | **216.67** | **212.78** |

At year end Mar 25, included within employment benefit expenses are Gratuity of R.s 0.43 Crores (2024: R.s 0.51 Crores)

| 2.5 Finance Costs | Year ended March 31, 2025 | Year ended March 31, 2024 |
|---|---|---|
| | Rs. Crores | Rs. Crores |
| a) Interest expense and other borrowing costs | 97.35 | 146.71 |
| b) Unwinding of discount | 5.18 | 4.32 |
| c) Interest on leases | 10.17 | 2.22 |
| | **112.70** | **153.25** |

## 2.6 Depreciation and amortisation expense

| | | Year ended March 31, 2025 | Year ended March 31, 2024 |
|---|---|---|---|
| | | Rs. Crores | Rs. Crores |
| **A) Property, plant and equipment** | | | |
| (i) Leasehold property improvements | | 3.65 | 0.19 |
| (ii) Plant and equipment | | 14.53 | 4.43 |
| (iii) Furniture and fittings | | 3.67 | 1.15 |
| (iv) Vehicles | | 62.22 | 36.80 |
| (v) Office Equipment | | 5.88 | 4.72 |
| (vi) Buildings | | 0.97 | 0.35 |
| | (A) | **90.92** | **47.63** |
| **B) Intangible assets** | | | |
| (i) Computer software | | | |
| - Developed | | 1.44 | 2.17 |
| - Acquired | | 5.49 | 2.17 |
| Technical knowhow | | | |
| - Developed | | 58.60 | 11.73 |
| - Acquired | | 4.01 | 18.43 |
| | (B) | **69.53** | **34.49** |
| C) Amortisation of right to use asset | | 34.07 | 14.63 |
| | (A + B+C) | **194.52** | **96.75** |

## 2.7 OTHER EXPENSES

| | Year ended March 31, 2025 Rs. Crores | Year ended March 31, 2024 Rs. Crores |
|---|---|---|
| Consumption of stores and tools | 2.13 | 2.23 |
| Power and fuel | 35.70 | 27.12 |
| Rent | 3.25 | 7.20 |
| Repairs and maintenance | | |
| - Buildings | (0.59) | 3.99 |
| - Plant and machinery | 12.53 | 6.68 |
| Insurance | 12.44 | 11.73 |
| Rates and taxes, excluding taxes on income | 12.18 | 17.73 |
| Research and development | 21.46 | 24.51 |
| (includes materials consumed and testing charges) | | |
| Service and product warranties | 60.30 | 94.78 |
| Selling and administration expenses - net | 50.66 | 50.20 |
| Outsourced manpower | 41.67 | 31.01 |
| Packing and forwarding charges | 14.56 | 6.32 |
| Annual maintenance contracts | 0.34 | 0.22 |
| Impairment loss allowance / write off on trade receivable (net) | (2.41) | (16.35) |
| Travelling & conveyance | 0.03 | 0.06 |
| Legal & Professional business | 1.90 | 3.44 |
| | **266.15** | **270.87** |
| Less: Expenses capitalised - Switch India | (32.18) | (20.08) |
| | **233.97** | **250.79** |

## 2.8 Exceptional items

| | Year ended March 31, 2025 | Year ended March 31, 2024 |
|---|---|---|
| | Rs. Crores | Rs. Crores |
| Other exceptional items - (income)/expense | - | (13.53) |
| Restructuring expenses | 108.96 | - |
| | **108.96** | **(13.53)** |

On 26th March 2025, the Board of Directors of Switch Mobility Limited, UK approved the cessation of its manufacturing and assembly activities at Sherburn facility. As a result, the group incurred restructuring expenses amounting to Rs.108.96 crores which have been presented as exceptional item in consolidated financial statements.

These expenses primarily relate to :

| **Particulars** | **Rs. Crores** |
|---|---|
| Employee redundancy cost | 43.23 |
| Costs associated with closure of business unit | 49.54 |
| Professional & consultancy fees directly attributable to restructuring process | 16.19 |

## 3.1 Income taxes relating to continuing operations

### 3.1.1 Income tax recognised in profit or loss

| | Year ended March 31, 2025 Rs. Crores | Year ended March 31, 2024 Rs. Crores |
|---|---|---|
| **Current tax** | | |
| In respect of the current year | - | - |
| | - | - |
| **Deferred tax** | | |
| In respect of the current year | (19.40) | (18.29) |
| **Income tax recognised in statement of profit or loss** | (19.40) | (18.29) |
| In respect of the current year | (0.46) | - |
| **Income tax recognised in other comprehensive income** | (0.46) | - |
| **Total** | (19.86) | (18.29) |

### 3.1.2 Income tax expense for the year reconciled to the accounting profit:

| | Year ended March 31, 2025 Rs. Crores | Year ended March 31, 2024 Rs. Crores |
|---|---|---|
| Profit before tax from continuing operations | (526.25) | (475.31) |
| Income tax rate | 25% | 25% |
| Income tax expense | (132.46) | (118.83) |
| Effect of income that is exempt from taxation | - | 1.10 |
| Effect of tax rate difference | 0.75 | - |
| Expenses that are not deductible in determining taxable profit | 10.17 | - |
| Tax Impact on prior year Right of use asset & Lease Liability | 0.81 | - |
| Effect of previously unrecognised and unused tax losses | - | (25.10) |
| Utilisation of losses brought forward | - | (39.27) |
| Effect of unused tax losses and deductible temporary differences | 0.44 | - |
| Effects of other timing differences | 100.89 | 163.80 |
| Taxes on OCI | (0.46) | - |
| **Income tax expense recognised in profit or loss** | (19.86) | (18.29) |

3.1.4 **Analysis of deferred tax assets / liabilities:**

Rs. Crores

| March 31, 2025 | Opening balance | Recognised in profit or loss | Recognised in other comprehensive income | Closing balance |
|---|---|---|---|---|
| **Deferred tax (liabilities)/assets in relation to:** | | | | |
| Property, Plant & Equipment and intangible assets | (38.95) | (6.84) | - | (45.79) |
| Provision for other employee benefits | 0.49 | 0.26 | 0.46 | 1.21 |
| Unused tax losses / unabsorbed depreciation | 91.29 | 26.79 | - | 118.08 |
| Right of use asset | - | (25.18) | - | (25.18) |
| Lease Liability | - | 24.37 | - | 24.37 |
| | 52.83 | 19.40 | 0.46 | 72.70 |

| March 31, 2024 | Opening balance | Recognised in profit or loss | Recognised in other comprehensive income | Closing balance |
|---|---|---|---|---|
| **Deferred tax (liabilities)/assets in relation to:** | | | | |
| Property, Plant & Equipment and intangible assets | (4.99) | (34.21) | - | (39.20) |
| Provision for other employee benefits | - | 0.49 | | 0.49 |
| Unused tax losses / unabsorbed depreciation | 39.53 | 52.00 | - | 91.53 |
| | 34.54 | 18.29 | - | 52.83 |

Deferred tax assets and liabilities are recognised for the future tax consequences of temporary differences between the carrying values of assets and liabilities and their respective tax bases, unused tax credits. Deferred tax assets are recognised to the extent that it is probable that future taxable income will be available against which the deductible temporary differences, unused tax losses and unused tax credits could be utilised.

### 3.1.5 Unrecognised deductible temporary differences, unused tax losses and unused tax credits

| | As at March 31, 2025 Rs. Crores | As at March 31, 2024 Rs. Crores |
|---|---|---|
| - Unused tax losses | (2,707.43) | (2,443.38) |
| | **(2,707.43)** | **(2,443.38)** |

**Notes:**

1 The above are gross amounts on which appropriate tax rates would apply.

2 The Company has business loss which are allowed to be carried forward and set off against the available future taxable income under Income Tax Act, 1961. No Deferred Tax asset has been recognised on this considering no reasonable certainty.

3

| Unused Tax Loss (Rs. Crs) | Expiry period |
|---|---|
| (27.99) | 31st March 2030 |
| (94.07) | 31st March 2031 |
| (63.06) | 31st March 2032 |
| (219.58) | 31st March 2033 |
| (2,302.73) | No expiry |
| **(2,707.43)** | **Total** |

## 3.2 Retirement benefit plans

### 3.2.1 Defined contribution plans

Payments to defined contribution plans i.e., Company's contribution to superannuation fund, employee state insurance and other funds are determined under the relevant schemes and / or statute and charged to the Statement of Profit and Loss in the period of incurrence when the services are rendered by the employees.

The total expense recognised in profit or loss of Rs. 5.88 crores (2023-24: Rs. 6.12 crores) represents contribution paid/ payable to these schemes by the Company at rates specified in the schemes.

### 3.2.2 Defined benefit plans

The Company has an obligation towards gratuity as per payment of gratuity act, 1972, a defined benefit retirement plan covering eligible employees. The plan provides for a lump-sum payment to vested employees at the time of retirement, separation, death while in employment or on termination of employment of an amount equivalent to 15 days salary payable for each completed year of service. Vesting occurs upon completion of five years of service. The Company accounts for the liability for gratuity benefits payable in the future based on an actuarial valuation. The Company makes annual contributions through trusts to a funded gratuity scheme administered by the Life Insurance Corporation of India.

Company's liability towards gratuity (funded), provident fund, other retirement benefits and compensated absences are actuarially determined at the end of each reporting period using the projected unit credit method as applicable.

These plans typically expose the Company to actuarial risks such as: investment risk, interest rate risk, longevity risk and salary risk.

| | |
|---|---|
| Investment risk | The present value of the defined benefit plan liability is calculated using a discount rate determined by reference to the market yields on government bonds denominated in Indian Rupees. If the actual return on plan asset is below this rate, it will create a plan deficit. |
| Interest rate risk | A decrease in the bond interest rate will increase the plan liability. However, this will be partially offset by an increase in the return on the plan's debt investments. |
| Longevity risk | The present value of the defined benefit plan liability is calculated by reference to the best estimate of the mortality of plan participants both during and after their employment. An increase in the life expectancy of the plan participants will increase the plan's liability. |
| Salary risk | The present value of the defined benefit plan liability is calculated by reference to the future salaries of plan participants. As such, an increase in the salary of the plan participants will increase the plan's liability. |

3.2 **Retirement benefit plans (continued)**

3.2.3 **The principal assumptions used for the purposes of the actuarial valuations were as follows:**

| | As at March 31, 2025 | As at March 31, 2024 |
|---|---|---|
| **Gratuity** | | |
| Discount rate | 6.40% | 6.98% |
| Expected rate of salary increase | 10.70% | 8.00% |
| Average Longevity at retirement age - past service | 2.60 | 2.60 |
| Average Longevity at retirement age - future service | 6.00 | 4.10 |
| Attrition rate | 15.50% | 23.50% |
| **Compensated absences** | | |
| Discount rate | 6.40% | 6.98% |
| Expected rate of salary increase | 10.70% | 8.00% |
| Attrition rate | 15.50% | 23.50% |

The estimates of future salary increases, considered in actuarial valuation, takes into account inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.

3.2.4 **Amounts recognised in total comprehensive income in respect of these defined benefit plans are as follows:**

| | As at March 31, 2025 Rs. Crores | As at March 31, 2024 Rs. Crores |
|---|---|---|
| **Gratuity** | | |
| Current service cost | 0.43 | 0.50 |
| Net interest expense / (income) | (0.00) | 0.01 |
| **Components of defined benefit costs recognised in profit or loss** | 0.43 | 0.51 |
| Remeasurement on the net defined benefit liability comprising: | | |
| Actuarial (gain)/loss arising from changes in financial assumptions | 1.83 | (0.14) |
| Actuarial (gain)/loss arising from experience adjustments | - | - |
| Actuarial (gain)/loss on plan assets | 0.01 | (0.02) |
| **Components of defined benefit costs recognised in other comprehensive income** | 1.84 | (0.16) |
| **Total** | 2.27 | 0.35 |
| **Compensated absences and other defined benefit plans** | | |
| Current service cost | 0.84 | 1.22 |
| Net interest expense | | |
| Actuarial (gain)/loss arising from changes in financial assumptions | | |
| Actuarial (gain)/loss arising from experience adjustments | | |
| **Components of defined benefit costs recognised in profit or loss** | 0.84 | 1.22 |

The current service cost and the net interest expense for the year are included in "contribution to provident and other funds" and "Salaries and wages" under employee benefits expense in profit or loss (Refer Note 2.4).

3.2.5 **The amount included in the balance sheet arising from the Company's obligation in respect of its defined benefit plans is as follows:**

| | As at March 31, 2025 Rs. Crores | As at March 31, 2024 Rs. Crores |
|---|---|---|
| **Gratuity** | | |
| Present value of defined benefit obligation | 4.48 | 2.26 |
| Fair value of plan assets | 2.32 | 2.24 |
| **Net liability / (asset) arising from defined benefit obligation** | 2.16 | 0.02 |
| Funded | 2.16 | 0.02 |
| Unfunded | - | - |
| Total | 2.16 | 0.02 |
| **Compensated absences and other defined benefit plans** | | |
| Present value of defined benefit obligation | 2.80 | 1.97 |
| Fair value of plan assets | | |
| **Net liability arising from defined benefit obligation** | 2.80 | 1.97 |

The weighted average duration of the benefit obligation as at March 31, 2025 ranges from 4.4 years (as at March 31, 2024: 6.3 years).
Gratuity is reflected in other current asset in case of Net asset and reflected in "Accrued gratuity" under other current liabilities in case of Net liability and compensated absences is reflected in "Provision for employee benefits" under provisions. [Refer Notes 1.19, 1.24 and 1.25].

3.2 Retirement benefit plans (continued)

**3.2.6 Movements in the present value of the defined benefit obligation were as follows:**

| | As at March 31, 2025 Rs. Crores | As at March 31, 2024 Rs. Crores |
|---|---|---|
| **Gratuity** | | |
| Opening defined benefit obligation | 2.26 | 2.72 |
| Current service cost | 0.43 | 0.50 |
| Interest cost | 0.15 | 0.16 |
| Actuarial (gain)/loss arising from changes in financial assumptions | 1.83 | (0.14) |
| Actuarial (gain)/loss arising from experience adjustments | - | - |
| Benefits paid | (0.19) | (0.98) |
| **Closing defined benefit obligation** | 4.48 | 2.26 |
| **Compensated absences and other defined benefit plans** | | |
| Opening defined benefit obligation | 1.97 | 1.63 |
| Current service cost | 0.84 | 0.33 |
| **Closing defined benefit obligation** | 2.80 | 1.97 |

**3.2.7 Movements in the fair value of the plan assets were as follows:**

| | As at March 31, 2025 Rs. Crores | As at March 31, 2024 Rs. Crores |
|---|---|---|
| **Gratuity** | | |
| Opening fair value of plan assets | 2.24 | 2.13 |
| Interest on plan assets | 0.15 | 0.15 |
| Remeasurements due to Actual return on plan assets less interest on plan assets | (0.01) | 0.02 |
| Contributions | 0.13 | 0.92 |
| Benefits paid | (0.19) | (0.98) |
| **Closing fair value of plan assets** | 2.32 | 2.24 |

The Company funds the cost of the gratuity expected to be earned on a yearly basis to Life Insurance Corporation of India, which manages the plan assets. During the year the company has transferred Rs. 0.3 crores worth of plan assets to OHM global mobility limited.

The actual return on plan assets was Rs. 0.14 crores (2023-24: Rs. 0.17 crores).

**3.2.8 Significant actuarial assumptions for the determination of the defined obligation are discount rate and expected salary increase. The sensitivity analysis below has been determined based on reasonably possible changes of the respective assumption occurring at the end of the reporting period.**

| | As at March 31, 2025 Rs. Crores | As at March 31, 2024 Rs. Crores |
|---|---|---|
| **Gratuity** | | |
| If the discount rate is 50 basis points higher/lower, the defined benefit obligation would: | | |
| decrease by | 0.12 | 0.04 |
| increase by | 0.13 | 0.04 |
| If the expected salary increases/decreases by 50 basis points, the defined benefit obligation would: | | |
| increase by | 0.13 | 0.05 |
| decrease by | 0.12 | 0.05 |
| **Compensated absences** | | |
| If the discount rate is 50 basis points higher/lower, the defined benefit obligation would: | | |
| decrease by | 0.07 | 0.03 |
| increase by | 0.07 | 0.03 |
| If the expected salary increases/decreases by 50 basis points, the defined benefit obligation would: | | |
| increase by | 0.07 | 0.03 |
| decrease by | 0.07 | 0.03 |

The sensitivity analysis presented above may not be representative of the actual change in the defined benefit obligation, since the above analysis are based on change in an assumption while holding other assumptions constant. In practice, it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated.

Furthermore, in presenting the above sensitivity analysis, the present value of the defined benefit obligation has been calculated using the projected unit credit method at the end of each reporting period, which is the same as that applied in calculating the defined benefit obligation liability recognised in the balance sheet.

There was no change in the methods and assumptions used in preparing the sensitivity analysis from previous year.
The Company expects to make a contribution of Rs. 0.14 crores (March 2024: Rs. 0.01 crores) to the defined benefit plans (gratuity - funded) during the next financial year.

## 3.3 Earnings per share

| | Year ended March 31, 2025 Rs. | Year ended March 31, 2024 Rs. |
|---|---|---|
| Basic earnings per share | (0.05) | (0.05) |
| Diluted earnings per share | (0.05) | (0.05) |
| Face value per share (In GBP) | 0.001 | 0.001 |

| | Year ended March 31, 2025 Rs. Crores | Year ended March 31, 2024 Rs. Crores |
|---|---|---|
| Net Profit after tax | (506.85) | (457.02) |

### 3.3.1 Basic earnings per share

| | Year ended March 31, 2025 Nos. | Year ended March 31, 2024 Nos. |
|---|---|---|
| Weighted average number of equity shares used in the calculation of basic earnings per share | 108,670,441,233 | 99,323,752,852 |

### 3.3.2 Diluted earnings per share

| | Year ended March 31, 2025 Nos. | Year ended March 31, 2024 Nos. |
|---|---|---|
| Weighted average number of equity shares used in the calculation of diluted earnings per share | 108,670,441,233 | 99,323,752,852 |

### 3.4 Share based payments

There were no share options or share based payments outstanding at the end of the year (as at March 31, 2024: None) and none issued during the year.

## 3.5 Lease arrangements

| Non-cancellable operating lease commitments | Year ended March 31, 2025 | Year ended March 31, 2024 |
|---|---|---|
| Not later than 1 year | 31.01 | 46.23 |
| Later than 1 year but not later than 5 years | 97.86 | 34.97 |
| Later than 5 years | 14.79 | 30.31 |

| The movement in lease liabilities during the year is as follows : | Year ended March 31, 2025 | Year ended March 31, 2024 |
|---|---|---|
| **Balance as at April 1** | 111.51 | 89.76 |
| Additions | 94.77 | 39.98 |
| Interest expense during the year | 10.17 | 2.22 |
| Deletions | (31.86) | - |
| Payment of lease liabilities | (55.35) | (21.20) |
| Translation difference | (16.76) | 0.75 |
| **Balance as at March 31** | **112.48** | **111.51** |

| **Amounts recognised in Statement of Profit or Loss:** | Year ended March 31, 2025 | Year ended March 31, 2024 |
|---|---|---|
| Interest expense on lease liabilities | 10.17 | 2.22 |
| Depreciation on ROU assets | 34.07 | 14.63 |
| **Total** | **44.24** | **16.85** |

| **Amounts recognised in Statement of Cash Flows:** | Year ended March 31, 2025 | Year ended March 31, 2024 |
|---|---|---|
| Payment of lease liabilities | (55.35) | (21.20) |

**Company as lessee**

**Company has applied following practical expedients for the purpose of lease on initial recognition :**

1) Single discount rate has been applied for leases with same characteristics.

2) Non - lease component which are difficult to be separated from the lease components are taken as the part of lease calculation.

3) Short term leases i.e. leases having lease term of 12 months or less had been ignored for the purpose of calculation of right-of-use asset.

Expenses for the year ended March 31, 2024 includes lease expense aggregating to Rs.3.25 crores (March 31, 2024: Rs.7.20 crores) which are not required to be recognised as part of the practical expedient under Ind AS 116 'Leases' mentioned above.

Expenses relating to leases of low value assets (not include the expenses relating to short term leases of low value assets included in above line) - Nil

## 3.6 Financial Instruments

### 3.6.1 Capital management

The Company manages its capital to ensure that it will be able to continue as going concern while maximising the return to stakeholders through the optimisation of the debt and equity balance.

The Company determines the amount of capital required on the basis of annual master planning and budgeting and five year's corporate plan for working capital, capital outlay and long-term product and strategic involvements. The funding requirements are met through equity, internal accruals and a combination of both long-term and short-term borrowings.

The Company monitors the capital structure on the basis of total debt to equity and maturity profile of the overall debt portfolio of the Company.

| | March 31, 2025<br>Rs. Crores | March 31, 2024<br>Rs. Crores |
|---|---|---|
| Debt (long-term and short-term borrowings and lease liabilities net off effective interest rate adjustment) | 1,625.90 | 1,263.07 |
| Total Equity | 45.10 | 92.12 |
| Debt equity ratio | 36.05 | 13.71 |

The quarterly returns or statements of current assets filed by the Company with Banks and Financial Institutions are in agreement with the books of account.

The Company has complied with covenants under the facility agreements executed for its borrowings.

### 3.6.2 Financial risk management

In course of its business, the Company is exposed to certain financial risks that could have significant influence on the Company's business and operational / financial performance. These include market risk (including currency risk, interest rate risk and other price risk), credit risk and liquidity risk.

The Board of Directors reviews and approves risk management framework and policies for managing these risks and monitors suitable mitigating actions taken by the management to minimise potential adverse effects and achieve greater predictability to earnings.

In line with the overall risk management framework and policies, the treasury function provides services to the business, monitors and manages through an analysis of the exposures by degree and magnitude of risks.

The Company uses derivative financial instruments to hedge risk exposures in accordance with the Company's policies as approved by the board of directors.

#### (A) Market risk

Market risk represent changes in market prices, liquidity and other factors that could have an adverse effect on realisable fair values or future cash flows to the Company. The Company's activities expose it primarily to the financial risks of changes in foreign currency exchange rates and interest rates as future specific market changes cannot be normally predicted with reasonable accuracy.

The treasury function provides services to the business, co-ordinates access to domestic and international financial markets, monitors and manages the financial risks relating to the operations through internal risk reports which analyse exposures by degree and magnitude of risks. These risks include market risk (including currency risk, interest rate risk and other price risk), credit risk and liquidity risk.

### 3.6 Financial Instruments continued...

**(1) Foreign currency risk management:**

The Company undertakes transactions denominated in foreign currencies and thus it is exposed to exchange rate fluctuations. The Company actively manages its currency rate exposures, arising from transactions entered and denominated in foreign currencies, through a centralised treasury division and uses derivative instruments such as foreign currency forward contracts and currency swaps to mitigate the risks from such exposures. The use of derivative instruments is subject to limits and regular monitoring by Management.

The carrying amounts of the Company's foreign currency denominated monetary assets and monetary liabilities at the end of the reporting period are as follows:

**As on March 31, 2025 (all amounts are in equivalent Rs. in Crores):**

| Currency | Liabilities | | | Assets | | | Net overall exposure on the currency - net assets / (net liabilities) |
|---|---|---|---|---|---|---|---|
| | Gross exposure | Exposure hedged using derivatives | Net liability exposure on the currency | Gross exposure | Exposure hedged using derivatives | Net asset exposure on the currency | |
| USD | 2.10 | | 2.10 | | | - | (2.10) |
| GBP | 2.16 | | 2.16 | | | - | (2.16) |
| EUR | 1.18 | | 1.18 | | | - | (1.18) |

**As on March 31, 2024 (all amounts are in equivalent Rs. in Crores):**

| Currency | Liabilities | | | Assets | | | Net overall exposure on the currency - net assets / (net liabilities) |
|---|---|---|---|---|---|---|---|
| | Gross exposure | Exposure hedged using derivatives | Net liability exposure on the currency | Gross exposure | Exposure hedged using derivatives | Net asset exposure on the currency | |
| USD | 1.39 | | 1.39 | | | - | (1.39) |
| EUR | 0.04 | | 0.04 | 0.88 | | 0.88 | 0.84 |

Optare PLC

Notes annexed to and forming part of the consolidated financial statements

**3.6 Financial Instruments continued...**

Foreign currency sensitivity analysis:

Movement in the functional currencies of the various operations of the Company against major foreign currencies may impact the Company's revenues from its operations. Any weakening of the functional currency may impact the Company's export proceeds, import payments and cost of borrowings.

The foreign exchange rate sensitivity is calculated for each currency by aggregation of the net foreign exchange rate exposure of a currency and a parallel foreign exchange rates shift in the foreign exchange rates of each currency by 2%, which represents Management's assessment of the reasonably possible change in foreign exchange rates.

The sensitivity of profit or loss to changes in the exchange rates arises mainly from foreign currency denominated financial instruments and the impact on the other components of equity arises from foreign currency forward contracts designated as cash flow hedges. The following table details the Company's sensitivity movement in the increase / decrease in foreign currencies exposures (net):

Rs Crores

| | USD impact | |
|---|---|---|
| | **March 31, 2025** | **March 31, 2024** |
| Profit or loss | (0.04) | (0.03) |
| Equity | | |

| | EUR impact | |
|---|---|---|
| | **March 31, 2025** | **March 31, 2024** |
| Profit or loss | (0.02) | 0.02 |
| Equity | | |

| | GBP impact | |
|---|---|---|
| | **March 31, 2025** | **March 31, 2024** |
| Profit or loss | (0.04) | - |
| Equity | | |

| | Impact of other currencies | |
|---|---|---|
| | **March 31, 2025** | **March 31, 2024** |
| Profit or loss | - | - |
| Equity | | |

### 3.6 Financial Instruments continued...

No foreign currency forward contracts outstanding at the end of the reporting period and for Mar 31 2025.

### 3.6 Financial Instruments continued...

**(2) Interest rate risk management:**

The Company is exposed to interest rate risk pertaining to funds borrowed at both fixed and floating interest rates. The risk is managed by the Company by maintaining an appropriate mix between fixed and floating rate borrowings by the use of interest rate swap contracts. Hedging activities are evaluated regularly to align with interest rate views and defined risk appetite, ensuring the most cost-effective hedging strategies. Further, in appropriate cases, the Company also effects changes in the borrowing arrangements to convert floating interest rates to fixed interest rates.
The exposure of company's borrowings to interest rate changes at the end of the reporting period are as follows:

| | March 31, 2025 Rs. Crores | March 31, 2024 Rs. Crores |
|---|---|---|
| Variable rate borrowings excluding preference shares | 1,463.30 | 1,106.20 |
| Fixed rate Borrowings | - | - |
| | **1,463.30** | **1,106.20** |

Interest rate sensitivity analysis

The sensitivity analysis below has been determined based on the exposure to interest rates at the end of the reporting period. For floating rate liabilities, the analysis is prepared assuming that the amount of the liability as at the end of the reporting period was outstanding for the whole year. A 25 basis point increase or decrease is used when reporting interest rate risk internally to key management personnel and represents Management's assessment of the reasonably possible change in interest rates.

If interest rates had been 25 basis points higher/ lower, the Company's profit / loss for the year ended March 31, 2025 would decrease / increase by Rs.3.48 crores (March 31, 2024 decrease / increase by Rs. 4.49 crores). This is mainly attributable to the Company's exposure to interest rates on its variable rate borrowings.

**(3) Foreign currency and interest rate sensitivity analysis for swap contracts:**

The Company has not taken foreign currency and interest rate swap (FCIRS) contracts for hedging its foreign currency and interest rate risks related to certain external commercial borrowings.

### 3.6 Financial Instruments continued...

#### (4) Equity price risk:

Equity price risk is related to the change in market reference price of the investments in quoted equity securities. The fair value of some of the Company's investments exposes the Company to equity price risks. In general, these securities are not held for trading purposes.

#### (B) Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Company. The Company has adopted a policy of only dealing with creditworthy counterparties and obtaining sufficient collateral, where appropriate, as a means of mitigating the risk of financial loss from defaults. The Company's exposure and the credit ratings of its counterparties are continuously monitored and the aggregate value of transactions concluded is spread amongst approved counterparties.
Trade receivables consist of a large number of customers, spread across diverse industries and geographical areas. Ongoing credit evaluation is performed on the financial condition of accounts receivable and, where appropriate, credit guarantee cover is taken. The Company operates predominantly on cash and carry basis excepting sale to State Transport Undertaking (STU), Government project customers based on tender terms and certain export customers which are on credit basis. The average credit period is in the range of 7 days to 90 days. However, in select cases, credit is extended which is backed by Security deposit/ Bank guarantee/ Letter of credit and other forms. The Company's trade and other receivables consists of a large number of customers, across geographies, hence the Company is not exposed to concentration risk except in case of a STU.

The Company makes a loss allowance using simplified approach for expected credit loss and on a case to case basis.

Expected credit loss for other than trade receivables has been assessed and based on life-time expected credit loss, loss allowance provision has been made. The ageing on trade receivable is given in note 1.9.
The credit risk on liquid funds and derivative financial instruments is limited because the counterparties are banks with high credit-ratings.

### 3.6 Financial Instruments continued...

### (C) Liquidity risk

Liquidity risk refers to the risk that the Company cannot meet its financial obligations. The objective of liquidity risk management is to maintain sufficient liquidity and ensure that funds are available for use as per requirements. The Company has obtained fund and non-fund based working capital limits from various banks. Furthermore, the Company has access to funds from debt markets through commercial paper programs, non-convertible debentures, and other debt instruments. The Company invests its surplus funds in bank fixed deposit and mutual funds, which carry minimal mark to market risks.

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

| | March 31, 2025 | March 31, 2024 |
|---|---|---|
| | Rs. Crores | Rs. Crores |
| | | |
| Banks and other loans | | |
| - Secured | 65.35 | 66.58 |
| - Unsecured | | |
| **Total** | **65.35** | **66.58** |

Further to the above, the Company has an option to issue commercial paper for an amount of Rs. Nil crores (March 31, 2024 Rs.Nil crores). The Company also constantly monitors funding options available in the debt and capital markets with a view to maintain financial flexibility.

The table below summarises the maturity profile remaining contractual maturity period at the balance sheet date for its non-derivative financial liabilities based on the undiscounted cash flows.

Rs. Crores

| | Due in 1st year | Due in 2nd to 5th year | Due after 5th year | Total |
|---|---|---|---|---|
| **March 31, 2025** | | | | |
| Trade payables | 302.12 | | | 302.12 |
| Other financial liabilities | 36.60 | | | 36.60 |
| Borrowings and interest accrued | 418.59 | 1,371.97 | 9.55 | 1,800.11 |
| Preference shares and interest accrued | | | 310.25 | 310.25 |
| Lease liabilities | 31.01 | 97.86 | 14.79 | 143.67 |
| | 788.32 | 1,469.83 | 334.59 | 2,592.75 |
| **March 31, 2024** | | | | |
| Trade payables | 274.03 | - | | 274.03 |
| Other financial liabilities | 12.80 | | | 12.80 |
| Borrowings | 900.30 | 209.47 | | 1,109.77 |
| Preference shares and interest accrued | | | 305.49 | 305.49 |
| Lease liabilities | 26.69 | 87.33 | 29.99 | 144.00 |
| | 1,213.82 | 296.80 | 640.97 | 2,151.58 |

As there is no expected credit loss on the financial guarantees given to group companies, the Company has not recognised a liability towards financial guarantee as at the end of the reporting period. Accordingly, not included in the above table.

## 3.6 Financial Instruments

### 3.6.3 Categories of Financial assets and liabilites:

| | As at March 31, 2025 | As at March 31, 2024 |
|---|---|---|
| | | Rs. Crores |
| **Financial assets** | | |
| **a. Measured at amortised cost:** | | |
| Cash and cash equivalents | 544.06 | 86.80 |
| Other bank balances | 27.93 | 41.39 |
| Trade Receivables (net of allowance including long term) | 266.28 | 202.94 |
| Others (net of allowance) | 56.67 | 102.64 |
| **Financial liabilities** | | |
| **a. Measured at amortised cost:** | | |
| Borrowings | 1,513.42 | 1,151.56 |
| Trade Payables | 302.12 | 274.03 |
| Other financial liabilities | 36.60 | 12.80 |
| Lease liabilities | 143.67 | 144.00 |
| **b. Mandatorily measured at fair value through profit or loss (FVTPL) / other comprehensive income (OCI):** | | |
| Derivatives designated in hedge accounting relationships | - | - |

### 3.6.4 Fair value measurements:

**(A) Financial assets and liabilities that are not measured at fair values but in respect of which fair values are as follows:**

The carrying amounts of trade receivables, trade payables, capital creditors and cash and cash equivalents are considered to be the same as their fair values, due to their short-term nature. The fair values for loans, security deposits were calculated based on cash flows discounted using a current lending rate. The fair values of non-current borrowings are based on discounted cash flows using a current borrowing rate. For financial assets and liabilities that are measured at fair value, the carrying amounts are equal to the fair values.

### 3.6 Financial Instruments continued...

Rs. Crores

| | March 31, 2025 | | March 31, 2024 | |
|---|---|---|---|---|
| | Carrying amount | Fair value | Carrying amount | Fair value |
| **Financial liabilities** | | | | |
| (i) Financial liabilities held at amortised cost: | | | | |
| - Term Loan | 1,461.75 | 1,461.75 | 1,007.93 | 1,007.93 |

The fair values of the financial liabilities included in the level 2 category above have been determined in accordance with generally accepted pricing models with the most significant inputs being the market interest rates.

3.6 Financial Instruments continued...

(B) Financial assets and financial liabilities that are measured at fair value on a recurring basis as at the end of each reporting period:

None of the Company's financial assets and financial liabilities are measured at fair value at the end of each reporting period.

3.7 **Revenue from contracts with customers:**

3.7.1 **Disaggregated revenue information**

| Particulars | March 31, 2025 Rs. Crores | March 31, 2024 Rs. Crores |
|---|---|---|
| Type of goods and service | | |
| a) Sale of products | | |
| - Commercial vehicles | 977.54 | 471.45 |
| - Spare parts and others | 65.37 | 68.56 |
| | 1,042.91 | 540.01 |
| b) Sale of services | | |
| - Operations and Maintenance | 183.76 | 160.14 |
| | 183.76 | 160.14 |
| c) Other operating revenues | | |
| - Scrap sales | 0.42 | 0.11 |
| - Other | 2.24 | 0.66 |
| - Export Incentives | 2.55 | - |
| - Grant income | - | 0.16 |
| | 5.21 | 0.93 |
| Less: Rebates and discounts | (18.47) | (4.70) |
| **Total revenue from contract with customers** | 1,213.41 | 696.38 |
| India | 915.52 | 425.13 |
| Outside India | 297.89 | 271.25 |
| **Total revenue from contract with customers** | 1,213.41 | 696.38 |

| Timing of revenue recognition | March 31, 2025 | | March 31, 2024 | |
|---|---|---|---|---|
| Particulars | At a point in time | Over a period of time | At a point in time | Over a period of time |
| - Sale of products and other operating revenue | 1,048.12 | - | 540.94 | - |
| - Sale of Services - Annual Maintenance Contracts, warranty services and others | | 192.48 | | 161.01 |
| Less: Liquidated damages | | (8.72) | | (0.87) |
| Less: Rebates and discounts | (18.47) | | (4.70) | |
| **Total revenue from contract with customers** | 1,029.65 | 183.76 | 536.24 | 160.14 |

**3.7.2 Contract balances**

| | March 31, 2025 | March 31, 2024 |
|---|---|---|
| | Rs. Crores | Rs. Crores |
| Trade receivables (Refer Note 1.4 & 1.9) | 266.28 | 202.94 |
| Contract assets (Refer Note 1.14) | 10.81 | 12.12 |
| Contract liabilities (Refer Notes 1.18 & 1.23) | 12.26 | 57.28 |

Trade receivables are non - interest bearing and are generally on terms of 7 to 90 days (Refer Credit risk Note 3.6.2 (B)).

Contract liabilities include advances received from customers and income received in advance arising due to allocation of transaction price towards freight and insurance services on shipments not yet delivered to customer and unexpired service warranties.

**3.7.3 Revenue recognised in relation to contract liabilities**

| | March 31, 2025 | March 31, 2024 |
|---|---|---|
| | Rs. Crores | Rs. Crores |
| Revenue recognised from contract liabilities at the beginning of the year | 57.28 | 71.98 |

**3.7.4 Unsatisfied or partially unsatisfied performance obligation**

The transaction price allocated to the remaining performance obligations (unsatisfied or partially unsatisfied) as at March 31 are as follows:

| | March 31, 2025 | March 31, 2024 |
|---|---|---|
| | Rs. Crores | Rs. Crores |
| Within one year | 0.38 | - |
| More than one year | 0.62 | - |

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

| **Particulars** | March 31, 2025 | March 31, 2024 |
|---|---|---|
| | Rs. Crores | Rs. Crores |
| Contracted price | 1,231.88 | 701.08 |
| **Adjustments** | | |
| Rebates and discounts | (18.47) | (4.70) |
| **Revenue from contract with customers** | 1,213.41 | 696.38 |

### 3.7 Related party disclosure

*a) List of parties where control exists*

**Holding Company**
Amas Holdings SPF (Holding Company of Machen Development Corporation, Panama)
Machen Development Corporation, Panama (Holding Company of Machen Holdings SA)
Machen Holdings SA (Holding Company of Hinduja Automotive Limited - United Kingdom)
Hinduja Automotive Limited - United Kingdom (Holding Company of Ashok Leyland Limited)
Ashok Leyland (Holding Company of Optare plc)

*b) Other related parties*
**Fellow subsidiaries**
Hinduja Tech Limited
Vishwa Buses and Coaches Limited
Global TVS Bus Body Builders Limited
Gulf Oil Lubricants India Limited
HLF Services Limited
OHM Global Mobility Private Limited
Hinduja Leyland Finance Limited
Tirex Transmission Private Limited (India)

**Subsidiaries**
Switch Mobility Limited
Switch Mobility Automotive Limited
Switch Mobility Europe S.L

**Associate of holding company**
Lanka Ashok Leyland PLC - SriLanka
TVS Trucks and Buses Private Limited

**Others**
TVS Vehicle Mobility Solution Private Limited

*c) List of key staff*
**Key Management Personnel**
Mr. Mahesh Babu Subramanian, CEO & Director
Mr Lalit Malik, CFO
Abhijit Mukhopdahay, company secretary

3.8 Related party disclosure continued...

c) Related Party Transactions - summary

Rs. Crores

| | | Controlling Companies | | Fellow Subsidiaries | | Other related parties | | Key Management Personnel | | Total | |
|---|---|---|---|---|---|---|---|---|---|---|---|
| | Transactions during the year ended March 31, 2025 | 2025 | 2024 | 2025 | 2024 | 2025 | 2024 | 2025 | 2024 | 2025 | 2024 |
| 1 | Purchase of raw materials, components and traded goods (net of GST/ CENVAT / VAT) | 23.89 | 13.83 | 80.63 | 27.18 | - | - | - | - | 104.51 | 41.01 |
| 2 | Sales and services (net of excise duties/GST) | 22.04 | 78.76 | 437.82 | 178.71 | 19.25 | - | - | - | 479.10 | 257.47 |
| 3 | Other expenditure incurred / (recovered) (net) | 18.98 | 22.20 | 23.03 | 20.38 | 0.20 | - | - | - | 42.21 | 42.58 |
| 4 | Advance / current accounts - net increase / (decrease) | - | - | - | - | - | - | - | - | - | - |
| 5 | Finance cost | 0.59 | 43.21 | - | - | - | - | - | - | 0.59 | 43.21 |
| 6 | Remuneration to key management personnel | - | - | - | - | - | - | 8.60 | 6.59 | 8.60 | 6.59 |
| 7 | Commission and sitting fees to key management personnel* | 0.07 | - | - | - | - | - | 0.06 | 0.03 | 0.13 | 0.03 |
| 8 | Rent Expenses | 5.65 | - | 20.70 | - | - | - | - | - | 26.35 | - |
| 9 | Loan interest paid to Ultimate Holding Company | - | 6.19 | - | - | - | - | - | - | - | 6.19 |
| 10 | Allotment of shares to Holding Company | - | 1,199.30 | - | - | - | - | - | - | - | 1,199.30 |
| 11 | Fees for Corporate Guarantee | - | 7.03 | - | - | - | - | - | - | - | 7.03 |
| 12 | Sale of property, plant and equipment | - | - | 84.97 | - | - | - | - | - | 84.97 | - |
| 13 | Loans taken from Holding Company | - | 516.28 | - | - | - | - | - | - | - | 516.28 |
| 14 | Loans repaid to Holding Company | - | 706.82 | 95.00 | - | - | - | - | - | 95.00 | 706.82 |
| 15 | Loans taken from Ultimate Holding Company | - | - | - | - | - | - | - | - | - | - |
| | | 71.21 | 2,593.62 | 742.14 | 226.27 | 19.44 | - | 8.66 | 6.62 | 841.46 | 2,826.51 |

3.8 Related party disclosure continued...

d) Related Party balances - summary

Rs. Crores

| | | Controlling Companies | | Fellow Subsidiaries | | Associate of Holding Company | | Total | |
|---|---|---|---|---|---|---|---|---|---|
| | *Balances as on March 31, 2025* | 2025 | 2024 | 2025 | 2024 | 2025 | 2024 | 2025 | 2024 |
| 1 | Trade receivables (Refer Note 1.4 and 1.9) | 11.89 | 8.17 | 21.00 | 96.66 | 1.36 | - | 34.24 | 104.84 |
| 2 | Loans (Refer Note 1.20 & 1.17) | - | 95.00 | - | - | - | - | - | 95.00 |
| 3 | Other financial and non-financial assets (Notes 1.5 & 1.12 ) | - | 1.80 | - | - | - | - | - | 1.80 |
| 4 | Trade and other payables (1.21) | 13.01 | 22.33 | 23.64 | 13.69 | 0.02 | - | 36.67 | 36.03 |
| 5 | Current Financial Liabilities (Note 1.22) | - | 1.74 | - | - | - | - | - | 1.74 |
| 6 | Preference shares | 310.25 | 305.49 | - | - | - | - | 310.25 | 305.49 |
| 7 | Contract assets (Note 1.13) | 3.01 | 0.71 | - | - | - | - | 3.01 | 0.71 |
| 8 | Contract liabilities (Notes 1.18 & 1.23) | 0.07 | 0.61 | 1.60 | 42.93 | - | - | 1.67 | 43.54 |
| 9 | Security deposit (Notes 1.5 & 1.12) | - | - | 12.34 | 9.36 | - | - | 12.34 | 9.36 |
| | **Total** | **338.22** | **435.86** | **58.58** | **162.64** | **1.37** | **-** | **398.18** | **598.50** |

3.8 Related party disclosure continued...

e) Significant Related Party Transactions

Rs. Crores

| Transactions during the year ended March 31, 2025 | 2025 | 2024 |
|---|---|---|
| **Purchase of raw materials, components and traded goods (net of GST)** | | |
| Ashok Leyland Limited | 23.89 | 9.92 |
| Vishwa Buses and Coaches Limited | - | 0.03 |
| Global TVS Bus Body Builders Limited | 71.39 | 26.63 |
| Gulf Oil Lubricants India Limited | - | 0.52 |
| Hinduja Automotive Limited | - | 3.92 |
| | 95.28 | 41.01 |
| **Sales and services (net of GST)** | | |
| Ashok leyland Ltd | 22.04 | 78.76 |
| Hinduja Leyland Finance Limited | - | 87.61 |
| OHM Global Mobility Pvt Ltd | 437.67 | 91.10 |
| | 459.71 | 257.47 |
| **Other expenditure incurred / (recovered) (net)** | | |
| Ashok Leyland Limited | 12.60 | 22.20 |
| Hinduja Leyland Finance Limited | - | - |
| HLF Services Limited | - | 0.25 |
| Hinduja Tech Limited | 14.91 | 14.25 |
| Hinduja leasing finance limited | - | 4.11 |
| OHM Global Mobility Pvt Ltd | - | 1.78 |
| | 27.51 | 42.58 |
| **Interest paid** | | |
| Ashok Leyland Limited | - | 43.21 |
| Hinduja Automotive Limited | - | 6.19 |
| | - | 49.40 |
| **Lease Rental Expenses** | | |
| Ashok Leyland Limited | 5.65 | - |
| Hinduja Leyland Finance Limited | 20.70 | - |
| | 26.35 | - |
| **Sale of property, plant and equipment** | | |
| OHM Global Mobility Pvt Ltd | 84.97 | - |
| **Fees for Corporate Guarantee** | | |
| Ashok Leyland Limited | - | 7.03 |
| **Loans taken from** | | |
| Hinduja Automotive Limited | - | 16.28 |
| Ashok Leyland Limited | - | 500.00 |
| **Loans repaid to** | | |
| Hinduja Automotive Limited | - | 101.82 |
| Ashok Leyland Limited | 95.00 | 605.00 |
| **Equity injection (Ashok Leyland)** | - | 1,199.30 |
| **Remuneration to key management personnel** | 8.60 | 6.62 |

f. **Details of loans (excluding interest accrued) as required under regulation 53(1)(f) of SEBI (Listing Obligations and Disclosure Requirements) Regulations**

Rs. Crores

| Name of the company | March 2025 | | | | March 2024 | | | |
|---|---|---|---|---|---|---|---|---|
| | Status | Outstanding amount | Maximum loan outstanding during the year | Investment in shares of the Company | Status | Outstanding amount | Maximum loan outstanding during the year | Investment in shares of the Company |
| None held | | | | | | | | |

* During the year, loan outstanding, has been converted to investment in equity shares

g. **Disclosure as required under section 186(4) of the Companies Act, 2013:**

Rs. Crores

| Particulars | As at March 31, 2025 | As at March 31, 2024 | Maximum amount outstanding during the year | Purpose |
|---|---|---|---|---|
| i) Loans outstanding<br>- Optare plc | - | - | | |

The terms are in compliance with Section 186(7) of the Companies Act, 2013.

Optare PLC

Notes annexed to and forming part of the consolidated financial statements

3.9a Contingent liabilities

| | As at March 31, 2025 | As at March 31, 2024 |
|---|---|---|
| | Rs. Crores | Rs. Crores |
| Claims against the company not acknowledged as debt - Customs duty | 1.68 | - |

Optare PLC

## Notes annexed to and forming part of the consolidated financial statements

### 3.9b Commitments

| | As at March 31, 2025 | As at March 31, 2024 |
|---|---|---|
| | Rs. Crores | Rs. Crores |
| a) Capital commitments (net of advances) not provided for - Tangible | 38.78 | 12.60 |

3.10.1 Information relating to subsidiaries

Details of the Group's subsidiaries are as follows:

| Name of subsidiary | Principal activity | Place of incorporation and operation | Proportion of ownership interest As at March 31, 2025 | Proportion of ownership interest As at March 31, 2024 |
|---|---|---|---|---|
| Optare UK Limited | Supplying kits of passenger vehicles | UK | 100.00% | 100.00% |
| Switch Mobility Limited | Manufacturer of passenger vehicles | UK | 98.56% | 98.56% |
| Switch Mobility Automotive Limited | Manufacturer of passenger vehicles | IND | 98.56% | 98.56% |
| Switch Mobility Europe S.L | Manufacturer of passenger vehicles | SPN | 98.56% | 98.56% |

3.10.2 Information relating to subsidiaries

Details of non wholly-owned subsidiaries that have material non-controlling interests:

The table below shows details of non wholly-owned subsidiaries of the Group that have material non-controlling interests:

| Name of subsidiary | Place of incorporation and principal place of business | Proportion of ownership interests and voting rights held by non-controlling interests | | Total comprehensive income allocated to non-controlling interests | | Accumulated non-controlling interests | |
|---|---|---|---|---|---|---|---|
| | | March 31, 2025 | March 31, 2024 | March 31, 2025 | March 31, 2024 | March 31, 2025 | March 31, 2024 |
| | | Rs. Crores | Rs. Crores | Rs. Crores | Rs. Crores | Rs. Crores | Rs. Crores |
| Switch Mobility Limited | Leeds, UK | 1.44% | 1.44% | - 17.16 | (7.75) | (10.69) | 6.47 |
| | | 1.44% | 0.01 | (17.16) | (7.75) | (10.69) | 6.47 |

3.11 Details of all borrowings:

a) Terms of repayment (non-current secured borrowings)

| S. No | Particulars | As at March 31, 2025 | As at March 31, 2024 | Terms of Repayment | Secured by |
|---|---|---|---|---|---|
| 1 | ICICI - RTL - 2 | - | 69.67 | 24 quarterly payments starting from Dec 2023. Repaid in Oct 2024 | 1. First parti passu charge on all assets of the specific project related assets 2. Exclusive charge on Electric Vehicles (EV) of the specific project 3. Exclusive charge on the receivables of the specific project |
| 2 | Bank of Baroda | 151.04 | 158.73 | 92 monthly payments starting from Sep 2023 | 1. First parti passu charge on all assets of the specific project related assets 2. Exclusive charge on Electric Vehicles (EV) of the specific project 3. Exclusive charge on the receivables of the specific project |
| 3 | MUFG Loan | 876.52 | - | Payable after 5 years - Maturity date 16th Aug 2029 | Corporate Guarantee provided by holding company. |
| 3 | Axis Bank | 60.00 | - | 20 monthly payments starting from June 2026 | 1.Exclusive First charge on the tangible moveable fixed assets to be created out of the term loan (approx. value of ₹100 Crs). 2.Paripassu first charge on the unencumbered moveable fixed assets of the company at Ennore Plant of ₹ 30.00 Crs. 3.Routing of unencumbered cash flows from the Chalo Indore project through Axis bank |
| | Sub Total | 1,087.56 | 228.40 | | |
| 3 | Less: Current Maturities of Long Term Borrowings | (8.39) | (20.36) | | |
| | Non current Borrowings | 1,079.17 | 208.04 | | |

b) Terms of repayment (current secured borrowings)

| S. No | Particulars | As at March 31, 2025 | As at March 31, 2024 | Terms of Repayment | Secured by |
|---|---|---|---|---|---|
| 1 | Yes Bank - Working Capital Demand Loan | 134.20 | 150.00 | Within 12 months from the date of disbursement | First pari passu charge on entire current assets of the company, excluding such current assets which are financed using project-specific limits. |
| 2 | HDFC Bank - Working Capital Demand Loan | 240.00 | - | Within 12 months from the date of disbursement | First pari passu charge on entire current assets of the company, excluding such current assets which are financed using project-specific limits. |
| 3 | HDFC Bank UK | - | 262.97 | 3 years (2 yrs moratorium, repayable in two equal half yearly instalments May24 and Nov24) 30.11.24 | 1. First parti passu charge on all assets of the specific project related assets 2. Exclusive charge on Electric Vehicles (EV) of the specific project 3. Exclusive charge on the receivables of the specific project. |
| 4 | Barclays | - | 335.05 | 12 months roll over, 09th August 2024 | The working capital demand loan / cash credit facility shall be utilised for meeting the working capital requirements and other general corporate purpose with first pari passu charge by way of hypothecation of the Company 's current assets |
| 5 | ICICI Working Capital Utilisation | - | 31.51 | 12 Months roll over, 03rd Jun 2024 | The working capital demand loan / cash credit facility shall be utilised for meeting the working capital requirements and other general corporate purpose with first pari passu charge by way of hypothecation of the Company 's current assets |
| 6 | Bank of Baroda | - | 7.69 | 92 monthly payments starting from Sep 2023 | 1. First parti passu charge on all assets of the specific project related assets 2. Exclusive charge on Electric Vehicles (EV) of the specific project 3. Exclusive charge on the receivables of the specific project. |
| 7 | ICICI Term Loan | - | 12.67 | 24 quarterly payments starting from Dec 2023 | 1. First parti passu charge on all assets of the specific project related assets 2. Exclusive charge on Electric Vehicles (EV) of the specific project 3. Exclusive charge on the receivables of the specific project. |
| | Sub Total | 374.21 | 799.89 | | |
| | | 8.39 | | | |
| | Current borrowings | 382.60 | 799.89 | | |

b) Terms of repayment (current un-secured borrowings)

| S. No | Particulars | As at March 31, 2025 | As at March 31, 2024 | Terms of Repayment |
|---|---|---|---|---|
| 1 | Ashok Leyland Limited | - | 95.00 | Repaid in April 2024 |
| 2 | Siemens Loan | 1.55 | 1.84 | Payable in equal monthly installments until 28 July 2025 |
| | Unsecured current borrowings | 1.55 | 96.84 | |

The above loans carry varying rates of interest with the maximum rate of interest going up to 8.58% (as at March 31, 2024: 10.5%) per annum. The weighted average rate of interest of these loans is around 7.66% (2024: 8.16%) per annum. Interest-bearing bank loans and overdrafts are recorded initially at their fair value, net of direct transaction costs. Such instruments are subsequently carried at their amortised cost and finance charges, including premiums payable on settlement or redemptions, are recognised in the income statement over the term of the instrument using an effective interest rate

### 3.12 Interest free sales tax loans

There are no interest free sales tax loans held as at year ended Mar 31 2025 and Mar 31 2024.

| | | Year ended March 31, 2025 | Year ended March 31, 2024 |
|---|---|---|---|
| 3.13 | **Other Information (including foreign currency transactions)** | | |
| 3.13.1 | Auditors' remuneration<br>Included under selling and administration expenses - net<br>[Refer Note 2.7] | | |
| | i) For financial audit | 2.65 | 2.43 |
| | ii) For other services - limited review, certification work, etc. | 0.10 | 0.92 |
| | iii) For reimbursement of expenses | 0.00 | 0.00 |
| 3.13.2 | Total research and development costs charged to the Statement of Profit and Loss<br>[Including amount shown under Note 2.7] | 21.46 | 25.73 |

3.14a **The information required to be disclosed under the Micro, Small and Medium Enterprises Development Act, 2006 has been determined on the basis of information available with the Company. The amount of principal and interest outstanding is given below:**

Rs. Crores

| Particulars | March 2025 | March 2024 |
|---|---|---|
| i) Principal amount paid after appointed date during the year | 23.57 | - |
| ii) Amount of interest due and payable for the delayed payment of Principal amount | 0.06 | 0.02 |
| iii) Principal amount remaining unpaid as at year end (over due) | 0.17 | - |
| iv) Principal amount remaining unpaid as at year end (not due) | 9.39 | 0.52 |
| v) Interest due and payable on principal amount unpaid as at the year end | 0.01 | - |
| vi) Total amount of interest accrued and unpaid as at year end | 0.08 | 0.02 |
| vii) Further interest remaining due and payable for earlier years | 0.03 | 0.02 |

There was no relationship with Struck off Companies under section 248 of the Companies Act, 2013 or section 560 of Companies Act, 1956.

(i) 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 Beneficiaries

(ii)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.

There are no benami properties held by the Company under Benami Transactions (Prohibition) Act, 1988 and rules made therunder

The company has complied with the number of layers prescribed under clause (87) of section 2 of the Act read with the Companies (Restriction on number of Layers) Rules, 2017.

There is no income surrendered or disclosed as income during the current or previous year in the tax assessments under the Income Tax Act, 1961, that has not been recorded in the books of account.

The Company has not traded or invested in Crypto currency or Virtual Currency during the financial year.

The Company has not been declared as wilful defaulter by any bank or any Government or any Government authority

The Company has not entered into any scheme of arrangement which has an accounting impact on current or previous financial year

The Company has not revalued its Property, Plant and Equipment (including Right of Use Asset) or Intangible Assets or both during current year and previous year.

**3.15 CSR Expenditure:**

There was no CSR Expenditure to disclose in year ended March 31 2025 and March 31 2024.

### 3.16 Goodwill

There is no Goodwill held as at 31 Mar 2025 and 31 Mar 2024

### 3.17 Financial Ratios

| Ratios | FY 2024-2025 | FY 2023-2024 | % of Change |
|---|---|---|---|
| Debt equity ratio | 36.05 | 13.71 | 163% |
| Debt service coverage ratio | 0.95 | 0.36 | 160% |
| Current ratio | 1.30 | 0.65 | 100% |
| Trade receivable turnover ratio | 4.90 | 2.76 | 77% |
| Inventory turnover ratio | 2.72 | 1.55 | 76% |
| Trade payable turnover ratio | (0.42) | (0.66) | -36% |
| Net capital turnover ratio | 3.74 | (1.34) | -380% |
| Return on capital employed (%) | -36% | -54% | -34% |
| Return on equity (%) | -739% | 175% | -521% |
| Net profit margin % | (0.42) | (0.66) | -36% |

Variances are purely attributable to commercial operations in the CY and no specific variances are explained for each ratio separately. Net sales has increased and profitability has improved significantly in the CY when compared to PY exlcuding exceptional items. This is due to large growth of business and expansion in scale of operations of the Company since its inception in Nov 2021. Furthermore, there was significant equity injections during the year.

The Company earns a return on investment ranging from 4% to 5% p.a on fixed deposit. No mutual funds are held.

| Ratios | Numerator | Denominator |
|---|---|---|
| Debt equity ratio (in times) | Gross total borrowings (before deducting un-amortised loan raising expense) | Equity share capital + Other equity |
| Debt service coverage ratio (in times) | Profit / (loss) before exceptional items and tax + Finance costs + Depreciation and amortisation expense – Tax expense | Interest paid + Lease payments + Principal repayments for long term borrowings |
| Current ratio (in times) | Current assets | Current liabilities |
| Trade receivable turnover ratio (in times) | Revenue from operations | Average trade receivable |
| Inventory turnover ratio (in times) | (Cost of materials and services consumed + Purchases of stock-in-trade + Changes in inventories of finished goods, stock-in-trade and work-in-progress) | Average inventory |
| Trade payable turnover ratio (in times) | Purchases + other expenses - service and product warranties | Average trade payable |
| Net capital turnover ratio (in times) | Revenue from operations | Working capital |
| Return on capital employed (%) | Profit / (Loss) before exceptional items and tax, Finance costs and Other income | (Equity share capital + Other equity)-Goodwill - Other intangible assets-Intangible asset under development +Deferred tax Liabilities(net)+Gross Borrowings |
| Return on equity (%) | Profit / (Loss) after tax | Average total equity |
| Net profit margin (%) | Profit / (Loss) after tax | Revenue from operations |

3.18 The Company does not have any transactions with struck off companies under Companies Act, 2013 during the year.

3.19 The Company has not advanced or loaned or invested funds to any other person or entities, 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 beneficiaries

The Company has not received any fund from any person or entity, 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.

3.20 No proceedings have been initiated on or are pending against the Company for holding benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and Rules made thereunder.

3.21 The Company has complied with the number of layers prescribed under the Companies Act.

3.22 There is no income surrendered or disclosed as income during the current or previous year in the tax assessments under the Income Tax Act, 1961, that has not been recorded in the books of account.

3.23 The Company has not traded or invested in crypto currency or virtual currency during the current or previous year.

3.24 The Code on Social Security, 2020 ('Code') relating to employee benefits during employment and post-employment benefits received Presidential assent in September 2020. The Code has been published in the Gazette of India. However, the date on which the certain provisions of the Code will come into effect and the rules thereunder has not been notified. The Company will assess the impact of the Code when it comes into effect and will record any related impact in the period the Code becomes effective.

3.25 The Company has not entered into any scheme of arrangement which has an accounting impact on current or previous financial year.

3.26 The figures for the previous year have been reclassified / regrouped wherever necessary including for amendments relating to Schedule III of the Companies Act, 2013 for better understanding and comparability.

## 1. General information

Company background:

Optare PLC ("Parent Company") is a public limited company incorporated and domiciled in United Kingdom and governed by the Companies Act, 2006. Its registered and principal office is situated at Unit 3 Hurricane Way South, Sherburn In Elmet, Leeds, North Yorkshire, LS25 6PT. The Company is primarily in the business of manufacturing, assembling, producing and dealing in automobiles of electric nature including service of commercial vehicle and sale of spare parts.

## 2. Material accounting policies

### 2.1 Basis of preparation and presentation

### a) Statement of compliance with Ind AS

The consolidated financial statements have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under Section 133 of the Companies Act, 2013 (the Act) read with [Companies (Indian Accounting Standards) Rules, 2015] and Companies (Indian Accounting Standards) Amendments Rules, 2016.

### b) Basis of measurement

The financial statements have been prepared on the historical cost convention on accrual basis, except for certain financial assets and liabilities measured at fair value (Refer accounting policy on financial instrument)

In addition, for financial reporting purposes, fair value measurements are categorised into Level 1, 2, or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

• Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;

• Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and

• Level 3 inputs are unobservable inputs for the asset or liability

All assets and liabilities have been classified as current or non-current as per the Company's operating cycle and other criteria set out in the Schedule III to the Companies Act, 2013.

### c) Use of estimates

In preparing the financial statements in conformity with Ind AS Management requires to make assumptions that affect the reported amount of assets and liabilities as at the Balance Sheet date, reported amount of revenue and expenses for the year and disclosures of contingent liabilities as at the Balance Sheet date. The estimates and assumptions used in the accompanying financial statements are based upon the Management's evaluation of the relevant facts and circumstances as at the date of financial statements. Actual results could differ from these estimates. Estimates and underlying assumptions are reviewed on a periodic basis. Revisions to accounting estimates, if any, are recognized in the year in which the estimates are revised and in any future years affected.

### d) Functional and presentation currency

The consolidated financial statements are presented in Indian Rupees (INR), and the functional currency of parent company is Great British Pound (GBP). All values are rounded to the nearest crore, unless otherwise indicated.

## 2.2 Revenue recognition

Ind AS 115 establishes a five-step model to account for revenue arising from contracts with customers and requires that revenue be recognised at an amount that reflects the consideration to which an entity expects to be entitled in exchange for transferring goods or services to a customer.

Ind AS 115 requires entities to exercise judgement, taking into consideration all of the relevant facts and circumstances when applying each step of the model to contracts with their customers. The standard also specifies the accounting for the incremental costs of obtaining a contract and the costs directly related to fulfilling a contract

### a) Revenue from contract with customer

Revenue from contracts with customers is recognised when control of the goods or services are transferred to the customer at an amount that reflects the consideration to which the Company expects to be entitled in exchange for those goods or services. The Company has generally concluded that it is the principal in its revenue arrangements because it typically controls the goods or services before transferring them to the customer.

### b) Rendering of service

Revenue from rendering of services is recognised over time by measuring the progress towards complete satisfaction of performance obligations at the reporting period

Revenue is recognised when the amount of revenue can be reliably measured, it is probable that future economic benefits will flow to the entity and specific criteria have been met as described below.

Revenue is measure at the fair value of the consideration received or receivable. Amounts disclosed as revenue are net of indirect taxes, trade allowance, rebates and amounts collected on behalf of third parties and is not recognised in instances where there is uncertainty with regard to ultimate collection. In such cases revenue is recognised on reasonable certainty of collection.

### c) Contract balances

- **Contract assets**

A contract asset is the right to consideration in exchange for goods or services transferred to the customer. If the Company performs by transferring goods or services to a customer before the customer pays consideration or before payment is due, a contract asset is recognised for the earned consideration that is conditional.

- **Trade receivables**

Trade receivables is part of contract balances as per Ind AS 115.

- **Contract liabilities**

A contract liability is the obligation to transfer goods or services to a customer for which the Company has received consideration (or an amount of consideration is due) from the customer. If a customer pays consideration before the Company transfers goods or services to the customer, a contract liability is recognised when the payment is made or the payment is due (whichever is earlier). Contract liabilities are recognised as revenue when the services are provided as set out in the contract

## 2.3 Taxes

### a) Current tax

Current tax assets and liabilities are measure at the amount expected to be recovered or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the yearend date. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intended either to settle on a net basis, or to realize the asset and settle the liability simultaneously.

### b) Deferred tax

Deferred tax is provided in full, using the balance sheet approach, on temporary differences between the tax bases of assets and liabilities and their carrying amount in the financial statements. 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 (Tax loss). Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the end of the year 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 for all deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilize those temporary differences and losses.

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

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority.

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

## 2.4 Provisions and contingent liabilities

### a) Provisions

Provisions are recognised when there is a present obligation as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and there is a reliable estimate of the amount of the obligation. Provisions are measured at the best estimate of the expenditure required to settle the present obligation at the Balance Sheet date.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

- **Warranties**

Provisions for expected cost of warranty obligations under legislation governing sale of goods are recognised on the date of sale of the relevant products using historical information on the type of product, nature, frequency and average cost of warranty claims and estimated regarding possible future incidences of product failures. Changes in estimated frequency and amount of future warranty claims, which are inherently uncertain, can affect warranty expense.

### b) Contingent liabilities

Contingent liabilities are disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle or a reliable estimate of the amount cannot be made.

### 2.5 Cash and cash equivalents

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

For the purpose of the cash flow statement, cash and cash equivalents include cash on hand, cash in banks.

### 2.6 Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

### a) Financial assets

- **Initial recognition**

At initial recognition, financial asset is measure at its fair value plus, in case of a financial asset not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at fair value through profit or loss are expenses in profit or loss.

- **Subsequent measurement**

For the purposes of subsequent measurement, financial assets are classified in following categories.
a) At amortized cost; or
b) At fair value through other comprehensive income; or
c) At fair value through profit or loss
The classification depends on the entity's business model for managing the financial assets and the contractual terms of the cash flows.

<u>Amortized cost:</u> Assets that are held for collection of contractual cash flows where those can flows represent solely payments of principal and interest are measure at amortised cost. Interest income from these financial assets in included in finance income using the effective interest rate method (EIR)

<u>Fair value through other comprehensive income (FVTOCI):</u> A Financial Asset is measured at FVTOCI if it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling Financial Assets and the contractual terms of the Financial Asset give rise on specified dates to cash flows that represents solely payments of principal and interest on the principal amount outstanding

<u>Fair value through profit or loss (FVTPL):</u> Assets that do not meet the criteria for amortized cost or FVOCI are measured at fair value through profit or loss. Interest income from these financial assets is included in other income

### b) Financial liabilities

**• Initial recognition and measurement**

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss and at amortized cost, as appropriate

All financial liabilities are recognized initially at fair value and, in the case of borrowings and payables, net of directly attributable transaction cost.

**• Subsequent measurement**

The measurement of financial liabilities depends on their classification, as described below:

Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss included financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss. Separated embedded derivatives are also classified as held for trading unless they are designated as effective hedging instruments. Gains or losses on liabilities held for trading are recognized in the Statement of Profit and Loss.

**• Impairment**

Financial Asset

A financial asset is regarded as credit impaired or subject to significant increase in credit risk, when one or more events that may have a detrimental effect on estimated future cash flows of the asset have occurred. The Company applies the expected credit loss model for recognizing impairment loss on financial assets (i.e. the shortfall between the contractual cash flows that are due and all the cash flows (discounted) that the Company expects to receive).

**• Derecognition**

Financial Assets

The Company derecognises a Financial Asset when the contractual rights to the cash flows from the Financial Asset expire or it transfers the rights to receive the contractual cashflows in a transaction in which substantially all the risk and rewards of ownership of the Financial Asset are transferred or in which the company neither transfers nor retains substantially all of the risks and rewards of ownership nd does not retain control of the financial asset.

Financial Liabilities

A Financial liability (or a part of a financial liability) is derecognised from the Company's Balance Sheet when the obligation specified in the contract is discharged or cancelled or expires.

**• Offsetting**

Financial Assets and Financial Liabilities are offset, and the net amount is presented in the balance sheet when, and only when, the Company has a legally enforceable right to set off the amount and it intends, either to settle them on a net basis or to realise the asset and settle the liability simultaneously

### 2.7 Earnings per share

Basic earnings per share is calculated by dividing the net profit or loss for the year attributable to equity shareholders by the weighted average number of equity shares outstanding during the year. Earnings considered in ascertaining the Company's earnings per share is the net profit or loss for the year after deducting preference dividends and any attributable tax thereto for the year. The weighted average number of equity shares outstanding during the year and for all the years presented is adjusted for events, such as bonus shares, other than the conversion of potential equity shares, that have changed the number of equity shares outstanding, without a corresponding change in resources.

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

### 2.8 Operating cycle

Based on the nature of services and the time between the rendering of service and their realization in cash and cash equivalents, the Company has ascertained its operating cycle as twelve months for the purpose of current and noncurrent classification of assets and liabilities.

### 2.9 Property, plant and equipment

#### a) Cost

Property, plant and equipment held for use in the production or supply of goods or services, or for administrative purposes, are stated in the balance sheet at cost (net of duty/ tax credit availed) less accumulated depreciation and accumulated impairment losses.

Properties in the course of construction for production, supply or administrative purposes are carried at cost, less any recognised impairment loss. Cost includes professional fees, and other direct costs and, for qualifying assets, borrowing costs capitalised in accordance with the Company's accounting policy. Such properties are classified to the appropriate categories of property, plant and equipment when completed and ready for intended use. Depreciation of these assets, on the same basis as other property assets, commences when the assets are ready for their intended use.

All the below mentioned classes of Property, Plant and Equipment where the cost exceeds Rs.5,000 and the estimated useful life is two years or more, is capitalised and stated at cost (net of duty/ tax credit availed) less accumulated depreciation and accumulated impairment losses.
Subsequent expenditure is capitalised only if it is probable that the future economic benefits associated with the expenditure will flow to the Company and the cost of the item can be measured reliably.

#### b) Depreciation/ amortisation

Depreciation is recognised so as to write off the cost of assets (other than freehold land and properties under construction) less their residual values over their useful lives, using the straight-line method. The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

Estimated useful lives of the assets, based on technical assessment, which are different in certain cases from those prescribed in Schedule II to the Act, are as follows:

| *Classes of Property, plant and equipment* | *Useful life (years)* | *Useful life (years) As per Schedule II* |
|---|---|---|
| Buildings | 10 | 30 |
| Leasehold improvements | 3 - 8 | NA |
| Quality equipment, canteen assets, major Jigs and fixtures and hand tools | 5 – 21 | 15 |
| Other plant and machinery | 5 – 21 | 15 |
| Furniture and fittings | 8 | 10 |
| Vehicles:<br>- Electric Vehicles<br>- Battery | 10-12<br>7 | 8 |
| Office equipment | 5-8 | 5 |
| Office equipment – data processing system (including servers) | 5 | 6 |

The useful life of Electric Vehicles is considered after management's evaluation. When significant parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of Property, Plant and Equipment and accordingly the depreciation is computed based on estimated useful lives of the assets.

### c) De-recognition:

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 in profit or loss.

## 2.10 Intangible assets

### a) Intangible assets acquired separately

Intangible assets with finite useful lives that are acquired separately, where the cost exceeds Rs.10,000 and the estimated useful life is two years or more, is capitalised and carried at cost less accumulated amortisation and accumulated impairment losses. Amortisation is recognised on a straight-line basis over their estimated useful lives. The estimated useful life and amortisation method are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis.

Internally-generated intangible assets - research and development expenditure:

Expenditure on research activities is recognised as an expense in the period in which it is incurred.

An internally generated intangible asset arising from development (or from development phase of internal project) is recognised, if and only if, all of the following have been demonstrated:

- technical feasibility of completing the intangible asset;
- intention to complete the intangible asset and intention/ ability to use or sell it;
- how the intangible asset will generate probable future economic benefit;
- availability of adequate technical, financial and other resources to complete the development and to use or sell the intangible assets; and
- the ability to measure reliably the attributable expenditure during the development stage.

The amount initially recognised for internally-generated intangible assets is the sum of the expenditure incurred from the date when the intangible asset first meets the recognition criteria listed above. Where no internally-generated intangible asset can be recognised, development expenditure is recognised in profit or loss in the period in which it is incurred.

Subsequent to initial recognition, internally-generated intangible assets are reported at cost less accumulated amortisation and accumulated impairment losses, on the same basis as intangible assets that are acquired separately.

**b) De-recognition of intangible assets**

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

Useful lives of intangible assets:

Estimated useful lives of the intangible assets, based on technical assessment, are as follows:

| *Classes of Intangible Assets* | *Useful life (years)* |
|---|---|
| Computer Software: | |
| Acquired | 5 |
| Developed | 5 |
| Technical Knowhow: | |
| Acquired | 10 |
| Developed | 10 |

**2.11 Leases**

The Indian Accounting Standard on leases (Ind AS 116) requires entity to determine whether a contract is or contains a lease at the inception of the contract.

Ind AS 116 requires lessee to recognise a liability to make lease payments and an asset representing the right–of-use asset during the lease term for all leases except for short term leases and leases of low-value assets, if they choose to apply such exemptions.

Payments associated with short-term leases and low value assets are recognized as expenses in profit or loss. Short-term leases are leases with a lease term of 12 months or less. Low value assets comprise of office equipment’s and small items of plant and equipment and office furniture.

At the commencement date, Company recognizes a right-of-use asset measured at cost and a lease liability measured at the present value of the lease payments that are not paid at that date. The lease payments shall be discounted using the interest rate implicit in the lease, if that rate can be readily determined. If that rate cannot be readily determined, the lessee shall use the lessee’s incremental borrowing rate

The cost of the right-of-use asset comprised of the amount of the initial measurement of the lease liability, any lease payments made at or before the commencement date, less any lease incentives received

At the commencement date, the lease payments included in the measurement of the lease liability comprise (a) fixed payments less any lease incentives receivable; (b) variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date (c) amounts expected to be payable by the lessee under residual value guarantees;(d) the exercise price of a purchase option if the lessee is reasonably certain to exercise that option and (e) payments of penalties for terminating the lease, if the lease term reflects the lessee exercising an option to terminate the lease.

Depreciation on right-of-use asset is recognised in statement of profit and Loss on a straight line basis over the period of lease and the Company separately recognises interest on lease liability as a component of finance cost in statement of profit and Loss.

### 2.12 Inventories

Inventories are stated at lower of cost and net realisable value.

Cost of raw materials and components, stores, spares, consumable tools and stock in trade comprises cost of purchases and includes taxes and duties and is net of eligible credits under CENVAT/ VAT/GST schemes. Cost of work-in-progress, work-made components and finished goods comprises direct materials, direct labour and an appropriate proportion of variable and fixed overheads, which is allocated on a systematic basis. Cost of inventories also includes all other related costs incurred in bringing the inventories to their present location and condition.

Net realisable value represents the estimated selling price for inventories less all estimated costs of completion and costs necessary to make the sale.

Cost of inventories are determined as follows:

- Raw materials and components, stores, spares, consumable tools, stock in trade: on moving weighted average basis; and
- Work-in-progress, works-made components and finished goods: on moving weighted average basis plus appropriate share of overheads.

Cost of surplus/ obsolete/ slow moving inventories are adequately provided for.

### 2.13 Employee benefits

Post employment benefits and termination benefits:

Payments to defined contribution plans i.e., Company's contribution to superannuation fund, employee state insurance and other funds are determined under the relevant schemes and/ or statute and charged to the Statement of Profit and Loss in the period of incurrence when the services are rendered by the employees.

For defined benefit plans i.e. Company's liability towards gratuity (funded), Company's contribution to provident fund, other retirement/ termination benefits and compensated absences, the cost of providing benefits is determined using the projected unit credit method with actuarial valuations being carried out at the end of each annual reporting period. In respect of provident fund, contributions made to trusts administered by the Company, the interest rate payable to the members of the trust shall not be lower than the statutory rate of interest declared by the Central Government under the Employees Provident Fund and Miscellaneous Provisions Act, 1952 and shortfall, if any, shall be contributed by the Company and charged to the Statement of Profit and Loss.

Defined benefit costs are comprised of:

- service cost (including current service cost, past service cost, as well as gains and losses on curtailments and settlements);
- net interest expense or income; and
- re-measurement.

The Company presents the first two components of defined benefit costs in profit or loss in the line item ‘Employee benefits expense’. Curtailment gains and losses are accounted for as past service costs.

Re-measurement of net defined benefit liability/ asset pertaining to gratuity and remeasurement of net defined liability pertaining to provident fund comprise of actuarial gains/ losses (i.e. changes in the present value resulting from experience adjustments and effects of changes in actuarial assumptions) and is reflected immediately in the balance sheet with a charge or credit recognised in other comprehensive income in the period in which they occur. Re-measurement recognised in other comprehensive income is reflected immediately in retained earnings and is not reclassified to profit or loss.

Liability for termination benefits like expenditure on voluntary retirement scheme is recognised at the earlier of when the Company can no longer withdraw the offer of termination benefit or when the Company recognises any related restructuring costs.

Short-term and other long-term employee benefits:

A liability is recognised for benefits accruing to employees in respect of salaries, wages, performance incentives, medical benefits and other short term benefits in the period the related service is rendered, at the undiscounted amount of the benefits expected to be paid in exchange for that service.

Liabilities recognised in respect of other long-term employee benefits are measured at the present value of the estimated future cash outflows expected to be made by the Company in respect of services provided by employees up to the reporting date.

### 2.14 Foreign currency transactions

The Company’s foreign operations (including foreign branches) are an integral part of the Company’s activities. In preparing the financial statements, transactions in currencies other than the entity’s functional currency (foreign currencies) are recognised at the rates of exchange prevailing at the dates of the transactions. At the end of each reporting period, monetary items denominated in foreign currencies are restated at the rates prevailing at that date. Non-monetary items that are measured in terms of historical cost in a foreign currency are not restated.

### 2.15 Borrowing costs

Borrowing costs (general and specific borrowings) that are attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

All other borrowing costs are recognised in profit or loss in the period in which they are incurred.

### 2.16 Segment reporting

The Company is principally engaged in a single business segment viz. commercial vehicles and related components based on nature of products, risks, returns and the internal business reporting system. The Board of directors of the Company, which has been identified as being the chief operating decision maker (CODM), evaluates the Company’s performance, allocate resources based on the analysis of the various performance indicators of the Company as a single unit. Accordingly, there is no other reportable segment in terms of Ind AS 108 'Operating Segments'. The Company has opted for exemption under Ind AS 108 'Operating Segments', as the segment reporting is reported in its financial statements.

### 2.17 Impairment losses

At the end of each reporting period, the Company determines whether there is any indication that its assets (property, plant and equipment, intangible assets and investments in equity instruments in subsidiaries, joint ventures and associates carried at cost) have suffered an impairment loss with reference to their carrying amounts. If any indication of impairment exists, the recoverable amount (i.e. higher of the fair value less costs of disposal and value in use) of such assets is estimated and impairment is recognised, if the carrying amount exceeds the recoverable amount. 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.

Intangible assets under development and goodwill are tested for impairment annually at each balance sheet date. When it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

When an impairment loss subsequently reverses (other than impairment of goodwill), the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, so that the increased carrying amount does not exceed the carrying amount carried had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss.

### 2.18 Government grants:

Government grants are recognised when there is a reasonable assurance that the conditions attached to them will be complied and grant will be received.

Government grants relating to income are recognized in profit or loss on a systematic basis over the periods in which the Company recognizes as expenses, the related costs for which the grants are intended to compensate. Grant relating to assets are netted off against the acquisition cost of the asset.

### 2.19 Critical accounting judgments and key sources of estimation uncertainty:

The preparation of consolidated financial statements in conformity with Ind AS requires the Management to make judgments, estimates and assumptions about the carrying amounts of assets and liabilities recognised in the consolidated financial statements that are not readily apparent from other sources. The judgements, estimates and associated assumptions are based on historical experience and other factors including estimation of effects of uncertain future events that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates (accounted on a prospective basis) are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

The following are the critical judgements and estimations that have been made by the Management in the process of applying the accounting policies and that have the most significant effect on the amounts recognised in the consolidated financial statements and/or key sources of estimation uncertainty at the end of the reporting period that may have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

Inventories

An inventory provision is recognised for cases where the realisable value is estimated to be lower than the inventory carrying value. The inventory provision is estimated taking into account various factors, including prevailing sales prices of inventory item, changes in the related laws / emission norms and losses associated with obsolete / slow-moving / redundant inventory items. The Company has, based on these assessments, made adequate provision in the books.

Taxation

Tax expense is calculated using applicable tax rate and laws that have been enacted or substantially enacted. In arriving at taxable profit and all tax bases of assets and liabilities, the Company determines the taxability based on tax enactments, relevant judicial pronouncements and tax expert opinions, and makes appropriate provisions which includes an estimation of the likely outcome of any open tax assessments / litigations. Any difference is recognised on closure of assessment or in the period in which the they are agreed.

Deferred income tax assets are recognized to the extent that it is probable that future taxable income will be available against which the deductible temporary differences, unused tax losses, unabsorbed depreciation and unused tax credits could be utilised.

### 2.20 Recent accounting pronouncements

Ministry of Corporate Affairs (“MCA”) notifies new standards or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. For the year ended March 31, 2025, MCA has notified Ind AS 117 - Insurance Contracts and amendments to Ind As 116 – Leases, relating to sale and lease back transactions, applicable from April 1, 2024. The Company has assessed that there is no significant impact on its financial statements.