

Pioneers of **Electric**



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Pioneers of Electric

Since our inception in 2013 at the labs of IIT Madras, we have been driven by a singular vision to build an electric world. Building a comprehensive electric ecosystem, however, means rethinking and rebuilding every element of the value chain from ground up.

We set out not only to create electric scooters but to reimagine what a two-wheeler could be. Innovation became our way of life, and this mindset led us to roll out several industry-firsts. Our proprietary AtherStack software is a strong testament to this, bringing over-the-air updates, ride statistics and cloud integration to two-wheelers for a seamless, futuristic riding experience. We have also thought beyond the vehicle, identifying very early in our journey the need to remove barriers to the adoption of electric vehicles. We have built a robust E2W ecosystem. With Ather Grid, our expansive fast-charging network spanning 360+ cities, we address concerns regarding charging anxiety and ensure that our customers can conveniently charge their vehicles wherever journey takes them.

Yet, we understood that transforming mobility requires scale and hence, we have not simply innovated but built an efficient and agile operations ecosystem comprising our manufacturing, supply chain and distribution. In light of the fast-evolving and competitive nature of the E2W market, we are now committed to making Ather the preferred choice for contemporary Indians. Having established a strong market presence across India, Sri Lanka and Nepal, we are now focused on leveraging this growth momentum to deliver superior mobility solutions that will continue to redefine the future of mobility in India and the world.



Message from our Founders

Dear Shareholders,

FY25 marked a pivotal year for the electric two-wheeler (E2W) market in India. Despite significant policy changes and subsidy corrections, the market showed both resilience and clarity. Electric mobility is no longer perceived as experimental across segments and geographies; it is steadily becoming the default choice. This is not a short-term trend but a structural shift. As one of the early movers in this space, Ather has had a front-row view and role in this transformation, as India advances towards becoming one of the largest and most dynamic E2W market in the world.

India has been one of the largest domestic markets for two-wheelers (2Ws) globally, occupying a distinctive position to leverage its substantial market scale and manufacturing competitiveness. We saw a massive opportunity in the electrification of this market, and in the process, creating an industry where India is a leader, not just an importer of technology.

From the very beginning, Ather was driven by a belief in the power of engineering and building technology. This passion sparked big ambitions, backed by first-principles thinking and a willingness to challenge conventional barriers. We don't think we realised how different it made us or how big these ambitions were. But we believed in them very deeply, and hence we stayed committed to seeing them through.

We can confidently say now that our bets have come to shape the entire E2W market in India, which now leads the world in E2Ws. From the outset we were willing to engineer the entire product and the platform from the bottom up, to build a truly vertically integrated company, creating not just a product but all the individual pieces required.

Our vertically integrated design philosophy ensures complete control over every critical aspect of our products, encompassing both the hardware and the software. Ather's purpose has always been to build the entire ecosystem for an electric world, and in the process accelerate the transition. We were, and are willing to build what others would not consider thinking of.

Our product ecosystem reflects this approach. Ather went on to pioneer features that were seen as unviable at the time of launch but have since become standard – touchscreen dashboards, connectivity software, fast charging, app integration, and smart helmets, to name a few. These choices were shaped by long-term conviction and a willingness to invest ahead of the curve. In the process of building products, we also built something equally valuable: a strong internal R&D engine.

As on March 31, 2025, 46% of Ather's on-roll employees work in R&D, led by homegrown talent who have been at Ather for the good part of a decade. Ather's R&D team is among the largest E2W R&D teams in the world and has played a key role in ensuring India's leadership in E2Ws globally.

As the E2W market takes off in India, we have put all the building blocks to seize this opportunity. Electric vehicle penetration in scooters touched 16% in FY25. We anticipate this growth to continue, and scooters to power this growth. By FY31, an estimated 70–75% of scooters will be electric, and we are well-positioned to capitalise on this growth. Our product line is amongst the most diverse in the industry, catering to both customers seeking performance and convenience scooters.

The Ather Rizta, our first family scooter which was launched in FY25, has boosted our volumes and market share in key geographies. Our volumes grew from 109,577 in FY24 to 155,394 in FY25. We are also emerging market leader in South India in Q4 of FY25 garnering 22% sales in Tamil Nadu, Karnataka, Kerala, Goa, Andhra Pradesh and Telangana. On the back of Ather Rizta's success, we are scaling our distribution rapidly in non-south markets, and taking our products to all parts of the country.

We have patiently built different parts of our business to be able to scale seamlessly. Between 2013 and 2018 we built the foundations of our technology platform, we then optimised cost structures, de-risked our supply chain, and built a strong manufacturing base between 2018 and 2022. Since then have been on a market and product expansion drive – diversifying into the convenience scooter segment with the Ather Rizta, expanding our charging infra to the largest in the country, launching multiple accessories which include the category-defining Halo, and now rapidly scaling our distribution.

We are primed for the growth ahead. Our current manufacturing capacity is being used up quickly, and we have kick-started work on a new factory in Maharashtra. This factory and the associated supply chain will ensure we are future-ready to build our new scooter and motorcycle products, many of which will be built on the EL and Zenith platforms being developed by our teams.

As we diversify our portfolio, scale manufacturing, and widen our network, we are unlocking new markets and accelerating towards profitable scale. From consolidating our lead in the South to expanding rapidly across the West, North, and East, the momentum is clear. Even as this builds up volumes and market share for us, we remain firmly focused on building a structurally sound and capital-efficient business. With Ather Rizta driving growth, new products on the way, and fresh capacity coming online, we are firmly on track to becoming a profitable, pan-India EV brand.

As we look to the future, our focus will remain on achieving excellence in EV design and manufacturing, creating leading-edge products, and enhancing the EV ecosystem. We have built a company with the R&D depth to create cutting-edge technology and the manufacturing, supply chain, and distribution muscle to scale it. More importantly, we believe we have built a company that thinks beyond short-term visions and ambitions – that is capable of thinking and executing moonshots again and again, in the process of defining the trajectory of personal mobility in India.

Exciting times ahead!

Tarun Sanjay Mehta
Swapnil Babanlal Jain

Who we are

We are a pure-play EV company specialising in electric two-wheelers (E2Ws) and associated product ecosystem. This includes our proprietary software, charging infrastructure and smart accessories, all conceptualised and designed in-house in India. We seamlessly integrate technology, sustainability and performance to deliver a superior mobility experience for our customers. The ownership of technology through in-house development of all key hardware components and the entire software stack is central to our strategy.

Leveraging our robust research and development capabilities, among the largest for E2Ws globally, we have developed products such as the Ather 450X and the Ather Rizta, which cater to both performance

enthusiasts and families alike. With several industry-first features, we continue to set new benchmarks in the E2W market. We are consistently strengthening our integrated ecosystem to address key barriers to EV adoption such as charging infrastructure and battery warranty. Our agile and efficient manufacturing facilities supported by our supply chain can produce over 4.2 lakh E2Ws a year. As on March 31, 2025, our 375 Experience Centres, spread across India, Nepal, and Sri Lanka, have helped us become the 4th largest E2W manufacturer in India by sales volume. **We have built a solid foundation of R&D, Manufacturing, Supply Chain and Distribution** that positions us well for sustained growth and excellence in the years ahead.

Our Product Ecosystem

Our product system spans the entire range of our E2Ws, along with the charging infrastructure, software and accessories. It is designed to deliver quality and an exceptional user experience.

Our portfolio of 2-wheelers

Ather 450S	Ather 450X LR	Ather 450X HR	Ather 450 Apex
Ather Rizta S	Ather Rizta Z LR	Ather Rizta Z HR	



The Ather 450 range

The Bike of Scooters

450
IDC Range **122 km**
Top Speed **90km/h**
0 - 40 km/h **3.9 s**

450X
IDC Range (LR) **126 km**
IDC Range (HR) **161 km**
Top Speed **90km/h**
0 - 40 km/h **3.3 s**

450 **APX**
IDC Range **157 km**
Top Speed **100km/h**
0 - 40 km/h **2.9 s**



Now with
**Multi-Mode
Traction Control***



*available only on 450X and 450 Apex

The Ather Rizta

Made for the family

RIZTA^{ES}

IDC Range **123 km**
Top Speed **80km/h**

RIZTA^{ES}

IDC Range (LR) **123 km**
IDC Range (HR) **159 km**
Top Speed **80km/h**



Google Maps
Platform



Call and
Music Control



Share Live
Location



WhatsApp
on Dash

Alexa Skills

Just ask Alexa to
know your Ather's
charging status,
location and more

India's largest E2W fast charging network

Scalable and interoperable charging infrastructure
to address charging anxiety

Largest

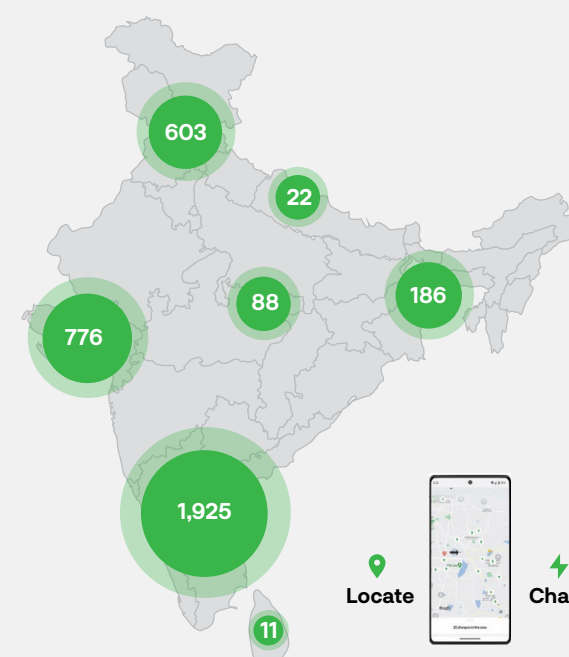
E2W fast charging network in India

The LECCS is a charging connector and is a
national standard published by BIS

Interoperable across all EVs using the same
charging standard

LECCS

National standard
charging connector

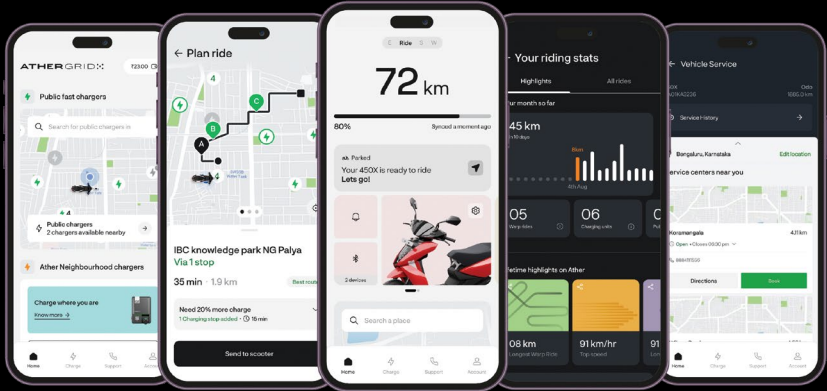


3,611

Charging network size

Charging network includes Ather fast charger
and Ather neighbourhood chargers in India,
Nepal and Sri Lanka

Our charging infrastructure includes the Ather Grid charging network and portable chargers for home charging. All our chargers use the LECCS (Light Electric Vehicle Combined Charging Standard), a BIS recognised standard for charging connectors, developed by Ather.



Our AtherStack software

Developed in-house, it exclusively powers all Ather products, offering rich features that enhance safety and convenience for our customers.

Our accessories



Halo smart helmet



Halo bit



Seat cover



Tyre pressure monitoring system



Google-Maps



Music-and-Call-control



Auto Hold™



Magic Twist™



Frunk



Bodyguard

Key Highlights

Financial (for FY25, unless otherwise specified)

388K+

Total scooters sold since inception

155K

Scooters sold
▲ 42% YoY

₹23,052 Mn

Total Income
▲ 29% YoY

₹4,284 Mn

Adjusted Gross Margin¹
▲ 172% YoY

19%

Adjusted Gross Margin %²
▲ 1,000 bps improvement

12%

Adjusted Gross Margin without subsidy %³
▲ 1,800 bps improvement

₹(5,307) Mn

EBITDA
▲ 18% YoY improvement

(23%)

EBITDA %
▲ 1,300 bps improvement

₹(8,123) Mn

Loss
▲ 23% YoY improvement

(35%)

Loss %
▲ 2,400 bps improvement

₹3,450 Mn

R&D spend (including taxes)

Non-Financial

4 billion+

Kilometres covered by scooters

7

Scooter variants

133.77

million kgs of CO₂ abated

Charging network size

3,578

India

3,611

Globally

Experience centres

351

India

375

Globally

Service centres

278

India

282

Globally

Note: 1. Adjusted Gross Margin (₹) is calculated as total income reduced by cost of materials consumed, purchase of stock-in-trade and change in inventories of finished goods, stock-in-trade and work-in-progress;
2. Adjusted Gross Margin (%) is calculated as adjusted gross margin (₹) divided by total income *100;
3. Adjusted Gross Margin less government subsidies under the FAME, EMPS and PM E-Drive scheme.

Our Strengths



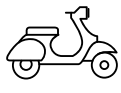
Pioneering new technologies

Our vertically integrated approach to technology gives us deep control over both hardware and software, enabling us to develop and scale technology in-house. With 80% of key hardware and 100% of the software stack built internally, we are not dependent on third-party systems or timelines. This has allowed us to launch category-first features, respond faster to market shifts, and deliver a differentiated experience shaped by customer needs.



Software-defined ecosystem

Our software-defined ecosystem comprising AtherStack, charging infrastructure, and smart accessories, creates a continuous feedback loop between product and rider. This ecosystem provides real-time insights into usage patterns and product performance, enabling faster updates and sharper decision-making. With 88% of customers opting for AtherStack’s advanced features, it has become a key differentiator, driving engagement, product refinement, and a meaningful contribution to FY25 revenue and margins.



Premium positioning across segments

Our product and service offerings are built around quality, reliability, and attention to detail, factors that contribute to an elevated ownership experience. As a result, Ather scooters consistently command a premium in their respective segments within the E2W market.



Scalable technology platforms

Our technology platform’s modular architecture enables cost-efficient integration of new features and advancements, facilitating continuous innovation. Our Ather 450 platform, EL platform (new scooter platform) and Zenith platform (a motorcycle platform) are multi-product platforms comprising of in-house designed battery packs, powertrains, electronics, chassis and software.



Capital-efficient, flexible operations

We follow a capital-efficient supply chain strategy by outsourcing component manufacturing, which enables us to allocate more capital towards R&D. Similarly, our distribution network on an asset-light basis leverages partnerships with retail partners to avoid substantial capital expenditures. This approach enhances operational flexibility and improves cost efficiency.



FY25 in review - Revving up with the Ather 450 and Ather Rizta



In FY25
We launched a new range of ‘Ather Rizta’ scooters on Ather community day April 2024.

- The Ather Rizta targets the convenience segment, with a range of exciting new features, including a large seat, WhatsApp notifications on the vehicle dashboard, voice commands through Alexa Skills, and up to 56L of storage space.
- High volume production commenced in May 2024 and we sold 88,869 Ather Rizta in FY25.

Scope of Ather Rizta	
• New Bodyworks	• Retuned Suspension
• New Lamps	• New UI
• New Seat and storage box	• New Dashboard architecture and firmware
• New Rear Frame	• Electronics re-architecture
• New Swing Arm	
• New Brakes	

Ather Rizta sales quarter on quarter



Scaling the Ather 450 Performance

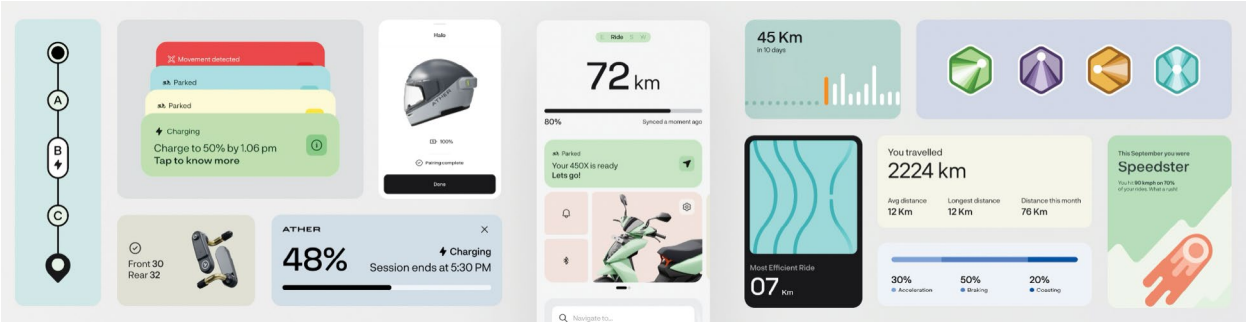
With the 2025 Ather 450, we have enhanced both performance and appeal. New colours and multi-mode traction control improve safety and strengthen its value proposition. Additionally, the range has been upgraded to 161 km.



We also introduced our in-house designed smart helmets, the Halo and Halo Bit, on Ather Community Day 2024.



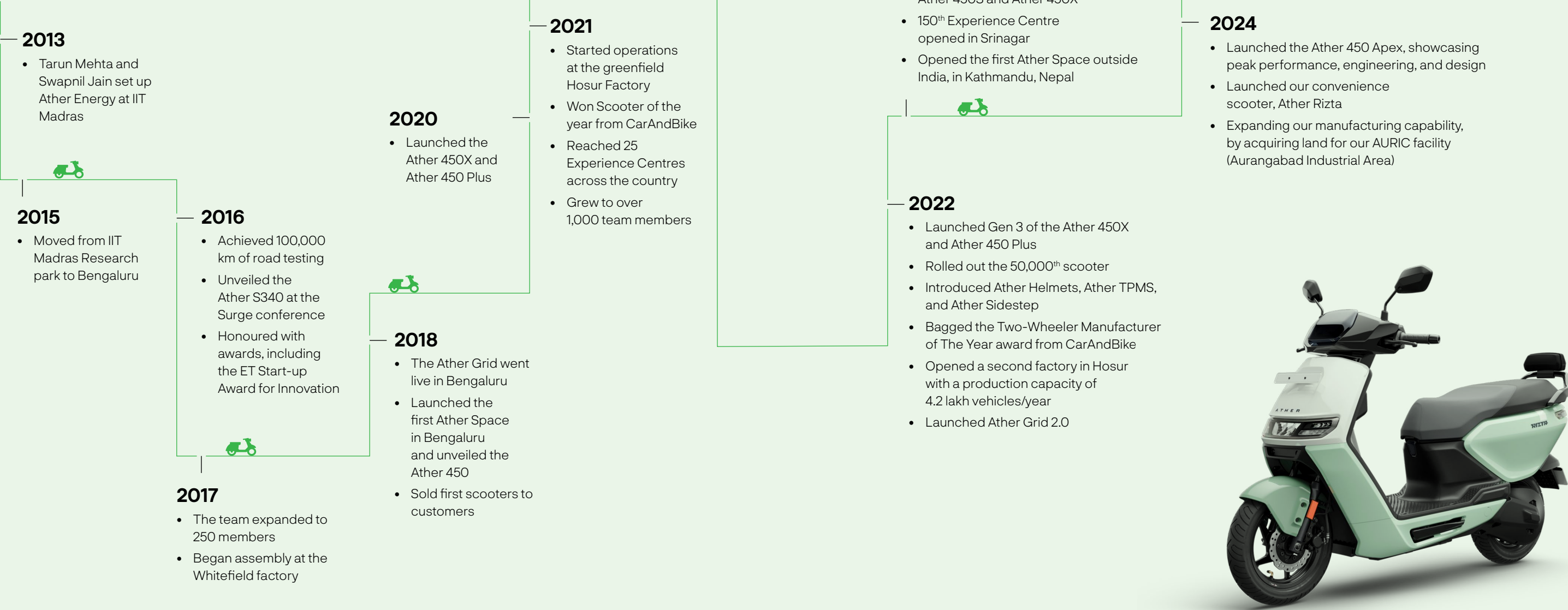
We also unveiled AtherStack 6, the latest version available
<https://www.atherenergy.com/ota-updates>



A journey of developing and scaling technology from ground-up

Ather’s journey, since its inception in 2013, has traversed many milestones. There have been three distinct phases in Ather’s journey

- Development of the Ather 450 platform from 2013 to 2018
- Establishment of operations ecosystem from 2018 to 2022
- Market and product expansion from 2022 onwards



Key awards & recognitions in FY25

- 

Award for “Electric two-wheeler of the year – Ather Rizta” by Autocar Awards, 2025
- 

Ather Rizta received an award for 2025 Scooter from Acko Drive Awards
- 

Certified as the most preferred workplace for 2023-2024 in manufacturing by Marksmen Daily
- 

Award for “Electric two-wheeler of the year – Ather Rizta” from Jagran Hi Tech
- 

Award for Ather Rizta, “CII Design Excellence Award, 2024” in mobility design
- 

Award for Ather Halo Smart Helmet, “Blue Elephant Award” for wearables in the product design category at the Kyoorius Design Awards, 2024
- 

Award for Ather Rizta Scooter, “India’s Best Design Project, 2024” by India’s Best Design Awards
- 

Ather Rizta User Interface won India’s Best Design Project, 2024 by India’s Best Design Awards
- 

Award for “India’s Best In-house Design Studio, 2024” by India’s Best Design Awards 2025
- 

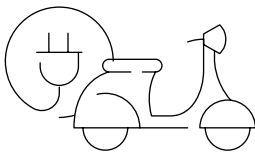
Safe workplace award from CecureUs - FY25
- 

Best Logistics Transformation Project Award at - LogiTech Confex 2025
- 

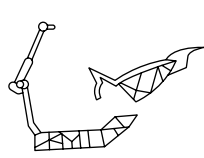
Best Paper Award from the Indian Society for Quality at Symposium on Digital Transformation

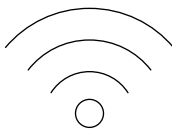


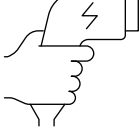
A track record of technology leadership

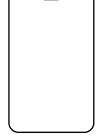
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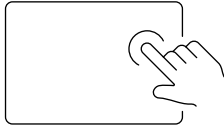
Launched Ather 450 with 80 kph top speed in 2018
- 

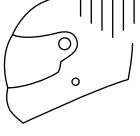
Offered Google maps based navigation on scooters
- 

Used an aluminium chassis in an E2W
- 

Introduced SIM-based internet connectivity and cloud integration on our E2Ws
- 

Set up India’s first E2W fast charging network - The Ather Grid
- 

Delivered OTA updates, ride statistics on an app (via AtherStack)
- 

Offered a touchscreen dashboard
- 

First OEM to develop a Smart Helmet (Halo)
- 

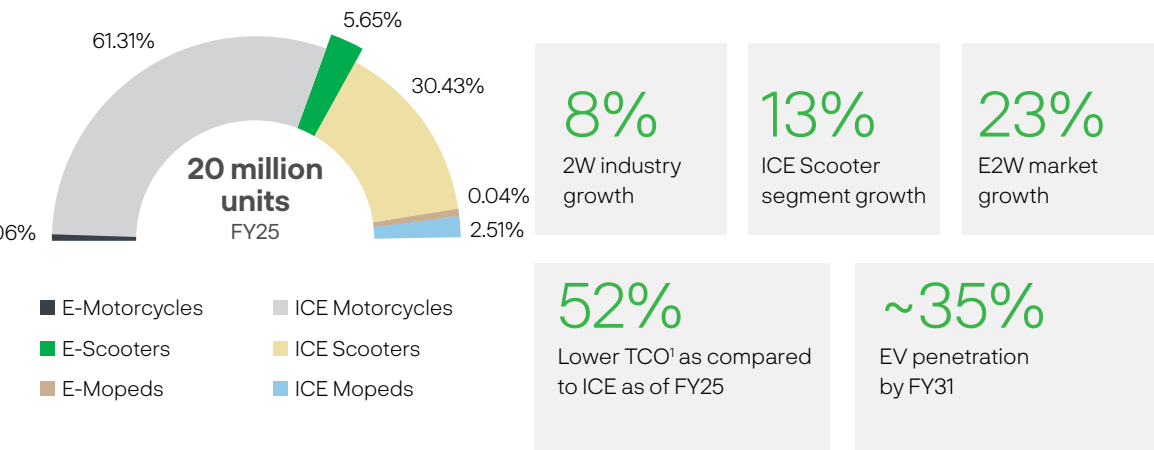
Incorporated Skid Control™ and fall-safe features in our E2Ws



Capitalising on the Indian E2W opportunity

The Indian electric two-wheeler (E2W) market is experiencing remarkable growth and is poised to become one of the fastest-growing markets in the Indian automotive industry. This surge is driven by rising customer awareness and strong support from the Indian Government. The market is projected to grow at a CAGR of ~41% over the next five years.

2W Market Size by Vehicles Sold



Source: SIAM, VAHAN and CRISIL, FY31 numbers reflect the optimistic scenario. Note: 1. Total cost of ownership with subsidies till FY26 for annual running of 8,000 km with 7 years holding period, assuming no battery replacement

Some of the key factors that are catalysing long-term growth for the industry include:

- Expanding distribution

Rising awareness

Larger EV product portfolios from leading players
- Vastly superior TCO for electric vehicles

Expanding charging infrastructure

Expansion of EV manufacturing capacity
- Narrowing acquisition cost gap between EV and ICE counterparts

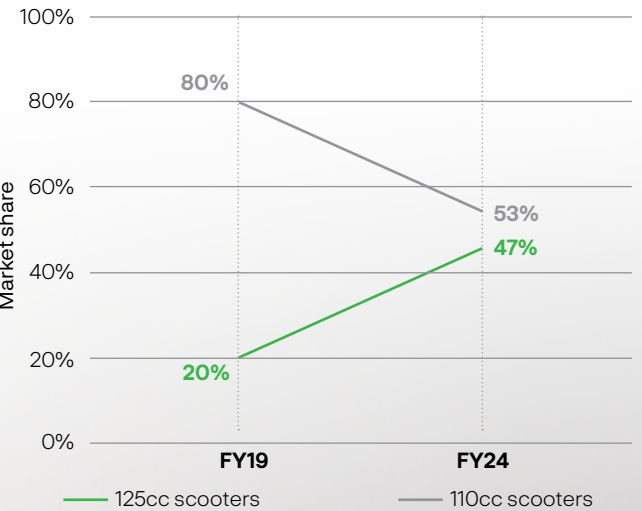
Increase in financing support

Continued government support

Premiumisation trend

The Indian 2W industry is witnessing a clear premiumisation trend, evident in the rising sales of 125cc motorcycles and scooters. Ather is ideally positioned to capitalise on this upgrade trend thanks to its edge in design innovation, manufacturing quality, expanding distribution network and market presence, strong customer service, and skilled teams. Our scalable business model, driven by our vertically integrated approach, strong in-house R&D and adoption of the latest technologies, places us at the forefront of this fast-growing segment.

Growing premiumisation trend



Disclaimer: 124cc is also considered as 125cc



Tech-driven & quality-led business model

Our business model, centred around technology ownership, delivers products focused on quality and exceptional user experience to our customers.

Our business model is founded on four key pillars:



Our products are positioned at a premium in their respective segments. Our control on technology also allows us to continuously improve our cost structures while ensuring high quality. This combined strategy maximises our pricing power to achieve superior unit economics. We do this while being capital-efficient, prioritising flexibility and agility to minimise cash burn.

Our vertically integrated approach to designing EVs

Control over all key aspects of our product design enables us to quickly introduce new technologies and manage critical quality factors such as battery life, thermal management, durability, and safety, delivering an exceptional user experience.

Designed in-house

80%
Key hardware components

100%
Software stack

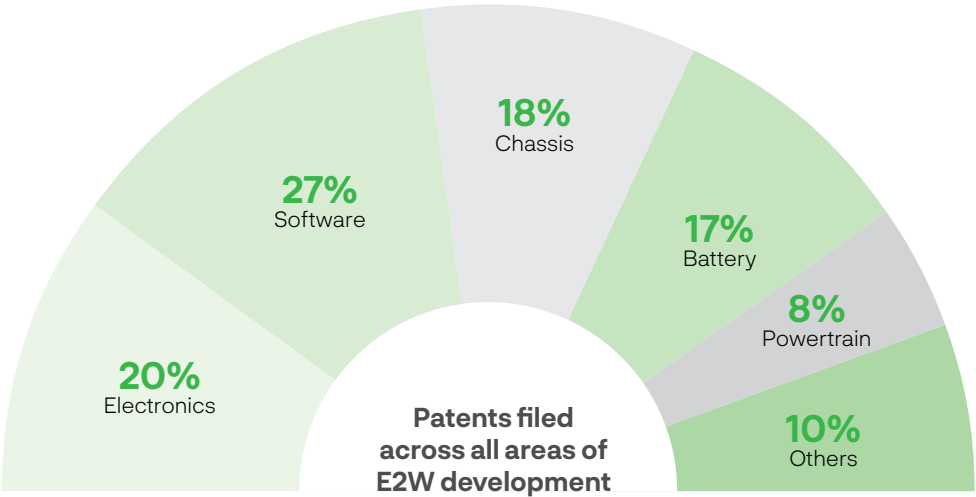
Our in-house designed hardware includes, but is not limited to:

- Vehicle architecture and chassis
- Battery packs and battery management system (“BMS”)
- Vehicle control unit (“VCU”)
- Touchscreen dashboard
- Motor controller
- Transmission
- Signal harness
- Fast charging system

We develop all our products in accordance with the Ather Product Development System (“APDS”), which requires eight quality reviews prior to the launch of all our products, ensuring high quality compliance.

Strong in-house R&D capabilities

Our approach to product design requires strong in-house R&D capabilities across disciplines such as batteries, power electronics, software, and mechanical engineering. This enables us to develop a wide range of systems and software. This further allows us to deliver a connected user experience through our ecosystem of products. Our R&D strength is reflected in our IP portfolio and our continued investments in R&D initiatives.



R&D facilities



IBC
Knowledge Park, Bengaluru
73,944 Sq. Ft. Area



Proto Lab
NS Palya, Bengaluru
20,300 Sq. Ft. Area



Product Validation Lab,
Begur, Bengaluru
38,692 Sq. Ft. Area

203

Registered designs

47

Registered patents

313

Pending patent applications

309

Registered trademarks

46%

On-roll employees engaged in R&D

Accelerating launches and reducing costs through R&D

Our continuous investments in R&D enable us to reduce bill of materials (BOM) costs without compromising on quality. During FY25, we implemented 67 engineering modifications, further reducing our BOM cost by 30%. We have achieved this while improving the key specifications and overall quality of our vehicles.

	FY19	FY20	FY23	FY24	FY25
Ather 450 Platform Development					
Scooters	Ather 450	Ather 450X	Ather 450X Gen 3 Ather 450X Gen 3.1	Ather 450S Ather 450X LR Ather 450X HR Ather 450 Apex	Ather Rizta S Ather Rizta Z LR Ather Rizta Z HR Ather 450S Ather 450X LR Ather 450X HR
Establishment of operations Ecosystem					
Market & Product Expansion					
	47%	30%	25%	26%	30%
	Improvement in range ¹	Improvement in peak power ²	Increase in top speed ³	Decrease in acceleration time ⁴	BOM cost reduction ⁵

Note: 1. From 107km for Ather 450 to 157km for Ather 450 Apex
2. From 2018 to 2025 between Gen 1 Ather 450 and Ather 450 Apex
3. From 80 kmph in Ather 450 to 100 kmph in Ather 450 Apex
4. 0-40 kmph from 3.9s in Ather 450 to 2.9s in Ather 450 Apex
5. Of Ather 450X LR since launch in FY21



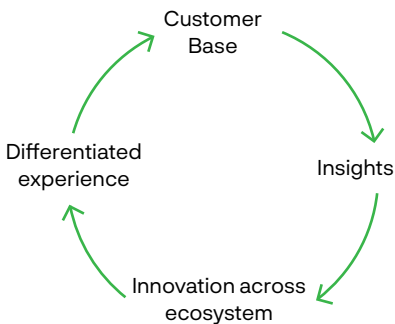
Our software-defined ecosystem

We continuously enhance user experience and product performance through a software-defined ecosystem, powered by our in-house platform, AtherStack. The system captures real-time usage insights, enabling timely upgrades and feature improvements aligned with evolving customer needs.



Highlights of AtherStack

Offers 77 features, related to navigation, analytics, ride assistance, safety and productivity, as well as integration with our charging infrastructure and smart accessories.



The AtherStack comprises several layers of software, which include algorithms, firmware, middleware, human machine interface (“HMI”), data platforms and mobile applications.

Upon purchase of an E2W, our customers have the option to buy the AtherStack Pro Pack bundle, which unlocks advanced features like Ride Assist, and provides three-year access to Ather Connect features, such as live location sharing and OTA software updates.

4.5/5

Rating on Android Play and Apple App store

88%

E2W users who purchase AtherStack

6%

Revenue from AtherStack

Premium brand positioning across segments

Our products command a premium price within their respective segments on account of our strong focus on quality and user experience. Our product lines are complemented by our software-defined ecosystem, which presents a unique, premium proposition unlike any other in the Indian 2W market.



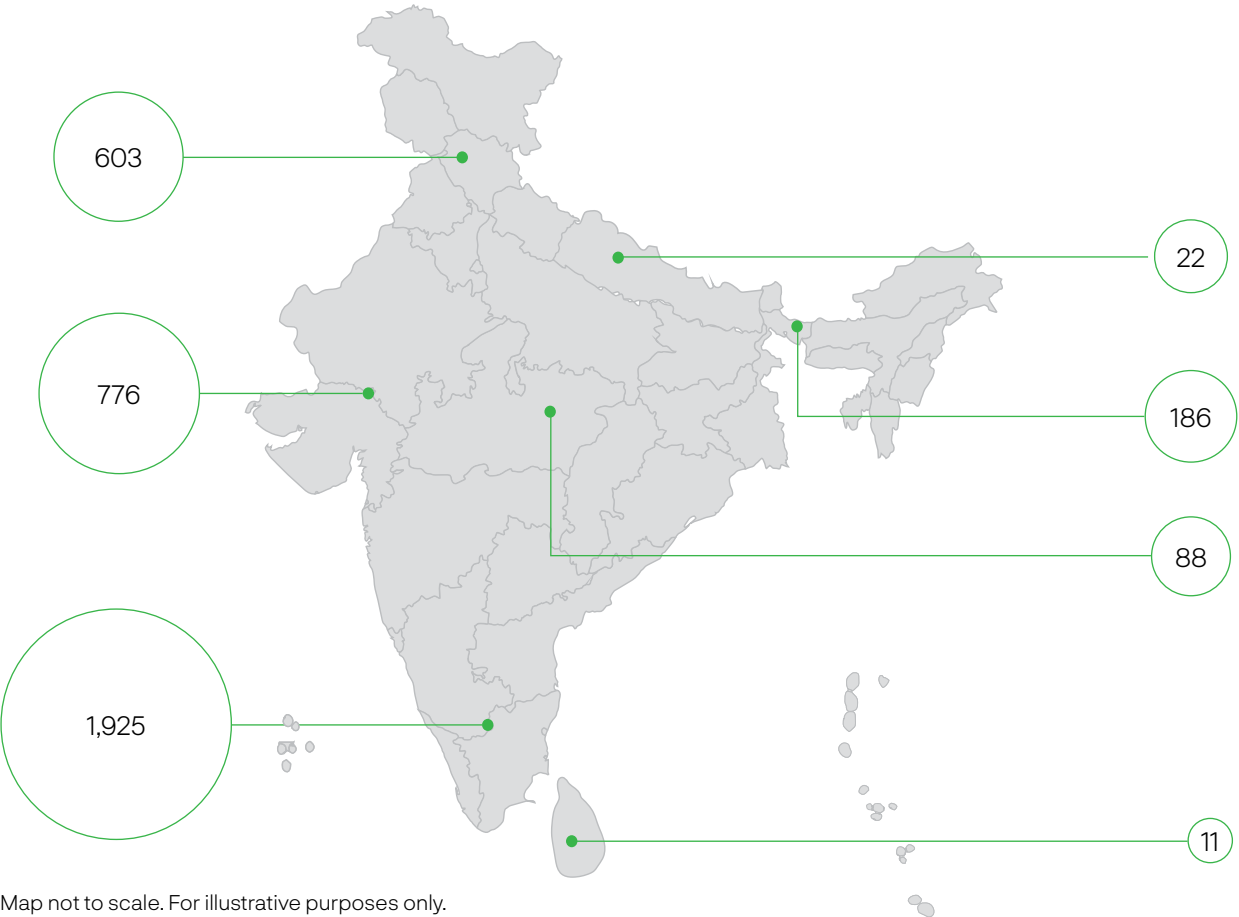
- The introduction of Ather Grid in every city we expand into has helped grow our charging network, contributing significantly to reducing charge anxiety.
- Our partnership agreement with Google Asia Pacific Pte. Ltd. has facilitated Google Maps’ customers to find Ather Grid locations along with their live status since July 25, 2024.
- Our retail partner-operated Experience Centres are designed to provide a curated experience for potential customers, Our service network is designed to be accessible and efficient. We also introduced ExpressCare service in FY25 which enables customers to complete periodic maintenance within 60 mins.
- Further with the Ather Gold Service Centres, we are upgrading our service experience a notch higher.

Our Charging infrastructure

We provided a comprehensive set of EV charging solutions that include:

- Ather Grid, a largest public charging network of 3,611 chargers and spread across 360+ cities in India, Nepal and Sri Lanka as of March 31, 2025.
- Portable chargers for home charging and charging on-the-go, which are bundled and sold with our E2Ws.

Ather’s Charging Infrastructure Across India, Nepal and Sri Lanka





Setting new benchmarks with LECCS

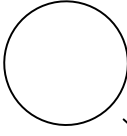
Our strong innovation thrust has enabled us to design our own in-house charging connector technology, the Light Electric Combined Charging System (“LECCS”) and protocol, for our fast charging network. We have worked with various government bodies and the Bureau of Indian Standards (“BIS”) to establish LECCS and the protocol as an official Indian standard with the aim of enabling interoperability.

Capital efficiency across the value chain

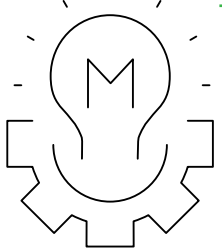
Our business model emphasises control over design and technology, while maintaining operational adaptability. It steers our efforts to reduce up-front capital needs, promote cost savings, and retain flexibility to adopt new technologies, minimising the risk of over-investment.

We maintain capital efficiency across our business value chain. Our strong focus on agility and flexibility equips us with the ability to respond with speed and agility to the evolving market trends and customer demands.

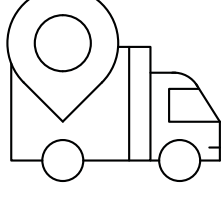
Our capital efficiency efforts are evident in

- 

Research & Development

 - Focus on establishing product’s reliability through extensive testing
 - Optimisation of cost structures
- 

Manufacturing

 - Cell procurement from third-party suppliers
 - Outsourcing of components’ manufacturing
 - Phased manufacturing capacity expansion
- 

Distribution & Services

 - Asset-light approach to distribution and services
 - Leveraging regional sales expertise of our retail partners
 - Focus on dealer profitability

Outsourcing component manufacturing helps us reduce capital expenditures and maintain flexibility amid the evolving technological landscape. Our strategy to outsource component manufacturing while retaining control of design allows us to allocate more capital and resources to expanding our product portfolio and developing new vehicle and manufacturing technologies.

Emphasis on financial prudence in working capital

We place a strong emphasis on financial prudence in working capital management, as reflected in our favourable working capital cycle of 58 days in FY25 and 46 days in FY24, respectively.

Investing in scalable technology platforms

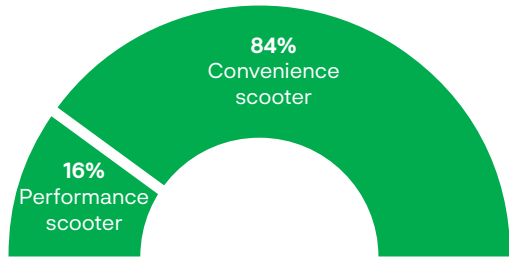
Our journey of pioneering India’s electrification is driven by a host of scalable technology platforms, built on the foundation of our strong R&D capabilities. All our current scooter products are based on the Ather 450 vehicle platform and we are in the process of developing two new platforms - the EL and Zenith platforms, for scooters and motorcycles respectively.

Our technology platforms offer scalability and adaptability that accelerate the development of new products. We leverage common elements across our platforms, such as the chassis, battery and BMS, to enhance the rate at which we are able to develop new products. This enables us to reduce our time-to-market while maintaining our quality standards.

Our Technology Platforms

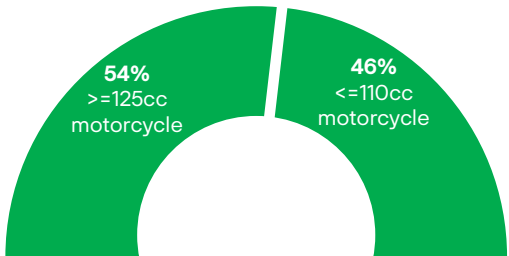
Built on scalable technology platforms

ICE Scooter Market¹



¹Source: SIAM and VAHAN, classification of performance and convenience scooters is as per Company

ICE Motorcycle Market¹



¹Motorcycles >124cc are considered 125cc

Ather 450 Platform



Caters to both performance and convenience scooter segments

EL Platform



Cost-effective and versatile platform targeting convenience scooter segment

Zenith Platform



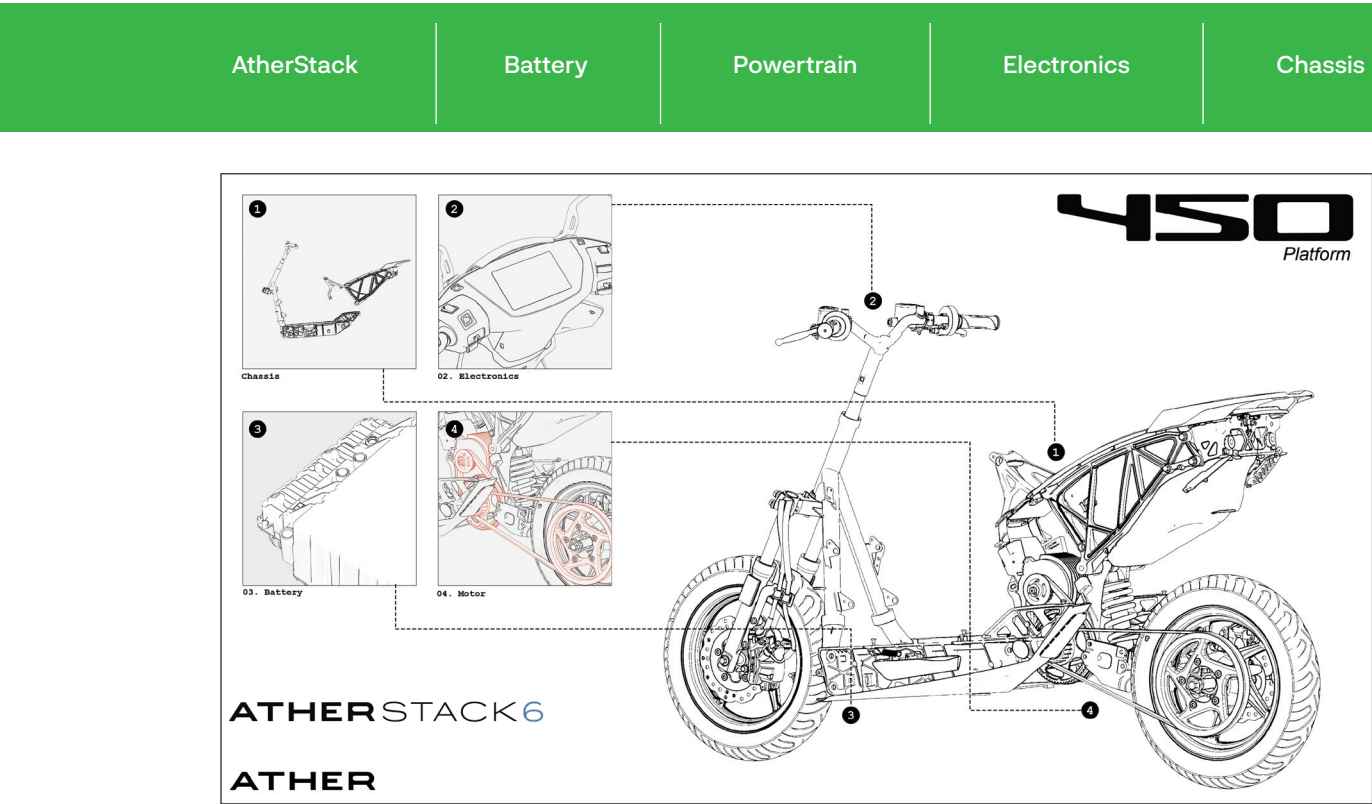
Targeting 125cc - 300cc motorcycle segment

The Ather 450 platform

Our current vehicle line-up, comprising the Ather 450X, Ather 450S, Ather 450 Apex and Ather Rizta, is built on the Ather 450 platform. The Ather 450 platform was designed over a period of five years - from 2013 to 2018, and has continuously improved since.

The platform consists of various technologies that provide common building blocks, which we can leverage to develop and manufacture different products catering to a variety of customer preferences.

The Ather 450 platform is composed of five key elements:



We were able to develop the new Ather Rizta scooter model within 13 months from the first proof of concept as a result of the modular architecture of our platforms, which are designed to enable cost-efficient integration of new features and advancements.

The EL Platform

The EL platform is a new, more cost-effective and versatile platform for our scooter lines. Currently in advanced stages of development, this platform will comprise:

- 1

A completely new powertrain design, based on billions of kilometres of data collected from the field.
- 2

A steel chassis, designed to develop a diverse range of scooter models.
- 3

Redesigned electronics, which will further improve our cost structures.
- 4

Versatile battery platform, utilising both LFP and NMC chemistries.

The EL platform will utilise the AtherStack and be compatible with the Ather Grid.

Fostering an agile & efficient operational ecosystem

Our operational ecosystem comprises:



Robust manufacturing facilities – consisting of the Hosur factory and the upcoming Factory 3.0



Resilient supply chain – built around a robust vendor ecosystem driven by the Company's vision and goals



Experiential distribution and service network – comprising Experience centres and Service centres



We digitise the entire value chain of our E2Ws - from engineering and manufacturing, to sales, service and post-sales lines – using our information systems. Our information systems include our website, lead management system (LMS), product lifecycle management system (PLMS), manufacturing execution system (MES), customer relationship management (CRM), and dealer management system (DMS).

We use a combination of internally designed and externally sourced tools to develop our information systems, enabling seamless flow of information across the organisation.



State-of-the-art manufacturing to power growth

Ather’s manufacturing facilities in Hosur, Tamil Nadu, are equipped with advanced systems and automation to support quality and scale. To expand our production capacity, we have initiated the first phase of Factory 3.0 in Chhatrapati Sambhaji Nagar, Maharashtra – an emerging hub for electric two-wheelers, supported by strong local demand and a robust supplier ecosystem.

Manufacturing excellence at Hosur factory

Our factory in Hosur, Tamil Nadu, is integrated with our manufacturing execution system (“MES”), and equipped with Industry 4.0 smart manufacturing technologies that feature semi-automated assembly lines. The assembly lines at Hosur include:

2

Vehicle assembly lines

3

Battery assembly lines

We assemble our E2Ws and manufacture our battery packs at our Hosur Factory.

Existing smart technologies at Hosur

124

Smart devices

35

Robots in Hosur factory

300

Parameters checked at end of line

10K+

Manufacturing line parameters monitored

Total installed capacity at Hosur

420,000

E2Ws per year

379,800

Battery packs per year

We are in the process of expanding our battery pack manufacturing capacity at the Hosur Factory to 531,120 units per year.

Geared for Factory 3.0 in Maharashtra

To cater effectively to the needs of our growing customer base across geographies, we are set to expand our manufacturing footprint with the addition of Factory 3.0 at Chhatrapati Sambhajnagar (formerly Aurangabad) in Maharashtra. The facility will be built in two phases, and modelled around the Industry 4.0 principles of integrating intelligent digital technologies into the manufacturing process.

The first phase of the facility, work for which has already begun, is planned to commence production in phases during FY27. It will add 0.5 million E2Ws of installed annual production capacity. Upon completion of construction for both phases, our total installed capacity from the Hosur Factory and Factory 3.0 is expected to reach a total of 1.42 million E2Ws per year.



Factory 3.0 – An overview

- Strategic location in West India, closer to markets with high EV penetration rates
- Mitigation of supply chain risks, to improve distribution and logistics costs
- Backward integration of more processes such as
 - Transmission Assembly
 - Electronics Assembly
 - Painting

Fostering supply chain robustness & resilience

Our robust, diversified and localised supplier base is a critical driver of our supply chain resilience and quality. Our supply chain strategy helps in de-risking the business, insulating Ather Energy from supply chain disruptions.

99%

E2W components procured through domestic vendors*

65%

Components multi-sourced**

213

Total suppliers

Partnerships with large technology players

We have direct arrangements with leading technology suppliers to procure selected components, such as lithium-ion cells, motors and semiconductors. These partnerships allow us to utilise their scale and give us operational flexibility.

Our partnerships for select components enable us to:

Customise components using data-driven insights

Develop flexibility to incorporate new technologies

Prioritise capital efficiency

We engage closely with suppliers who are committed to ESG principles. We are focused on enhancing the sustainability of our supply chain in partnership with our key vendors.

*By BOM value excluding lithium-ion cells
**For Ather 450XLR



Expanding distribution with the three-tier retail model

Our network comprises Experience Centres spread across cities in India, as well as in Sri Lanka and Nepal. These centres are designed to enhance our customers’ understanding of our products and the underlying technology.

All our retail partners and our own sales and service staff undergo training to ensure that they have adequate knowledge about our products, and can provide service aligned with the ‘Ather’ brand. We engage in regular dialogues with our retail partners regarding our products and process improvements.

375

Experience Centres in India, Nepal and Sri Lanka

- Targeted distribution strategy**
- Our distribution strategy comprises different form factors of Experience Centres for different market sizes.
- Flagship:** 4,000+ Sq ft Experience centre & Service centre suitable for Tier 1 cities.
- Mid-size:** 1,200+ Sq ft Experience centre & Service centre suitable for Tier 1 and Tier 2 cities.
- Compact:** 500+ Sq ft Experience centre & Service centre, requiring minimal capital investment to set up and suitable for Tier 3 and Tier 4 cities and towns.

Through this three-tier retail model, we are able to engage with more retail partners, increase our penetration across markets, and better manage our costs. We engage in regular dialogues with our retail partners regarding our products and process improvements.



Asset-light model

Our Experience Centres are primarily operated by our retail partners in India, and through authorised distributors in Nepal and Sri Lanka. We leverage our asset-light distribution model to expand our reach and presence. In conjunction with Ather Rizta, our expanding distribution network is catalysing market share gains for the Company.

Electrifying the service experience

At Ather Energy, we proactively focus on providing customers with easy access to our growing range of service capabilities. Our expanding, digitally-enabled, network of Service Centres brings vehicle service closer to the customers’ doorsteps.

We strive to maintain a high ratio of Service Centres to Experience Centres to ensure that our customers’ vehicle servicing needs are adequately addressed. Comprehensive training is provided to the staff at these centres to ensure they provide service aligned to the ‘Ather’ brand.

282
Service centres in India, Nepal and Sri Lanka

273
Cities of presence in India, Nepal and Sri Lanka

With the introduction of our ExpressCare service in FY24, we now offer expedited vehicle servicing within a maximum turnaround time of one hour for standard periodic maintenance.

(As at March 31, 2025)



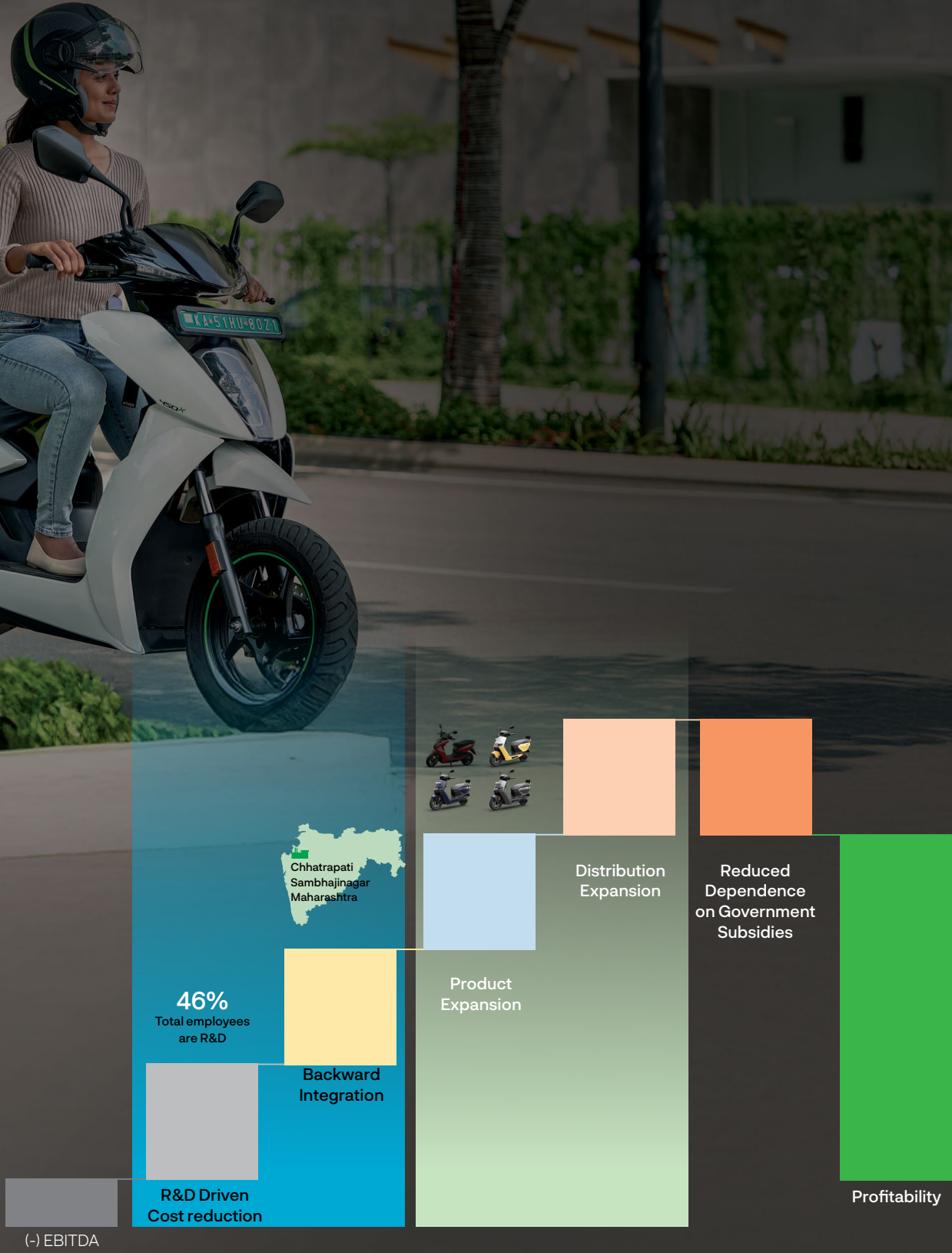
Financial outcomes

With technology ownership and innovation being key strategic enablers of our business approach, we, at Ather Energy, have demonstrated a strong track record of growth and margin improvement, as evident in our financial results.



Our path to profitability

We have mapped a clear path towards profitability through our continued emphasis on boosting cost and production efficiencies. Our aggressive expansion of our product portfolio and distribution network is steering us towards this goal.



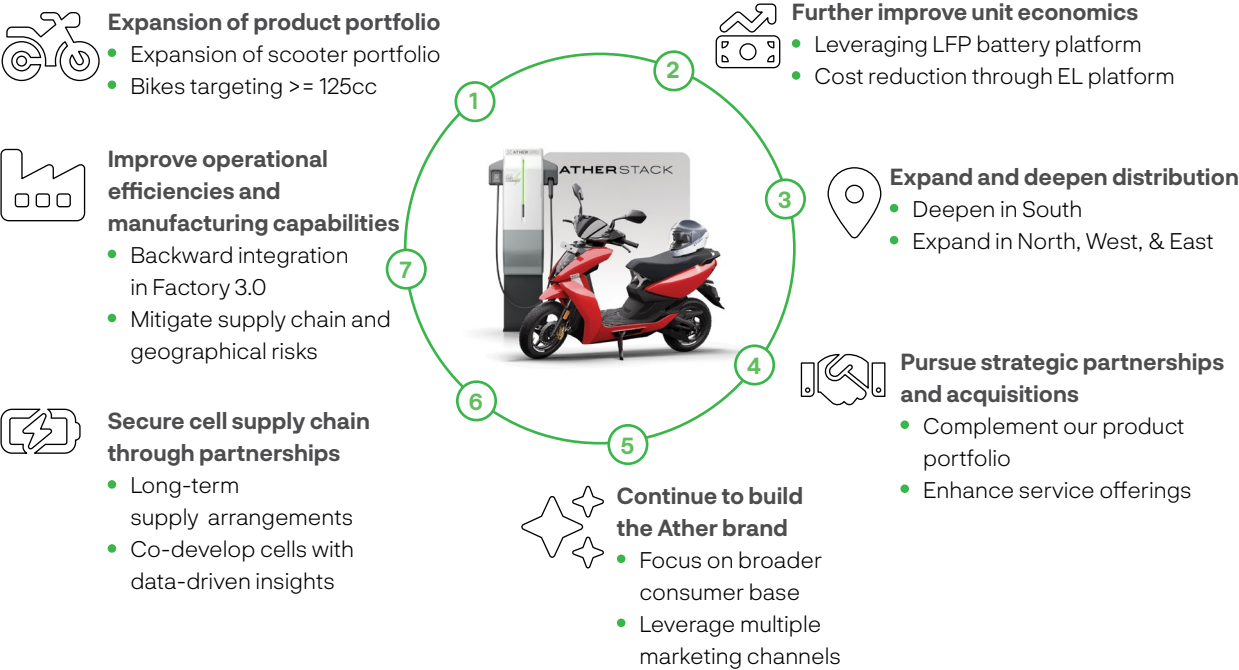
Sustainability

Our key strategies towards sustained growth 40

Driving ESG-led sustainable growth 43

Nurturing People - Thinking as a species 44

Our key strategies towards sustained growth



1 Strategic expansion of our product portfolio through our multi-product technology platforms

- We will continue to expand our product portfolio by launching E2Ws that cater to the broader 2W market as a compelling alternative to ICE vehicles. Our Ather 450, EL, and Zenith platforms will allow us to address the majority of the 2W market barring entry level 110cc motorcycles. Our new E2W tech platforms, coupled with the various platform improvements in which we are investing, will build on the strengths of our existing technology while catering to the demand of the majority of the Indian 2W market
- The introduction of LFP chemistry based battery platform will allow us to further reduce the BOM costs of our E2Ws. LFP based battery cells were 23% cheaper than Nickel-based chemistries as on March 2025



2 Continue our focus on unit economics

- Our vertically integrated approach and focus on cost reduction and quality have resulted in falling BOM costs and warranty costs
- The EL platform will be further cost optimised and will feature a completely redesigned powertrain, LFP and NMC-based batteries, redesigned electronics and a new chassis. It will continue to leverage AtherStack and will be compatible with the Ather Grid
- We are also further optimising the cost of our fast chargers to enable scaling our charging infrastructure even further
- The Establishment of Factory 3.0 will help bring in additional manufacturing processes, such as electronics assembly, painting and transmission assembly, in-house, enabling us to leverage manufacturing efficiencies and economies of scale to improve our unit economics

3 Expand and deepen our distribution network in India and beyond

- We plan to continue leveraging our asset-light distribution model to quickly expand and deepen our distribution network, while maintaining our focus on quality and customer satisfaction
- We have added distribution at a frenetic pace in Q4 of FY25 going from 280 ECs in India at exit of Q3 of FY25 to 351 ECs in India in exit of Q4 of FY25 which is an average of new store every 1.5 days. We are strengthening our teams to add stores at an even faster pace
- Our distribution strategy will focus on diversifying our presence in the non-south markets of the country, deepening our presence in the south and adding more stores in Tier 2, 3 and 4 cities by leveraging our three-tier distribution model
- Our three-tier distribution model reduces the up-front cost and break even period for stores in smaller towns and cities without compromising the Ather experience

4 Pursue strategic partnerships and acquisitions

In addition to growing our business organically, we may also pursue strategic partnerships and targeted acquisitions that complement our product portfolio, enhance our software and other service offerings or strengthen or establish our presence in our targeted overseas markets



5 Continue to build the 'Ather' brand

- Going forward, we will focus our brand engagement campaigns to building brand equity among a broader consumer base as we enter into the convenience segment
- We will invest in large-scale brand awareness initiatives through mass media platforms to achieve our reach and awareness goals
- We will continue to strengthen the Ather community, fostering dialogue among members to share experiences and insights, thereby expanding organic brand loyalty



6 Secure cell supply chain through partnerships

- We seek to enter into long-term supply arrangements with cell suppliers to ensure a stable and consistent supply of cells on favourable terms, thereby improve value to our customers and competitiveness in the E2W market
- We seek to share our own experience and data-driven insights to facilitate the design, use and manufacture of lithium-ion cells that are customised for our E2Ws and manufacture them in India
- This outsourcing approach also allows for additional flexibility with respect to the incorporation of new technologies and form factors across product lines



7 Improving operational efficiency & manufacturing capabilities through Factory 3.0

- In Factory 3.0, addition to the available production processes, we plan to introduce backward integration of certain processes such as transmission assembly, electronics assembly and painting. This will help de-risk our supply chain and mitigate the impact of market fluctuations on our operating costs
- We aim to bring in flexibility through a focused variant development strategy, which enables us to retain our focus on developing new technology while maintaining our capital efficient approach to investment
- We also plan to manufacture our new scooter and motorcycle platforms at Factory 3.0, in a similar phased expansion to ensure efficient capital utilisation



Driving ESG-led sustainable growth

With responsible growth embedded in our business strategy, we remain focused on promoting environmental sustainability, societal betterment and good governance as key tenets of our growth and expansion. Our commitment to sustainable business practices is reflected in our Environmental, Social and Governance (ESG) strategy.

This strategy focuses on strong governance, the development of technologies that accelerate the transition to EVs, minimisation of environmental impact, and investment in talent. Our ESG committee, code of ethics policy, and policies on matters such as anti-bribery, anti-corruption and fraud prevention aim to create a culture of responsibility and sustainability. To address environmental concerns and manage key risks, we have established a corporate ESG committee headed by our Chief Operating Officer.

Sustainable manufacturing practices @Ather

- Green and reusable packaging, such as water-based paper tapes, paper pouches, paper bubble wraps, shredded carton waste used as cushion/fillers, Velcro straps, biodegradable packaging sheets, and recycled paper
- Reusable containers/ returnable containers like reusable pallet, reusable trays, foldable containers, reusable trolleys, to reduce consumption of fresh packaging materials and waste management
- Optimisation of energy consumption through solar panels, which are installed on-site in our Hosur Factory, implementation of ISO 14001 of environmental management system, and various energy-saving projects
- 80% reduction in air emissions through installation of Retrofit Emission Control Device for all DG sets
- Zero-sewage discharge from manufacturing operations with installation of 120 KLD sewage treatment plant in Hosur Factory, waste water from sewage treatment plant is utilised for gardening

133.77 million kg of CO₂ Emission

As on March 31, 2025

We published three impact reports with Aspire Impact in 2020, 2021 and 2024, and were awarded a 'Gold Leaf' rating by Aspire Impact in all three reports.



Nurturing People - Thinking as a species

Our people are the biggest driver of our growth, and we have embedded our values, employee welfare and well-being into our work ethos. Our Human Resource (HR) development philosophy is aligned with this approach, and we strive to create a nurturing and stable workplace environment that fosters their growth.

The Ather Culture Collective

TAAS (Think as a Species) is a culture collective that serves as a building block for our thoughts, actions, and ways of working. The TAAS initiative is pillared around five values that guide us in the way we work and aspire to conduct our business. We conduct open and inclusive Culture Conversations where employees share their feedback on the culture of the organisation, covering various employee cohorts, every 18-20 months, to strengthen our employees' experience and their alignment to TAAS.

723

Employees covered cumulatively through 4 editions of Culture Conversations since 2017

Promoting employee welfare

We provide a range of benefits to our employees, including one to six months of sabbatical leave once every two years, child adoption / surrogacy leave, miscarriage leave, and leave to participate in volunteer work. Our medical insurance policy coverage extends to domestic partners as well.



Investing in talent development

We offer learning and development opportunities to our employees to ensure their career growth and development. Under the Learning Assistance Policy, we provide them with learning assistance benefits to pursue deeper knowledge in their domain for enhanced contributions to current and future roles. We conduct compliance, technical, leadership and behavioural training programmes to support the holistic development of our employees, across all our facilities.

All new joinees also undergo a new employee orientation to help assimilate into the organisation, and gain context of their work. The Ather Step Up Programme, curated in 2021, is a comprehensive learning journey and career development opportunity for our contract associates to re-join us as full-time employees.

58 associates

Hired for full-time positions in FY25 under Ather Step Up Programme

Promoting diversity & inclusion

Our diversity, equity and inclusion efforts are carried out under the umbrella of Mosaic. We have conducted interventions such as an awareness session on PCOS and an art workshop by a differently-abled artist. We are an equal opportunities provider, and we aim to promote and safeguard the equality, fairness, dignity and social inclusion of persons with disabilities, HIV & AIDS, and people identifying themselves as a part of the LGBTQIA+ community at Ather.

44%

Average percentage of female employees on a contract basis across our E2W and battery pack lines, as of March 31, 2025

Fostering workplace health & safety

We have fostered a healthy, safe and inclusive work environment for our employees, as demonstrated by the retention rate of 87.5% in FY25, and by Marksmen Daily's award as the Most Preferred Workplace (Manufacturing Edition) in 2024.

In December 2024, we were awarded the Top 25 Safest Workplaces in India by kelpHR PoSH Awards 2024.

Our health & safety initiatives include:

- Occupational Health Centre at the Hosur factory
- Annual health check-up for employees at the factory
- Access to menstrual products in restrooms and awareness session for women on menstrual hygiene management
- Observing recognised days, such as Global Handwashing Day, World Cancer Day and World Oral Health Day, to promote awareness

We are committed to creating a safe and conducive work environment that enables employees to work without fear of prejudice, gender bias and sexual harassment. We have in place an Internal Complaints Committee as per the requirements of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

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Adhering to high governance standards

Under the leadership of Tarun Sanjay Mehta and Swapnil Babanlal Jain, with the support of a senior leadership team and experienced investors, we remain committed to upholding the highest governance standards. Transparency, ethics and accountability are central to our governance framework and philosophy.

Our Board consists of eight directors, including three independent directors as on the date of Board Report. Our experienced and professional senior management team comes from diverse backgrounds, and has execution track records across various industries, such as engineering, manufacturing supply chain, software and technology.

Board of Directors



Neelam Dhawan
Chairperson & Non-executive Independent Director



Tarun Sanjay Mehta
Executive Director & CEO



Swapnil Babanlal Jain
Executive Director & CTO



Kaushik Dutta
Non-executive Independent Director



Sanjay Nayak
Non-executive Independent Director



Ram Kuppuswamy
Non-executive Director, Nominee of Hero MotoCorp Ltd



Pankaj Sood
Nominee Director, Nominee of Caladium Investment Pte Ltd



Nilesh Shrivastava*
Nominee Director, Nominee of National Investment and Infrastructure Fund II

* up to May 27, 2025

Experienced Management Team



Sohil Dilipkumar Parekh
Chief Financial Officer



Ravneet Singh Phokela
Chief Business Officer



Harendra Saksena
Chief Procurement Officer



Sunitha Vadlamudi Lal*
Chief Human Resources Officer



Sanjeev Kumar Singh
Chief Operating Officer



* up to August 4, 2025

Corporate Information

Board of Directors	Ms. Neelam Dhawan Chairperson & Non-executive Independent Director
	Mr. Tarun Sanjay Mehta Executive Director & CEO
	Mr. Swapnil Babanlal Jain Executive Director & CTO
	Mr. Niranjan Kumar Gupta (up to May 6, 2025) Non-executive Director (Nominee of Hero MotoCorp Limited)
	Mr. Nilesh Shrivastava (up to May 27, 2025) Nominee Director (Nominee of National Investment and Infrastructure Fund II)
	Mr. Pankaj Sood Nominee Director (Nominee of Caladium Investment Pte Ltd)
	Mr. Ram Kuppuswamy Non-executive Director (Nominee of Hero MotoCorp Limited)
Chief Financial Officer	Mr. Kaushik Dutta Non-executive Independent Director
	Mr. Sanjay Nayak Non-executive Independent Director
Company Secretary and Compliance Officer	Mr. Sohil Dilipkumar Parekh
Registered Office Address	3 rd Floor, Tower D, IBC Knowledge Park, # 4/1, Bannerghatta Main Road, Bengaluru 560 029, Karnataka, India.
Corporate Office Address	13 th Floor, Tower D, IBC Knowledge Park, # 4/1, Bannerghatta Main Road, Bengaluru 560 029, Karnataka, India.
Corporate Identity Number (CIN)	L40100KA2013PLC093769
Statutory Auditors	Deloitte Haskins & Sells, Chartered Accountants Firm Registration Number: 008072S Prestige Trade Tower, Level 19, 46, Palace Road, High Grounds, Bengaluru- 560 001
Secretarial Auditors	M/s. BMP & Co. LLP Firm Registration Number: L2017KR003200 #4272, 2 nd Floor, Saptagiri, Vivekananda Park Road, Near Seetha Circle, Girinagar, Bangalore 560085
Registrar and Transfer Agent	MUFG Intime India Private Ltd (Formerly Link Intime India Private Limited) C-101, 1 st Floor, 247 Park, Lal Bahadur Shastri Marg, Vikhroli (West), Mumbai -400 083, Maharashtra, India
Email ID for Shareholders Communication	cs@atherenergy.com ir@atherenergy.com
Website	www.atherenergy.com

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Management Discussion & Analysis

Indian Economy

India's economy has exhibited steady growth and stability during FY25, reaffirming its position as one of the fastest-growing major economies globally. According to the Second Advanced Estimate (SAE) data from the National Statistical Office (NSO), the Real Gross Domestic Product (GDP) is estimated to grow by 6.5% for FY25, following an impressive 9.2% growth as per the First Revised Estimates from the prior financial year. The positive growth in India's exports can be attributed to the country's sustained economic activity, bolstered by ongoing momentum in both the manufacturing and services sectors. This ongoing growth trend highlights the nation's solid economic foundations, beneficial government policies, a flourishing services sector, and domestic demand, all of which promote confidence in India's long-term growth trajectory.

by the government's focus on capital expenditure, progress in the Production-Linked Incentive (PLI) & 'Make in India' schemes, stronger corporate balance sheets, and a well-capitalised banking sector with low levels of non-performing assets (NPAs).

India's improving economic status now places it as the world's fourth-largest economy by nominal Gross Domestic Product (GDP). Ambitious national targets aim for a \$7 trillion economy by FY30 and \$30 trillion by 2047, to be achieved through substantial infrastructure investments, ongoing reforms, and widespread technological integration.

Outlook

Anticipated growth for India's economy in FY26 sits at 6.5%. Projections indicate it will become the world's third-largest economy by 2030, fuelled by infrastructure investment, increased private capital expenditure, and financial services growth, with ongoing reforms providing support.

This positive outlook is strengthened by India's demographic advantages, increasing capital investments, proactive government schemes, and strong consumer demand. Improved rural spending, aided by easing inflation, further supports this trajectory. The government's emphasis on capital expenditure, fiscal prudence, and boosting business and consumer confidence encourages both investment and consumption.

Initiatives like Make in India 2.0, ease of doing business reforms, and the Production-Linked Incentive (PLI) scheme aim to enhance infrastructure, manufacturing, and exports, positioning India as a key global manufacturing player. With inflation expected to meet targets by 2025, a more accommodating monetary policy is likely. Infrastructure development and supportive public policies will aid capital formation, while rural demand will be assisted by schemes such as the Pradhan Mantri Garib Kalyan Anna Yojana (PMGKAY).

(Source: PIB, MoSPI, Economic Survey)

Real Gross Domestic Product (%)



E- Estimated P - Projected

India's economic expansion is expected to be propelled by several key factors. Strong domestic demand is projected as a significant medium-term contributor. Furthermore, anticipated capital spending on infrastructure and asset development is likely to enhance growth through multiplier effects.

Future capital expenditures should also benefit from government support, including tax buoyancy, simplified tax structures, tariff reassessment, and digital tax filing. Finally, a positive investment outlook is encouraged



Industry Overview

Domestic Two-Wheeler Industry

India has established itself as one of the largest motorised two-wheeler markets in the world by volume, with domestic sales reaching ~20 million units in FY25 as per data from VAHAN and SIAM.

ICE motorcycles grew 5% to 12.2 million units, ICE scooters grew 13% to 6 million units, and E2W grew by 23% to 1.15 million units in FY25.

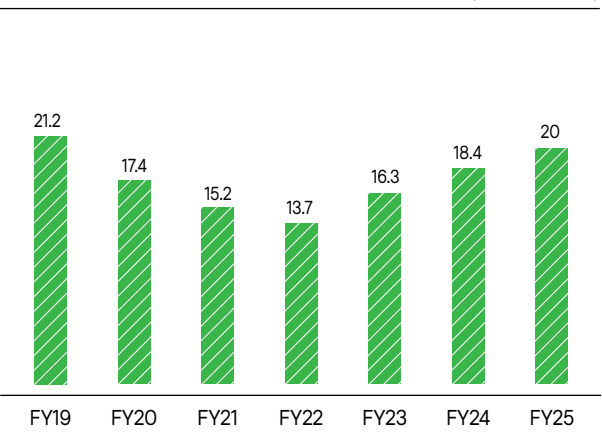
The scooter segment in India has shown steady growth, increasing its market share from ~32% in FY19 to ~36% in FY25. This growth is driven by electrification, strong

demand for new models and the increasing use of scooters among working professionals and women, due to their convenience.

In FY25, EV penetration in two-wheelers reached 5.8% up from 5.1% in FY24. Scooters continued to lead electrification with approximately 15.7% of scooters in FY25 being electric.

E2Ws also ended the year strongly. March 2025 saw the registration of 131 K electric two-wheelers. The total sales volume for FY25 was 1.15 million units, a 22% rise from the 0.94 million units recorded in FY24, making it one of the fastest growing segments in the Indian auto industry.

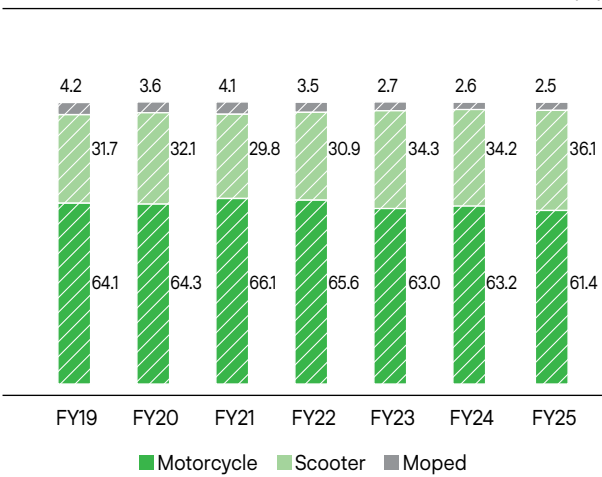
Indian 2W market domestic sales volume trend – FY19 to FY25 (Million Units)



Note: Data for ICE and EVs; EV retail data from VAHAN has been considered.

Source: SIAM, VAHAN, CRISIL MI&A

Indian 2W market domestic sales split from FY19 to FY25 (%)



Source: SLAM, CRISIL MI&A

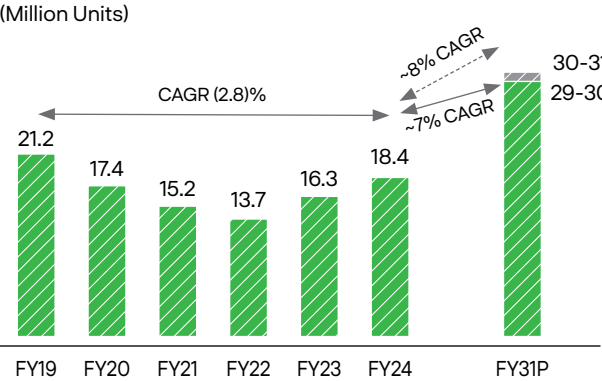
Outlook

The two-wheeler industry is poised for sustained growth, driven by a positive microeconomic and macroeconomic environment, strong rural demand, premiumisation, new model launches, shrinking replacement cycles, and ongoing financing support. Additionally, continued R&D investments and technological advancements by OEMs will further bolster industry growth.

The Indian two-wheeler market’s demand is influenced by socio-economic factors like demographics, income, and affordability, alongside government policies and financing. Evolving consumer preferences for fuel efficiency, cost-effectiveness, and convenience are key drivers, necessitating manufacturer adaptation. Macroeconomic improvements, with projected GDP growth of 6.5-7.5% CAGR until FY31, enhance affordability. Increased access to finance, particularly in non-metro areas through NBFC expansion, further fuels demand.

There is a clear trend of premiumisation, with a growing preference for ≥125cc motorcycles and scooters. Additionally there is strong replacement demand due to a majority of Indian households already owning a two-wheeler. Post-pandemic, electrification has surged due to increased awareness, government support, and new EV options from both established OEMs and new age companies like Ather. Shorter replacement cycles of 7-8 years are also boosting sale. Additionally, branded accessories from both traditional and new EV players contribute significantly to OEM revenue. Continuous technological advancements, such as digital displays and safety systems, enhance appeal and support long-term growth.

Domestic two-wheeler industry outlook- till FY31



Note: The numbers indicated by the dotted arrow represent the optimistic case

Figures in bracket to be read as negative (Eg. (10) to be read as minus 10)

Source: SIAM, CRISIL MI&A

The rapidly expanding EV market, propelled by legacy players increasing their EV portfolios and new entrants expanding capacity, is accelerating growth. The entry of established brands into the EV market is expected to provide significant momentum. The expansion of distribution in the E2W market is also expected to fuel the sector’s growth. Overall, two-wheeler sales are projected to grow at ~7% CAGR, reaching 29-30 million units by FY31. The electric two-wheeler (E2W) market is expected to grow at ~41% CAGR, while the internal combustion engine (ICE) market will see a moderate growth of ~2% CAGR. By FY31, E2Ws are anticipated to account for ~35% of overall two-wheeler sales.

In an optimistic scenario, driven by increased EV launches, strong government support, rapid infrastructure development, reduced battery prices, and a faster consumer shift toward electrification, industry sales could grow at ~8% CAGR, reaching 30-31 million units by FY31. In this scenario, EV penetration may rise to ~40%, compared to the ~35% projected in the base case.

Scooters are expected to lead electrification in 2W. E2W penetration in scooters was ~16% in FY25 and is expected to be as high as 70% in FY31. EV penetration in motorcycles is projected to be 10% by FY31.



Financial and Operational Performance for FY25

155,394 Units
Total Sales

₹ 23,052 Million
Total Income

19%
Adj. Gross Margin

11.4%*
Market Share (National)

19.7%*
Market Share (South)

*As per VAHAN data as on May 4, 2025

Segment-wise sales

Ather 450
66,525 Units
43% of total sales

Ather Rizta
88,869 Units
57% of the total sales

Sales Growth on the back of Ather Rizta

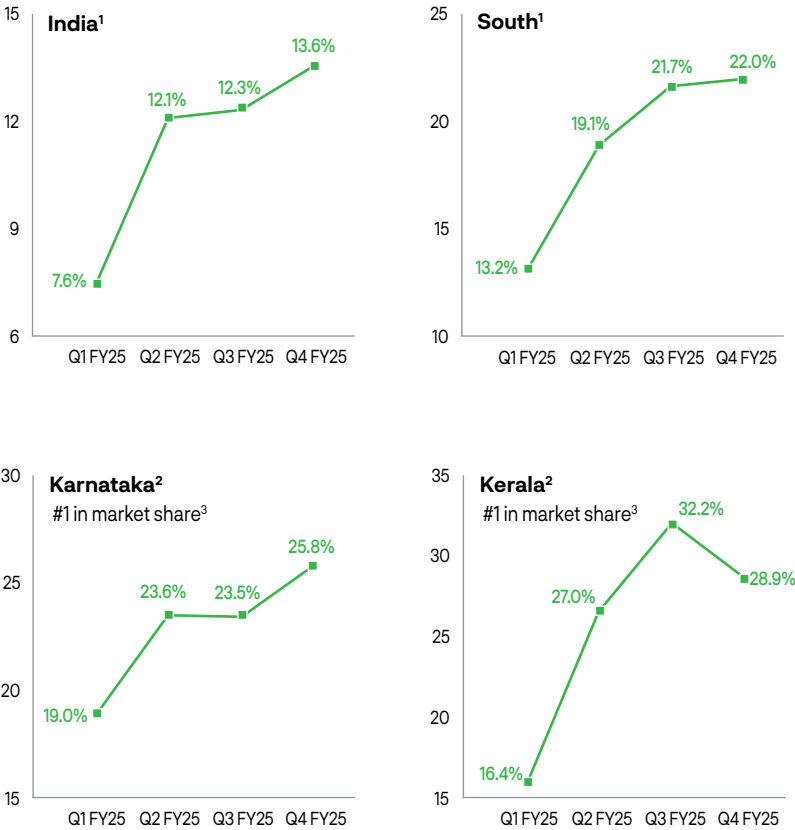
We launched the Ather Rizta in Q1 of FY25. The impact of the Ather Rizta on our sales has been marked. Our sales grew to 1,55,394 units in FY25, a 42% year on year growth. Our market share as per VAHAN in key markets such as Gujarat, Maharashtra and Delhi grew significantly while our national market share remained stable at 11.4%. We achieved a significant market share in our most penetrated market - South India (Tamil Nadu, Karnataka, Kerala, Andhra Pradesh, Goa, Telangana) with a 22% market share in these states collectively. Ather's distribution presence has been strongest in the South due to the stronger demand for performance scooters in the region. With the Ather

Rizta, a convenience scooter which makes up the bulk of the market, we were able to leverage our presence and brand strength in the South to become the market leader in Q4 of 2025. Our market leadership/growth in the south is a demonstration of Ather's strategy coming together to deliver. Our national market share also grew to 13.3% in Q4 of FY25 on the back of our fast expanding distribution and momentum generated by Ather Rizta.

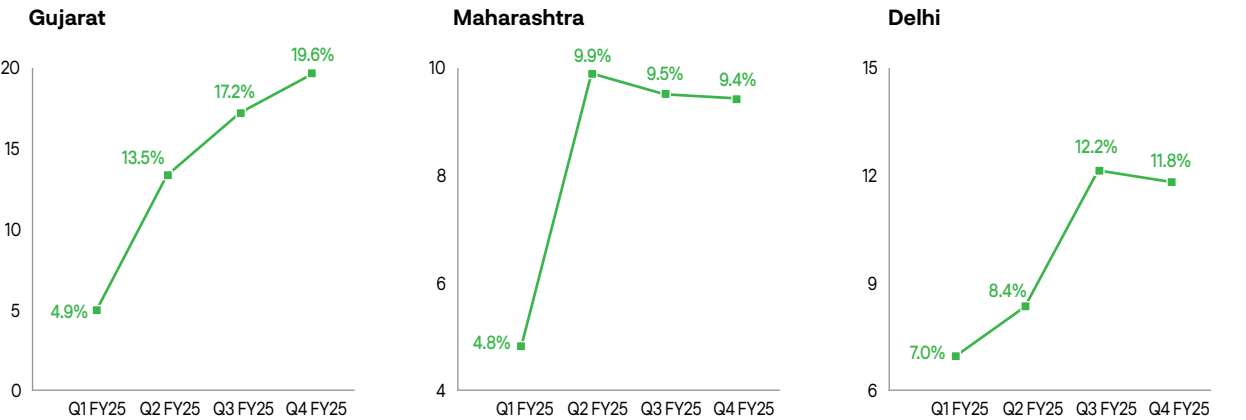
We recognise that customers in different markets have different preferences. The non-south markets have a strong preference for convenience scooters and with the Ather Rizta, we were able to make significant gains in Gujarat, Maharashtra and Delhi.

Our distribution expansion continues at a frenetic pace on the back of our holistic product line up. We grew from 265 stores in Q3 to 351 stores in India at the end of Q4. The gains from this addition of distribution will be more evident in FY26 as new stores ramp up.

Ather emerging as a market leader in the south



Ather continues to grow market share in few of the non-south markets²

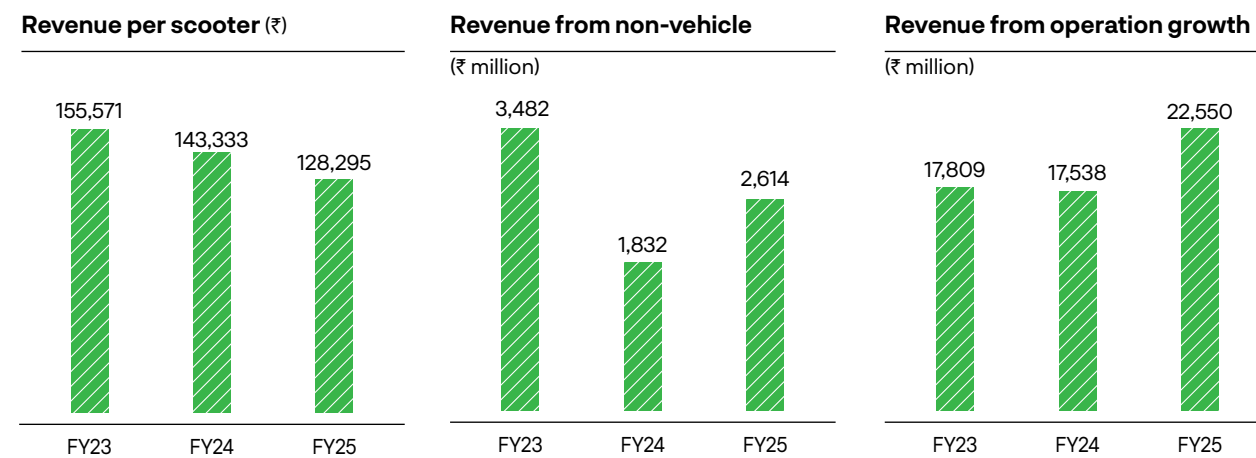


Note: 1. Market share based on Vahan Portal + Vehicle Online Sales data from the official website of Information Technology, Electronics & Communication Department (IT E&C), Government of Telangana;
2. Market share based on VAHAN portal data;
3. in Q4FY25.



Maintaining our premium positioning in a year of discounts

While FY25 saw fierce competition in the E2W market with discounts and offerings below ₹ 1 lakh ex-showroom price, Ather's premium positioning ensured that our revenue per scooter remained well above a lakh at ₹ 128,295 for FY25. While the Ather Rizta line is on average ₹ 16,500 cheaper than the Ather 450 line, our software AtherStack drove significant adoption of the Propack. 88% of customers who bought an Ather scooter purchased our software, driving an additional 6% in revenue. As a result of the above, our overall revenue grew 29% year on year and the momentum is going to continue in FY26.

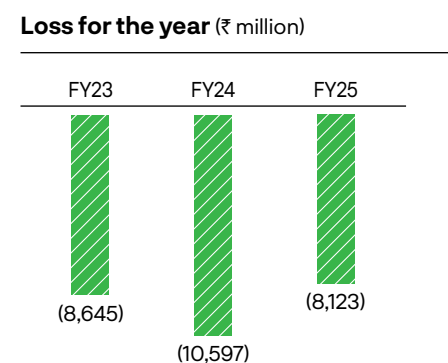
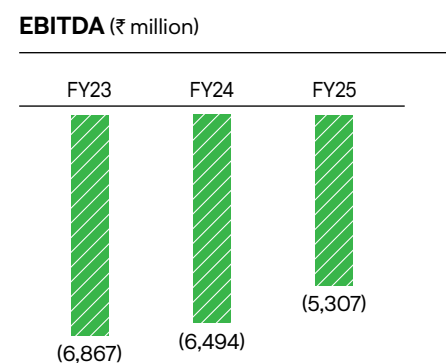
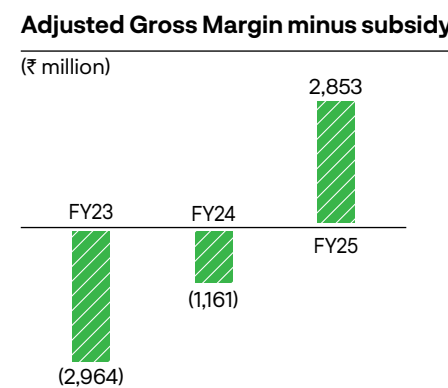
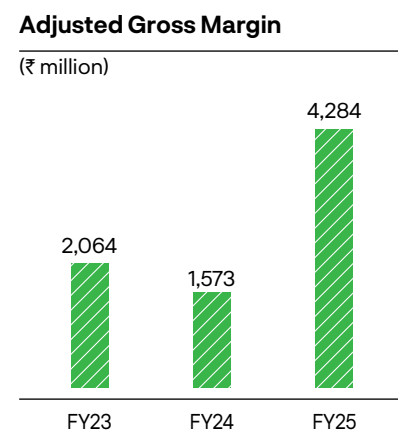


Significant strides on BOM cost reduction driving margin improvement

Our Adjusted gross margin made huge strides in FY25, improving from 9% in FY24 to 19% in FY25, driven by ongoing cost reduction efforts leveraging increased scale, in-house design and engineering capabilities, and strategic sourcing. The improvement in margins also marked a milestone of being 'atmanirbhar' from subsidies at a unit level.

Our adjusted GM minus subsidies was 12.4% in FY25, setting us on the path to profitability for a post subsidy world. Subsidies only made up 6% of our revenue in FY25 as against 16% in FY24. Our growing volumes also improved our operating leverage leading to gains on EBITDA which improved from (36%) in FY24 to (23%) in FY25.

Our capital efficiency and pricing discipline also ensured that our working capital days remained at a healthy (58).



Key Performance Indicators

Particulars	Units	March 31, 2025	March 31, 2024
Vehicles Sold	Numbers	155,394	109,577
Year-on-year growth of Vehicles Sold	(%)	42%	19%
Revenue from Operations	₹ in Million	22,550	17,538
Year-on-year growth in Revenue from Operations	(%)	29%	(2%)
Adjusted Gross Margin	(%)	19%	9%
EBITDA	₹ in Million	(5,307)	(6,494)
EBITDA Margin	(%)	(23%)	(36%)
Revenue Mix			
-Sale of vehicles	(%)	88%	90%
-Sale of non-vehicle	(%)	12%	10%
Revenue per unit of Two-Wheeler Vehicle Sold	In ₹	128,295	143,333
Profit / (Loss) for the year	₹ in Million	(8,123)	(10,597)
Profit / (Loss) for the year margin	(%)	(35%)	(59%)
Working Capital Days	Days	(58)	(46)
E2W Market Share (%)	(%)	11.4%*	11.5% ^

*As per VAHAN data as on May 4, 2025. ^ As per CRISIL Report

Analysis of Financial and Operational Performance

Statement of Profit and Loss

The following table sets forth select financial data from our statement of profit and loss for the year ended March 31, 2025 and March 31, 2024, the components of which are also expressed as a percentage of total income for such periods.

	₹ in Million			
	Financial Year			
Particulars	2025		2024	
	Amount	% of Total Income	Amount	% of Total Income
Revenue from operations	22,550	98%	17,538	98%
Other income	502	2%	353	2%
Total income	23,052	100%	17,891	100%
EXPENSES				
Cost of materials consumed	18,269	79%	15,792	88%
Purchase of stock-in-trade	1,007	4%	279	2%
Change in inventories of finished goods, stock-in trade and work-in-progress	(508)	(2%)	247	1%
Employee benefits expense	4,124	18%	3,692	21%
Finance costs	1,106	5%	890	5%
Depreciation and amortisation expenses	1,710	7%	1,467	8%
Other expenses	5,467	24%	4,375	24%
Total expenses	31,175	135%	26,742	149%
Loss before exceptional items and tax	(8,123)	(35%)	(8,851)	(49%)
Exceptional items	-	-	1,746	10%
Loss before tax	(8,123)	(35%)	(10,597)	(59%)
Tax Expense				
Current tax	-	-	-	-
Deferred tax	-	-	-	-
Total tax expense	-	-	-	-
Loss for the year	(8,123)	(35%)	(10,597)	(59%)

Revenue from operations

Our revenue from operations increased by 29% to ₹ 22,550 million in FY25 from ₹ 17,538 million in FY24 primarily due to an increase in the sales volume of E2Ws on account of our introduction of the Ather Rizta in May 2024 and the expansion of our distribution network (including Nepal and Srilanka) from 211 experience centres as of March 31, 2024 to 375 experience centres as of March 31, 2025. In FY25, we sold 155,394 units of Ather 450X and Ather Rizta variants compared to 109,577 units of Ather 450X variants in FY24, a 42% increase which resulted in a corresponding increase in our revenue from sale of finished goods to ₹ 19,984 million in FY25 as compared to ₹ 15,819 million in FY24.

Our sale of stock-in-trade also increased to ₹ 1,071 million in FY25, compared to ₹ 502 million in FY24. This increase is mainly attributable to the increase in our sales of accessories, spare parts and merchandise to support the growth of our business. Our sale of service increased to ₹ 1,451 million in FY25, compared to ₹ 1,190 million in FY24, in line with the growth in sales of our E2Ws.

Other income

Our other income increased to ₹ 502 million in FY25 from ₹ 353 million in FY24. The increase was primarily due to an increase in the gain on disposal / fair valuation of investments to ₹ 218 million in FY25, from ₹ 115 million in FY24 as a result of an increase in investment of surplus fund in liquid mutual funds.

Expenses

Our total expenses increased to ₹ 31,175 million in FY25 from ₹ 26,742 million in FY24, primarily due to an increase in cost of material consumed, purchase of stock-in-trade, employee benefits expense, finance costs, depreciation and amortisation expense and other expenses as detailed hereunder. Our total expenses as a percentage of total income were 135% in FY25 as compared to 149% in FY24.

Cost of materials consumed

Our cost of materials consumed increased to ₹ 18,269 million in FY25 from ₹ 15,792 million in FY24 in line with the increase in the production and sale of our E2Ws. The increase was partially offset by cost efficiencies generated through our in-house design, R&D initiatives and a reduction in cell cost which lowered our average BOM cost per vehicle for the Ather 450 series. Additionally, in FY25, the introduction of the Ather Rizta, which features an average BOM cost 10% lower than the

Ather 450 series as of March 31, 2025, represented 57% of our total sales volume during the same year, resulting in a lower cost of materials consumed. The cost of materials consumed represented 79% and 88% of our total income in FY25 and in FY24, respectively.

Purchase of stock-in-trade

Our purchase of stock-in-trade increased to ₹ 1,007 million in FY25 from ₹ 279 million in FY24, due to an increase in our purchase of accessories, spare parts and merchandise to support the growth of our business.

Change in inventories of finished goods, stock-in trade and work-in-progress

Closing inventories levels of finished goods, stock-in-trade and work-in progress increased to ₹ 678 million as of March 31, 2025 from ₹ 178 million as of March 31, 2024, primarily due to an increase in the production of vehicles in FY25 in anticipation for a rise in sale volumes. This resulted in the recognition of changes in the inventories of finished goods, stock-in trade and work-in-progress of ₹ (508) million in FY25 as compared to ₹ 247 million in FY24.

Employee benefits expenses

Our employee benefits expenses increased to ₹ 4,124 million in FY25 from ₹ 3,692 million in FY24, due to an increase in the size of our workforce towards research and development, support the ramp-up in production of the Ather Rizta, the growth in sales of our E2Ws and an increase in the salaries paid to our employees. We had 1,617 on-roll employees as of March 31, 2025, as compared to 1,458 on-roll employees as of March 31, 2024. Further, our employee share based payment expenses increased to ₹ 831 million in FY25 from ₹ 754 million in FY24 due to the grant of new share options.

Finance Costs

Our finance costs increased to ₹ 1,106 million in FY25 from ₹ 890 million in FY24, primarily due to an increase in borrowings.

Depreciation and amortisation expense

Our depreciation and amortisation expense increased to ₹ 1,710 million in FY25 from ₹ 1,467 million in FY24. Depreciation and amortisation expense increased due to our increased investments in property, plant and equipment (“PPE”), leases and other intangible assets, as we expanded our business operations and continued investing in our manufacturing and research & development facilities.

Other expenses

Our other expenses increased to ₹ 5,467 million in FY25 from ₹ 4,375 million in FY24, primarily due to an increase in advertisement and marketing, legal, professional

and consultancy charges and freight and carriage outwards. Advertisement and marketing expense increased to ₹ 1,446 million in FY25 from ₹ 907 million in FY24, primarily due to an increase in brand promotions and other marketing initiatives for the launch of Ather Rizta and Halo smart helmet, and continued marketing of the Ather 450 series. Legal, professional and consultancy charges increased to ₹ 813 million in FY25 from ₹ 614 million in FY24, primarily due to increased expenditures in relation to contractors, legal and tax consultants as well as other expert services necessary to support our growth. Freight and carriage outwards increased to ₹ 336 million in FY25 from ₹ 213 million in FY24 primarily due to an increase in sales volume. The aforementioned increase in other expenses was partially offset by a reduction in loss on fair value measurement of financial liabilities by ₹ 224 million from FY24 to FY25, as a result of the settlement of such financial liabilities.

Exceptional Items

During the previous year FY24, ₹ 1,746 million was recognised as an exceptional item, which consisted of ₹ 1,578 million in refund of charger price to customers who purchased the Ather 450X prior to April 13, 2023, and ₹ 168 million for refund of FAME incentive for differential battery capacity.

Loss for the period

As a result of the foregoing major factors, our loss for the period decreased to ₹ 8,123 million in FY25 from a loss of ₹ 10,597 million in FY24.

Balance Sheet

The table below sets forth the principal components of our Balance Sheet as at March 31, 2025 and March 31, 2024:

Particulars	₹ in Million	
	As of March 31, 2025	As of March 31, 2024
Total non-current assets	9,438	6,841
Total current assets	11,568	12,294
Total assets	21,006	19,135
Total equity	4,930	5,459
Total non-current liabilities	4,344	2,912
Total current liabilities	11,732	10,764
Total liabilities	16,076	13,676
Total equity and liabilities	21,006	19,135

Our total non-current assets were ₹ 6,841 million as of March 31, 2024, increased by 38% to ₹ 9,438 million as of March 31, 2025, primarily due to an increase

in investments in our manufacturing facilities and development expenditure incurred on internally generated intangible assets, and an increase in right of use assets arising from new lease agreements entered into in relation to the expansion of our Factory 3.0 and R&D facilities. Non-current balances with government authorities increased from ₹ 982 million as of March 31, 2024 to ₹ 1,057 million as of March 31, 2025 primarily due to the accumulation of input tax credits availed on GST paid for purchases of materials and services, which can be used to discharge GST liabilities in the future.

Our total current assets were ₹ 12,294 million as of March 31, 2024, reduced by 6% to ₹ 11,568 million as of March 31, 2025, primarily due to a reduction in investments and cash and cash equivalents utilised for operations of the Company, partially offset by increase in inventories from ₹ 1,167 million as of March 31, 2024 to ₹ 2,446 million as of March 31, 2025 and increase in current balances with government authorities from ₹ 2,293 million as of March 31, 2024 to ₹ 2,844 million as of March 31, 2025 primarily due to outstanding GST refunds which were received after the end of FY25 and the accumulation of input tax credits on GST paid for purchases of materials and services, which can be used to discharge GST liabilities in the future.

Our total equity was ₹ 5,459 million as of March 31, 2024, decreased to ₹ 4,930 million as of March 31, 2025, primarily due to loss before tax of ₹ 8,123 million which was partially offset by issuance and conversion of Series F CCPS & Series G CCPS (including security premium) during the year.

Our total non-current liabilities was ₹ 2,912 million as of March 31, 2024, increased to ₹ 4,344 million as of March 31, 2025, primarily due to an increase in non-current borrowings from ₹ 309 million as of March 31, 2024 to ₹ 1,169 million as of March 31, 2025 and deferred revenue from ₹ 358 million as of March 31, 2024 to ₹ 802 million as of March 31, 2025, comprising deferred revenue from sale of extended battery warranties and subscription income deferred over the period of service, in accordance with Ind AS 115 “Revenue from Contracts with Customers”.

Our total current liabilities was ₹ 10,764 million as of March 31, 2024, increased to ₹ 11,732 million as of March 31, 2025, primarily due to increase in current borrowings from ₹ 2,840 million as of March 31, 2024 to ₹ 3,330 million as of March 31, 2025 and increase of trade payables from ₹ 4,027 million as of March 31, 2024 to ₹ 5,609 million as of March 31, 2025 partially offset by reduction in statutory dues payable, payable to employees and settlement of stock option liabilities during FY25.

Cash Flows

The table below summarises the statement of cash flows, for the year ended March 31, 2025 and March 31, 2024:

Particulars	₹ in Million	
	As of March 31, 2025	As of March 31, 2024
Net cash used in operating activities	(7,207)	(2,676)
Net cash used in investing activities	(3,782)	(2,281)
Net cash generated from financing activities	7,029	6,332
Net increase/(decrease) in cash and cash equivalents	(3,960)	1,375

Operating Activities

In FY25, net cash used in operating activities amounted to ₹ 7,207 million. This included an operating cash outflow before working capital changes of ₹ 4,275 million, a reduction from ₹ 7,038 million in FY24. The remaining cash used in operating activities was mainly due to an increase in inventories by ₹ 1,278 million and other assets by ₹ 1,378 million, a decrease in other financial liabilities by ₹ 939 million, and a decrease in other liabilities and provisions by ₹ 460 million.

Investing Activities

Net cash used in investing activities in FY25 amounting ₹ 3,782 million primarily includes capital expenditure on PPE, intangible assets, capital work-in-progress and intangible assets under development, including capital advances and payable on purchase of property, plant and equipment of ₹ 3,390 million and net investment in term deposits of ₹ 912 million. This was partially offset by interest received of ₹ 394 million and proceeds from sale of mutual funds of ₹ 126 million.

Financing Activities

Net cash flow generated from financing activities in FY25 was ₹ 7,029 million, and primarily includes proceeds from current borrowings (net) of ₹ 5,830 million (including proceeds from Series G CCPS of ₹ 6,000 million that has been converted into equity shares), proceeds from non-current borrowings (including current maturities) of ₹ 4,100 million and proceeds from issue of Series F CCPS (including security premium) of ₹ 866 million. This was partially offset by repayment of non-current borrowings (including current maturities) of ₹ 2,583 million, payment of lease liabilities of ₹ 211 million and payment of finance cost of ₹ 973 million.

Environmental, Social and Governance

Ather Energy's ESG strategy underscores our commitment to sustainable practices through strong governance, EV technology advancement, environmental impact minimisation, and talent investment. The Company promotes a responsible and sustainable culture via its ESG strategy and policy, ethics code, and anti-bribery/corruption/fraud policies.

Environmental stewardship is managed by a corporate ESG committee led by the Chief Operating Officer (COO), assisted by the Environment, Health, Safety, and Security (EHSS) head, focusing on renewable energy, pollution control, zero-sewage discharge and paper-based packaging. Ather Energy's strong ESG performance is recognised by three 'Gold Leaf' ratings from Aspire Impact (2020, 2021, 2024), detailed in three impact reports.

We are committed to sustainable practices, assessing our impact via our proprietary 4P framework (Product, Planet, People, and Policy) and a recent Gold Leaf rating from Aspire Impact (September 2024).

Our ESG strategy focuses on strong governance, minimising environmental impact, and investing in talent and community. This is reflected in our EHSS and CSR policies, alongside governance policies promoting transparency and integrity.

We have a firm corporate governance approach with a Board of eight directors, including three independent directors as on the date of Board Report. Our structure is transparent with established committees (audit, risk, nomination & remuneration, IPO, stakeholder relations).

An ESG Committee, led by the COO and EHSS head, oversees our ESG strategy implementation, monitors E&S policies, addresses grievances, sets ESG goals and KPIs, and advises the Board on ESG matters.

A consistent work environment is prioritised for employee retention and attraction, ensuring operational continuity. Permanent employee attrition rate was 12.5% in FY25 as against 18.4% in FY24.

Human Resource

Our people are central to our success, driving innovation and customer service. Our culture, TAAS, a collective of five core values, shapes our thoughts, actions, and working methods. We view human talent as a key pillar for growth. In FY25, we focused on cultivating an inclusive, innovative, and adaptable workforce by integrating talent management, technology, and our core values, assessed through regular Culture Conversations with employees.

We enhance employee experience through advanced HR technology, strategic talent management, and continuous development programmes. Our benefits include sabbatical leave (one to six months every two years), adoption/surrogacy leave, miscarriage leave, volunteer leave, and medical insurance extended to domestic partners. We invest in employee growth via our Learning Assistance Policy and comprehensive training (compliance, technical, leadership, behavioural), including an advanced dojo at our Hosur Factory. The Ather Step Up Programme offers contract associates a pathway to permanent employment.

Key Financial Ratios: The key financial ratios of the Company are given as below:

Particulars	FY 2024-25	FY 2023-24	% change	Reason for change
Trade Receivables Turnover Ratio (times)	336.56	1,252.71	(73.13%)	Decrease in trade receivable turnover ratio is due to increase in average trade receivable during the year.
Inventory Turnover Ratio (times)	10.39	8.72	19.15%	-
Interest Coverage Ratio (times)	(6.62)	(9.26)	(28.49%)	Improved mainly on account of reduction in loss during the year.
Current Ratio (times)	0.99	1.14	(13.16%)	-
Debt Equity Ratio (times)	1.26	0.88	43.18%	Increase in debt-equity ratio mainly due to increase in borrowing during the year and reduction of total equity on account of losses for the year.
Operating Profit Margin (%)	(33.34)	(47.41)	(29.66%)	Improved mainly on account of increase in revenue from operations and reduction in loss during the year.
Net Profit Margin (%)	(36.02)	(60.42)	(40.38%)	Improved mainly due to decrease in loss and increase in revenue from operation for the year.
Return On Net Worth (%)	(1.56)	(1.83)	(14.75%)	-

Key Initiatives:

AI-driven Employee Engagement Tool: Introduced to actively monitor and provide insights into organisational sentiment, enabling targeted interventions.	AI-powered HR Bot: Implemented as a 24/7 self-service platform to address employee queries efficiently.	Enhanced Internal Job Posting (IJP): Streamlined to prioritise career progression opportunities for existing employees.	New Hire Recognition Programme: Launched to motivate new sales team members and improve early-stage retention.
The Neo Branch Manager Coaching Programme: Implemented based on branch profitability (GMIRR%) to maximise performance.	Employee Well-being Partnerships: Established collaborations with leading hospitals (Shalby, Santokba Durlab Ji, HCG, CK Birla) and organised health camps to support employee health.	Hiring & Wellness Initiatives for Female Colleagues: Focused on increasing female representation with provisions like crèche facilities, first aid, and sick rooms.	Capacity Ideation & Role Clarity Model: Successfully piloted to ensure clear role understanding, eliminate redundancies, and implement targeted development plans (Individual Development Plans) to enhance productivity and retention.

We have aligned our human capital with business objectives through improved HR operations and proactive talent retention. Our workforce increased to 3,585 (comprising 1,703 on-roll employees including consultants, trainees and interns and 1,883 off-roll employees) as of March 31, 2025, against 2,458 (comprising 1,458 on-roll employees including consultants, trainees and interns and 996 off-roll employees) as of March 31, 2024.

We ensure a healthy, safe, and inclusive workplace; We were awarded as Marksmen Daily's Most Preferred Workplace 2024 (Manufacturing Edition). Our diversity and inclusion work, known as Mosaic, includes awareness programmes and inclusive activities. We are an equal opportunities employer, committed to

including disabled individuals, those with HIV & AIDS, and the LGBTQIA+ community.

We are committed to a workplace free from prejudice, bias, and harassment, with an Internal Complaints Committee following the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013. We were awarded as one of India's Top 25 Safest Workplaces in 2024.

Our health and safety initiatives include annual health checks, provision of menstrual products and hygiene awareness, observance of global health days, and an Occupational Health Centre at the Hosur Factory. Workplace safety risk mitigation includes machine guarding, GEMBA audits, safety audits, and electrical room safety measures.

Risk Management

Risks	Impact and Mitigation
Credit Risk	Credit risk arises from the potential default of a counterparty on its payment obligations, leading to financial loss for the Company. To mitigate this risk, the Company adheres to a policy of engaging with creditworthy counterparties. This assessment relies on information provided by independent rating agencies where available; otherwise, the Company uses publicly accessible financial data and its own trading history to evaluate major customers. The Company's exposure to and the credit ratings of its counterparties are under continuous review, and the total value of transactions is distributed across approved counterparties. Financial instruments potentially exposed to concentrations of credit risk primarily include balances with banks, investments in mutual funds, trade receivables, and other financial assets. However, none of the Company's financial instruments result in material concentrations of credit risk.
Liquidity Risk	The ultimate responsibility for managing liquidity risk lies with the board of directors, which has established a suitable framework to address the Company's short-, medium-, and long-term funding and liquidity management needs. The Company manages this risk by maintaining sufficient reserves, banking facilities, and available borrowing options, through the continuous monitoring of both forecasted and actual cash flows, and by aligning the maturity profiles of its financial assets and liabilities.
Interest Rate Risk	Interest rate risk refers to the potential for future cash flows from a financial instrument to change due to fluctuations in market interest rates. The Company's primary exposure to interest rate risk stems from its long-term and short-term borrowings with variable interest rates. To manage this risk, the Company continuously monitors credit markets and adjusts its financing strategies to achieve an optimal balance between maturity profiles and financing costs.
Currency Risk	The Company engages in transactions denominated in foreign currencies, which consequently creates exposure to fluctuations in exchange rates. The Company's exposure to currency risk primarily relates to its operating activities and borrowings when transactions are denominated in a currency other than the Company's functional currency.
Other Price Risk	The Company faces price risk related to its investments in mutual funds. To effectively manage this potential volatility, the Company employs a strategy of portfolio diversification, spreading its investments across various mutual fund schemes to mitigate the impact of adverse price movements in any single investment.

Internal Controls and their Adequacy

The Company has a robust and adequate system of internal controls commensurate with the nature of its business, size and complexity of operations to ensure that all assets are safeguarded and protected against loss from unauthorised use or disposition and that all transactions are authorised, recorded and reported correctly. The internal control system is designed to ensure that financial and other records are reliable for preparing financial information and other data, and for maintaining accountability of assets. The Company's Internal Financial Controls are deployed through the Internal Control - Integrated Framework (2013) issued by the Committee of Sponsoring Organisations of the Treadway Commission (COSO), which addresses material risks in the Company's operations and Financial reporting objectives. The internal control system is supplemented by an extensive programme of internal audits, reviews by management, and documented policies, guidelines and procedures. The Audit committee approves the annual risk-based audit plan, and key insights are communicated to the committee from time to time, along with mitigative actions taken by management in response to the audit findings.

Cautionary Statement

The Management Discussion and Analysis presented herein includes statements that describe the Company's financial and growth projections, as well as articulations of its objectives, plans, strategies, and beliefs. These statements may constitute 'forward-looking statements' under applicable laws and regulations and are based on the management's informed judgements and estimates. While these assertions are founded on currently available information, the Company explicitly disclaims any obligation to revise or update them in response to future events or changes in circumstances. It is important to note that actual results may differ materially from those expressed or implied in these forward-looking statements due to various risks and uncertainties. These factors include, but are not limited to, supply and demand situation, input prices and their availability, changes in Government regulations, tax policies and other factors such as Industrial relations and economic developments, its ability to attract and retain qualified personnel, fluctuations in currency exchange rates and market conditions both in India and globally, as well as other risks inherent in the industry that may not be specifically enumerated herein.



Board’s Report

To,
The Members of
Ather Energy Limited
(Formerly known as Ather Energy Private Limited)

Your Directors’ have immense pleasure in presenting the 12th Annual Report of your Company together with the audited financial statements for the financial year ended March 31, 2025.

1. Financial Highlights

Particulars	₹ Million	
	Financial year ended March 31, 2025	Financial year ended March 31, 2024
Revenue from operations	22,550	17,538
Other income	502	353
Total income	23,052	17,891
Operating expenditure	28,359	24,385
Loss before finance costs, depreciation & amortisation, exceptional item and tax	(5,307)	(6,494)
Finance costs	1,106	890
Depreciation and amortization expenses	1,710	1,467
Loss before exceptional items and tax	(8,123)	(8,851)
Exceptional items	0	1,746
Loss before tax	(8,123)	(10,597)
Tax expense	0	0
Loss for the year	(8,123)	(10,597)

Review of operations

During the year, the total income of your Company increased to ₹ 23,052 million as compared to ₹ 17,891 million in the previous year, registering a growth of 29%. The loss for the year was ₹ 8,123 million as compared to ₹ 10,597 million in the previous year registering an improvement of 23%.

The operating and financial performance of your Company has been covered in the Management Discussion and Analysis Report which forms part of the Annual Report.

2. Dividend

In view of the losses for the financial year, no dividend is recommended as per the provisions of the Companies Act, 2013, as amended (“the Act”), and the Rules framed thereunder. The Dividend Distribution Policy as per the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“Listing Regulations”) is available on the Company’s website on <https://media.atherenergy.com/Dividend-Distribution-Policy.pdf>

The Company has not declared any dividend in the past and hence there is no unclaimed amount required to be transferred to investor education and protection fund.

3. Transfer to Reserves

During the year under review, the Company has not transferred any amount to reserves.

4. State of Company’s Affairs

During the year, your Company sold 155,394 units of electric scooters as compared to 109,577 units in the previous year, registering a significant growth of around 42% YoY. The Company’s electric scooters had excellent traction amongst the premium scooter buyers with 65,093 of the total units sold being vehicles with top end features.

During the year, the Company changed its status from a private to a public limited company w.e.f. August 27, 2024. It also embarked on a historic journey of initial public offering of its equity shares aggregating to ₹ 29,808 million, comprising of issue of fresh equity shares aggregating ₹ 26,260 million as well as offer for sale by certain existing shareholders aggregating ₹ 3,548 million (“IPO”). We are pleased to inform that your Company’s equity shares were successfully listed on May 6, 2025 at the BSE Limited and National Stock Exchange of India Limited.

Board’s Report

5. Share Capital and Debentures

A. Share Capital

a. Authorized Share Capital

The Company at its Extraordinary General Meeting held on June 21, 2024 vide ordinary resolution increased the authorised share capital of the Company from ₹ 9,365,778 to ₹ 500,000,000.

Further, the Company at its Extraordinary General Meeting held on September 05, 2024 vide ordinary resolution increased the authorised share capital of the Company from ₹ 500,000,000 to ₹ 1,000,000,000.

b. Issued, Subscribed and Paid-Up Share Capital

The issued, subscribed and paid-up share capital of the Company as on March 31, 2025 is ₹ 290,643,469 divided into 290,643,469 equity shares of ₹ 1/- each.

Details of issuance of equity shares and compulsory convertible preference shares by the Company during the financial year under review are given hereunder:

On June 21, 2024, the Company subdivided 3,530 equity shares of ₹ 37 each to 130,610 equity shares of ₹ 1 each.

On June 22, 2024, the Company issued 29,658,520 Bonus equity shares of ₹ 1 each to equity shareholders.

On July 04, 2024, 907,236 equity shares of ₹ 1 each were issued on exercise of stock options pursuant to the Companies (Share Capital and Debentures) Rules, 2014.

On July 09, 2024, the Company allotted 74,148 Series F CCPS of ₹ 1 each which were converted into equity shares on February 25, 2025.

On September 04, 2024, the Company allotted 16,528,925 Series G CCPS of ₹ 10 each which were converted into equity shares on March 08, 2025.

On February 25, 2025, 19,352,628 equity shares of ₹ 1 each were issued pursuant to conversion of Series F compulsory convertible preference shares.

On March 08, 2025, 240,483,445 equity shares of ₹ 1 each were issued pursuant to conversion of outstanding compulsory convertible preference shares.

During the financial year under review, the Company has neither issued the equity shares with differential voting rights nor issued sweat equity shares in terms of the Companies Act, 2013.

B. Debentures

On April 28, 2024, the Company allotted 5,000 Series C unlisted, secured, redeemable Non-Convertible Debentures (NCD) of face value of ₹ 100,000 per NCD to Alteria Capital Fund II – Scheme I and Alteria Capital Fund III – Scheme A.

On May 04, 2024, the Company allotted 6,000 Series C1 unlisted, secured, redeemable Non-Convertible Debentures (NCD) of face value of ₹ 100,000 per NCD to InnoVen Capital India Fund.

On May 30, 2024, the Company allotted 10,000 Series C3 unlisted, secured, redeemable Non-Convertible Debentures (NCD) of face value of ₹ 1,00,000 per NCD to Stride Ventures Debt Fund II.

On June 13, 2024, the Company allotted 10,000 Series C3 unlisted, secured, redeemable Non-Convertible Debentures (NCD) of face value of ₹ 1,00,000 per NCD to Stride Ventures Debt Fund 3.

On July 24, 2024, the Company allotted 6,000 Series D1 unlisted, secured, redeemable Non-Convertible Debentures (NCD) of face value of ₹ 1,00,000 per NCD to InnoVen Capital India Fund.

On November 19, 2024, the Company allotted 2,000 Series D2 unlisted, secured, redeemable Non-Convertible Debentures (NCD) of face value of ₹ 1,00,000 per NCD to InnoVen Capital India Fund.

On February 05, 2025, the Company allotted 2,000 Series D3 unlisted, secured, redeemable Non-Convertible Debentures (NCD) of face value of ₹ 1,00,000 per NCD to InnoVen Capital India Fund.

6. Subsidiaries, Joint Ventures & Associate Companies

The Company does not have any subsidiaries, joint ventures, or associate companies. Hence, a separate section on the performance and financial position under the provisions of Section 129(3) of the Companies Act, 2013, is not applicable to the Company.

Board’s Report

The Company’s Policy for determining Material Subsidiaries is available on the website at <https://media.atherenergy.com/Policy-for-determining-Material-Subsidiaries.pdf>

7. Management Discussion and Analysis

Management Discussion and Analysis Report for the year under review, as stipulated under the Listing Regulations, is presented in a separate section, forming part of the Annual Report.

8. Material Changes Affecting the Financial Position of the Company

On May 06, 2025, the equity shares of your Company got listed on National Stock Exchange of India Limited and BSE Limited, post successful Initial Public Offering of 92,867,945 equity shares having face value of ₹ 1/- each (“Equity Shares”) at an Offer Price of ₹ 321/- per equity share, including premium of ₹ 320/- per equity share aggregating to ₹ 29,808 million, comprising of Fresh issue of 81,816,199 equity shares and an offer for sale of 11,051,746 equity shares by certain existing equity shareholders of the Company. A discount of ₹ 30/- per equity share was offered to Eligible Employees bidding in the Employees Reservation Portion.

There are no other material changes and commitments affecting the financial position of the Company that has occurred since the end of the financial year till the date of this report.

9. Change in the Nature of Business, if any.

There has been no change in the nature of business of the Company during the financial year ended March 31, 2025.

10. Internal Financial Controls and Internal Audit

The Company has an adequate system of internal controls commensurate with its size and scale of operations, procedures and policies, ensuring orderly and efficient conduct of its business, including adherence to the Company’s policies, safeguarding of its assets, prevention and detection of frauds and errors, accuracy and completeness of accounting records and timely preparation of reliable financial information.

As part of the Corporate Governance Report, Chief Financial Officer (CFO) certification is provided for assurance on the existence of effective internal control systems and procedures in the Company.

The internal control framework is supplemented with an internal audit program that provides an independent view of the effectiveness of the process and controls and supports a continuous improvement program. The Audit Committee of the Board oversees the internal audit function.

The Audit Committee is regularly apprised by the internal auditors through various reports and presentations. The scope and authority of the internal audit function is derived from the Audit Committee charter approved by the Board. The internal audit function develops an internal audit plan to assess control design and operating effectiveness, as per the risk assessment methodology and provides assurance to the Audit Committee that a system of internal control is designed and deployed to manage key business risks and is operating effectively.

Further, in terms of section 138 of the Companies Act, 2013, the Company had appointed M/s. Ernst & Young LLP as Internal Auditors of the Company for the financial year 2024-2025.

11. Deposits

During the financial year 2024-25, the Company has not accepted any deposits from public under the Companies Act, 2013 read with the Companies (Acceptance of Deposits) Rules, 2014, as amended.

12. Auditors

i) Statutory Auditors and Audit Report

Pursuant to the provisions of section 139 of the Companies Act, 2013, M/s. Deloitte Haskins & Sells, Chartered Accountants (Firm Registration 008072S) were appointed as Statutory Auditors of the Company at the Annual General Meeting held on July 15, 2021 to hold office from the conclusion of 8th Annual General Meeting till the conclusion of 13th Annual General Meeting, covering one term of five consecutive years.

Board’s Report

The Statutory Auditors have given unmodified opinion on the audited financial statements of the Company for the financial year ended March 31, 2025, which forms part of the Annual Report. The Statutory Auditors have given no qualification, reservation or adverse remark or disclaimer in its report. The Auditors of the Company have not reported any fraud in terms of the second proviso to Section 143(12) of the Companies Act, 2013.

ii) Secretarial Auditors & Secretarial Audit Report

Pursuant to the provisions of Section 204 of the Companies Act, 2013 read with corresponding rules made thereunder, as amended from time to time, M/s. BMP & Co. LLP, Practising Company Secretaries, (Firm registration number: L2017KR003200) were appointed as Secretarial Auditors to conduct Secretarial Audit of the Company for the financial year ended March 31, 2025.

The Secretarial Audit Report as submitted by Secretarial Auditors in Form MR-3 is annexed to this Report as **Annexure–I.**

There are no observations including any qualification, reservations, adverse remarks or disclaimer in the Secretarial Audit Report that call for any explanation from the Directors.

Pursuant to Regulation 24A (2) of the Listing Regulations, listed entities are required to submit, on annual basis, the Secretarial Compliance Report with the stock exchanges within sixty days from the end of the financial year. The Company has received the Secretarial Compliance Report from M/s. BMP & Co. LLP, Practising Company Secretaries. and the same can be accessed at <https://media.atherenergy.com/Secretarial-Compliance-Report-FY-2024-25.pdf>

(iii) Cost Auditor & Cost records

The Company has maintained cost records and accounts as specified by the Central Government under Section 148(1) of the Companies Act, 2013 and Companies (Cost Records and Audit) Rules, 2014 in respect of Li-Ion battery packs manufactured by the Company. The Company is not required to undertake Cost Audit as prescribed under the Companies (Cost Records and Audit) Rules, 2014.

13. Directors and Key Managerial Personnel (KMPs)

(i) Board of Directors

As on March 31, 2025, the Board of Directors has 9 Members viz. 7 Non-executive Directors (including 3 Independent Directors and 2 Nominee Directors) and two Executive Directors.

The Composition of Board of Directors as on March 31, 2025 is detailed below:

Sl No.	Name of Director	DIN	Designation
1	Ms. Neelam Dhawan	00871445	Chairperson & Non-executive Independent Director
2	Mr. Tarun Sanjay Mehta	06392463	Executive Director & Chief Executive Officer (CEO)
3	Mr. Swapnil Babanlal Jain	06682759	Executive Director & Chief Technical Officer (CTO)
3	Mr. Niranjan Kumar Gupta*	07806792	Non-executive Director (Nominee of Hero MotoCorp Limited)
4	Mr. Nilesh Shrivastava	09632942	Nominee Director (Nominee of National Investment and Infrastructure Fund II)
5	Mr. Pankaj Sood	05185378	Nominee Director (Nominee of Caladium Investment Pte Ltd)
6	Mr. Ram Kuppuswamy	09817635	Non-executive Director (Nominee of Hero MotoCorp Limited)
7	Mr. Kaushik Dutta	03328890	Non-executive Independent Director
9	Mr. Sanjay Nayak	01049871	Non-executive Independent Director

*Resigned from the Board effective from the close of business hours of May 06, 2025.

Board’s Report

Below were the changes in Directors during the financial year 2024-2025:

- The Board of Directors at their meeting held on July 28, 2023 approved reappointment of Mr. Tarun Sanjay Mehta (DIN: 06392463) as Executive Director & CEO of the Company for a term of five years with effect from May 30, 2024.
- The Board of Directors at their meeting held on July 28, 2023 approved reappointment of Mr. Swapnil Babanlal Jain (DIN: 06682759) as Executive Director & CTO of the Company for a term of five years with effect from May 30, 2024.
- The Board of Directors at their meeting held on May 06, 2024 approved appointment of Mr. Kaushik Dutta (DIN: 03328890) as Non-executive Independent Director of the Company effective from May 06, 2024 for a term of five consecutive years and the same was approved by the Members at the Extra-ordinary General Meeting held on May 28, 2024.
- The Board of Directors at their meeting held on August 27, 2024 approved appointment of Ms. Neelam Dhawan (DIN:00871445) as Non-executive Independent Director and Chairperson of the Board effective from August 27, 2024 for a term of three consecutive years and her appointment as Non-executive Independent Director was approved by the Members at the Extra-ordinary General Meeting held on September 5, 2024.
- The Board of Directors at their meeting held on August 27, 2024 approved appointment of Mr. Sanjay Nayak (DIN: 01049871) as Non-executive Independent Director of the Company effective from August 27, 2024 for a term of five consecutive years and the same was approved by the Members at the Extra-ordinary General Meeting held on September 5, 2024.

(ii) Key Managerial Personnel (KMPs)

In accordance with the provisions of Sections 2(51) and 203 of the Act, read with the Companies (Appointment and Remuneration of Managerial Personnel)

Rules, 2014 the following are the Key Managerial Personnel of the Company:

S. No	Name	Designation
1	Mr. Tarun Sanjay Mehta	Executive Director & CEO
2	Mr. Swapnil Babanlal Jain	Executive Director & CTO
3	Mr. Sohil Dilipkumar Parekh	Chief Financial Officer
4	Ms. Puja Aggarwal	Company Secretary & Compliance Officer

Below were the changes in the Key Managerial Personnel during financial year 2024-2025:

- Mr. Tarun Sanjay Mehta (DIN: 06392463) was reappointed as Executive Director & CEO of the Company for a term of five years with effect from May 30, 2024.
- Mr. Swapnil Babanlal Jain (DIN: 06682759) was reappointed as Executive Director & CTO of the Company for a term of five years with effect from May 30, 2024
- Mr. Sohil Dilipkumar Parekh was appointed as Chief Financial Officer of the Company with effect from April 01, 2024.

14. Independent Directors

- (i) The Company has received declarations from each of the Independent Directors that he/she meets the criteria of independence as laid out in Section 149(6) of the Act and Regulation 16(1)(b) of the Listing Regulations.
- (ii) The Board of Directors is of the opinion that all the Independent Directors meet the criteria regarding integrity, expertise, experience and proficiency.
- (iii) In terms of Regulation 25(8) of Listing Regulations, all the Independent Directors have confirmed that they are not aware of any circumstance or situation, which exists or may be reasonably anticipated, that could impair or impact their ability to discharge their duties with an objective independent judgement and without any external influence.

Board’s Report

In the opinion of the Board, there has been no change in the circumstances affecting their status as Independent Directors of the Company and the Independent Directors are persons of high repute, integrity and possess relevant expertise and experience in the respective fields. Further, in terms of Section 150 read with Rule 6 of the Companies (Appointment & Qualification of Directors) Rules, 2014, as amended, the Independent Directors of the Company have registered their names in the data bank of Independent Directors maintained with the Indian Institute of Corporate Affairs.

- (iv) During the year under review, the Non-executive Directors of the Company had no pecuniary relationship or transactions with the Company. Further, Independent Directors had no pecuniary relationship or transactions with the Company, other than sitting fees. Further, they are entitled to receive remuneration as per the provisions of Section II of Part II of Schedule V of the Act for the FY 2024-25.
- (v) The Independent Directors of the Company have provided declaration with respect to compliance with the Code for Independent Directors prescribed in Schedule IV of the Act and Code of Conduct for Directors and Senior Management Personnel as laid down by the Company.

15. Committees of Directors

The Company has constituted Committees as required under the Act and the Listing Regulations and the details of the said Committees are provided in the Corporate Governance Report.

16. Board and Committee Meetings

During the year, 16 Board meetings were held. Detailed information regarding the Board and Committee meetings is included in the Corporate Governance Report.

17. Evaluation of the Board, Committees, and Individual Directors

Pursuant to the provisions of Act and the Listing Regulations, evaluation of the Board was conducted for the financial year 2024-25. An online questionnaire method was adopted for evaluation based on the criteria approved by Nomination and Remuneration Committee (“NRC”) including a dedicated section for providing subjective feedback/suggestions. The evaluation was made to assess the performance of individual Directors, Committees of the Board, Board as a

whole and the Chairperson. The evaluation of the Board was based on criteria such as structure and composition, effectiveness of Board processes, governance and compliance, access of Board to management for information, awareness of industry trends etc. The performance of the Committees was evaluated based on criteria such as the composition of Committees, effectiveness of Committee meetings and its reporting to the Board, understanding of terms of reference. The evaluation of individual Directors was based on criteria such as personal attributes, participation and preparedness, availability, ethics, integrity, governance, understanding of business, corporate governance, value addition etc. Further, the evaluation of Executive Directors included additional criteria like achievement of targets set by Board and execution of plan, information sharing, leadership skills, relationship with Board members and all stakeholders.

The NRC at its meeting held on May 12, 2025 reviewed the report based on the outcome of the evaluation process. Further, the Independent Directors of the Company met separately on May 12, 2025, wherein, they reviewed the performance of the Non-Independent Directors and Board as a whole and of the Chairperson, taking into account the views of Executive and Non-executive Directors and they also assessed the quality, quantity and timeliness of flow of information between the Company’s Management and the Board that is necessary for the Board to effectively and reasonably perform their duties. The above evaluations were then discussed in detail in the Board Meeting.

18. Policy on appointment of Directors and Remuneration

The Company’s policy on Directors’ appointment and remuneration and other matters provided in Section 178(3) of the Act, is available on the website of the Company at <https://media.atherenergy.com/NRC-Policy.pdf>

We affirm that the remuneration paid to the Directors is as per the terms laid out in the Nomination and Remuneration Policy of the Company.

19. Whistle Blower/Vigil Mechanism

The Company strongly believes in conduct of its business in a fair, transparent, lawful, and ethical manner. Your Company has implemented a

Board’s Report

Whistle-Blower policy in line with Section 177(9) & (10) of the Act, read with Rule 7 of Companies (Meetings of Board and its Powers) Rules, 2014, for its employees and stakeholders to raise and report genuine concern(s) regarding unethical behaviour, actual or suspected fraud, violation of Company’s policies or applicable laws. The Whistle Blower Policy is available on the website of the Company at <https://media.atherenergy.com/Whistle-Blower-Policy.pdf>

The Company, as a policy, condemns any kind of discrimination, harassment, victimization, or any other unfair employment practice being adopted against whistle blowers and provides adequate safeguard measures. It also provides direct access to the Chairperson of the Audit Committee to raise concerns.

20. Corporate Social Responsibility

Corporate Social Responsibility (CSR) is a significant and foremost attitude of responsibility towards society. The Company believes in actively contributing to the social, economic and environmental development of the community in which it operates, ensuring participation from the community and thereby create value for the nature and its inhabitants through sustainable means.

While the Company does not meet the criteria set out for constitution of CSR Committee and contributions based on the statutory norms required under section 135 of the Act yet, the Company has always been committed to building a sustainable ecosystem and is placing concerted efforts to operate in ways that enhance society and the environment.

The Company has a well-defined policy on CSR under Section 135 of the Act. The CSR Policy of the Company is available on its website at <https://media.atherenergy.com/CSR-Policy.pdf>. Details on CSR activities voluntarily undertaken by the Company during the year are provided in **Annexure-II** forming part of this report.

21. Particulars of contracts or arrangements with related parties

During FY25, all contracts/arrangements/ transactions entered into by your Company with related parties were in compliance with the applicable provisions of the Act. The Company

has formulated a policy on dealing with related party transactions, which is available at <https://media.atherenergy.com/RPT-policy-2025.pdf> The policy intends to ensure that proper reporting, approval and disclosure processes are in place for all transactions between the Company and related parties.

Your attention is drawn to Note 36 to the financial statements which sets out related party disclosures. All related party transactions entered in to by the Company were in ordinary course of business and on arm’s length basis.

No material related party transactions were entered into by the Company during the year.

Disclosures as required under Section 134(3)(h) read with Rule 8(2) of the Companies (Accounts) Rules, 2014 are given in Form AOC-2 as specified under Companies Act, 2013 which is annexed as **Annexure-III** to this report.

22. Particulars of loans, guarantees or investments

During FY 25, your Company has not given any loans or guarantee and not made any investment pursuant to Section 186 of the Act and Schedule V of the Listing Regulations.

23. Conservation of Energy, Technology Absorption and Foreign Exchange Earnings and Outgo

The details regarding conservation of energy, technology absorption, and foreign exchange earnings and outgo is annexed as **Annexure-IV** to this report.

24. Copy of Annual Return

Pursuant to Sections 92(3) and 134(3)(a) of the Act and Rule 12 of the Companies (Management and Administration) Rules, 2014, the Annual Return is available on Company’s website at <https://media.atherenergy.com/Form-MGT-7-FY-24-25.pdf>

25. Significant and material orders passed by the Regulators or Courts or Tribunals impacting the going concern status and Company’s operations in future

During the year under review, no significant and material orders were passed by the regulators or courts or tribunals impacting the going concern status and Company’s operations in future.

Board’s Report

26. Particulars of Employees

The statement containing remuneration details as required under Section 197(12) of the Act, read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, (“Rules”) is provided in **Annexure-V** to this report.

The information required under Rule 5(2) and (3) of the Rules, is provided as a separate annexure forming part of this report. However, the report is being sent to the members of the Company excluding the statement of particulars of employees under Rule 5(2) and (3) of the Rules. Any member interested in obtaining a copy of the same may write to the Company Secretary & Compliance Officer of the Company at cs@atherenergy.com. The same is also open for inspection at the registered office of the Company. Further, none of the employees listed in the said Annexure are related to any Director of the Company.

27. Disclosure on Employee Stock Option Plan (ESOP)

The NRC administers and monitors the Company’s ESOP in accordance with Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021. During the year, 4,641,777 stock options were granted to eligible employees under the said ESOP.

Disclosures as required under Rule 12 of Companies (Share Capital and Debentures) Rules, 2014, Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021, read with SEBI Circular CIR/CFD/POLICY CELL/2/2015 dated June 16, 2015 is available on the website of the Company at <https://media.atherenergy.com/ESOP-Disclosure-FY-24-25.pdf>

The certificate from the Secretarial Auditors that the ESOP has been implemented in accordance with Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 and the resolutions passed by the shareholders shall be available at the Annual General Meeting for inspection by the members.

28. Directors’ Responsibility Statement

Your Directors make the following statement, in relation to financial statements for the financial year ended March 31, 2025, in terms of Section 134 of the Act, which is to the best of their knowledge

and belief and according to the information and explanations obtained by them, that:

- a) In the preparation of the annual accounts, applicable accounting standards has been followed along with proper explanation relating to material departures;
- b) appropriate accounting policies were selected and applied consistently and judgments and estimates that are reasonable and prudent were made so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit and loss of the company for that period;
- c) proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Act, for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- d) the annual accounts were prepared on a going concern basis;
- e) internal financial controls to be followed by the Company were laid down and such internal financial controls were adequate and operating effectively; and
- f) The Directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

29. Risk Management Policy

The ability to effectively identify and manage risk is a vital element of business success for all parts of the Company’s business. The Risk Management Committee oversees how management monitors compliance with the risk management policies and procedures and reviews the adequacy of the risk management framework in relation to the risks being faced by the Company.

The Company has developed a Risk Management Policy which deals with major elements of risks that may threaten existence of the Company and suitable steps to mitigate the same.

The Risk management policy is available on the website of the Company at <https://media.atherenergy.com/Risk-Management-Policy.pdf>

Board’s Report

30. Disclosures under Sexual Harassment of Women at Workplace (Prevention, Prohibition & Redressal) Act 2013.

The Company has a policy on Prevention, Prohibition & Redressal of Sexual Harassment at the Workplace in line with the requirements of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013. The Internal Complaints Committee has been set up to redress the complaints received regarding sexual harassment. All employees including contract labour, consultants, service providers etc. associated with the Company are covered in this policy. During the year, the Company complied with all provisions of the said Act. Following is the summary of complaints received and disposed during the year:

Number of complaints received: 6
Number of complaints disposed: 3*
Number of complaints withdrawn: 0
Number of complaints pending: 4

(*One case was reported in Q4 of FY 23-24 & closed in Q1 FY 24-25 (within applicable timeline))

31. Compliance with Secretarial Standards

The Company has devised proper systems to ensure compliance with applicable Secretarial Standards and such systems are adequate and operating effectively.

32. Corporate Governance

As per Regulation 34 and Schedule V(C) to the SEBI Listing Regulations, the Corporate Governance Report together with the Compliance certificate from the Practicing Company Secretary is annexed as Annexure-VI to this report.

33. Details of application made or any proceeding pending under the Insolvency and Bankruptcy Code, 2016 (31 Of 2016) during the year along with their status as at the end of the financial Year

No application was made or proceedings were pending under the Insolvency and Bankruptcy Code, 2016 (31 Of 2016) during the financial year.

34. Details of difference between amount of the valuation done at the time of one time settlement and the valuation done while taking loan from the banks or financial institutions along with the reasons thereof

There were no differences observed between

amount of the valuation done at the time of one time settlement and the valuation done while taking loan from the banks or financial institutions during the financial year.

35. Cautionary Statement

Members and readers are cautioned that in the case of data and information external to the Company, no representation is made on its accuracy or comprehensiveness though the same are based on sources believed to be reliable. Utmost care has been taken to ensure that the opinions expressed by the management herein contain its perceptions, as on the date of the report, on the material impacts on the Company’s operations, but it is not exhaustive as they contain forward looking statements which are extremely dynamic and increasingly fraught with risk and uncertainties. Actual results, performances, achievements or sequence of events may be materially different from the views expressed herein.

36. Acknowledgement

The Board welcomes its new members who have come on board pursuant to initial public issue of the Company. The Board also expresses its sincere appreciation to the various Government/Regulatory authorities, Company’s valued customers, suppliers, vendors and bankers for their continued co-operation, trust and support. Further, the Board conveys its gratitude to the Company’s Founders, members and other stakeholders for their continued support. The Board also expresses its deep sense of appreciation and acknowledgement to all the employees, for their professional commitment and dedication in furthering Company’s objectives.

For and on behalf of the Board of Directors of Ather Energy Limited

Tarun Sanjay Mehta
Executive Director & CEO
DIN: 06392463

Place: Bangalore
Date: May 12, 2025

Swapnil Babanlal Jain
Executive Director & CTO
DIN: 06682759

Place: Bangalore
Date: May 12, 2025

Annexure-I

FORM NO. MR-3
SECRETARIAL AUDIT REPORT
FOR THE FINANCIAL YEAR ENDED 31st MARCH 2025

[Pursuant to Section 204(1) of the Companies Act, 2013 and Rule No. 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To,
The Members,
Ather Energy Limited
CIN: U40100KA2013PLC093769
3rd Floor, Tower D, IBC Knowledge Park,
4/1, Bannerghatta Main Road,
Bangalore-560029, Karnataka.

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by Ather Energy Limited (hereinafter called the “Company”). Secretarial Audit was conducted in a manner that provided us with a reasonable basis for evaluating the corporate conducts / statutory compliances and expressing our opinion thereon.

Based on our verification of the Company’s books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of Secretarial Audit, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on March 31, 2025 complied with the statutory provisions listed hereunder and also that the Company has proper Board processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on March 31, 2025, according to the provisions of:

- i. The Companies Act, 2013 (‘the Act’) and the Rules made thereunder;
- ii. The Depositories Act, 1996 and the Regulations and Byelaws framed thereunder;
- iii. Foreign Exchange Management Act, 1999 and the Rules and Regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- iv. The Securities Contracts (Regulation) Act, 1956 (‘SCRA’) and the Rules made thereunder: **Not applicable to the Company for the year under review. However, it is applicable as on the date of**

this report pursuant to the listing of its securities after the closure of the year under review;

- v. The following Regulations and guidelines prescribed under Securities and Exchange Board of India Act, 1992(‘SEBI Act’): **Not applicable to the Company for the year under review as the Company was an Unlisted Public Company as on the closure of the year under review. However, it is applicable as on the date of this report pursuant to the listing of its shares after the closure of the year under review.**
 - i. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - ii. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
 - iii. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;
 - iv. The Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021;
 - v. The Securities and Exchange Board of India (Issue and Listing of Non- Convertible Securities) Regulations, 2021;
 - vi. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 and the Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021;
 - vii. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018;
 - viii. The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Act and dealing with client;

Board’s Report

ix. The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015

The following key / significant laws as specifically applicable to the Company: -

- 1. The Employees’ Provident Fund and Miscellaneous Provisions Act, 1952 & EPF, FPF Schemes
- 2. The Employees’ State Insurance Act, 1948 & its Central Rules/ Concerned State Rules
- 3. The Payment of Bonus Act, 1965 & its Central Rules/ Concerned State Rules if any
- 4. The Payment of Gratuity Act & its Central Rules/ Concerned State Rules if any
- 5. The Maternity Benefit Act, 1961 & its Rules
- 6. The Employee’s Compensation Act, 1923
- 7. Sexual Harassment of Women at Workplace (Prevention Prohibition and Redressal) Act, 2013

We have also examined compliance with the applicable clauses/regulations of the Secretarial Standards issued by The Institute of Company Secretaries of India (ICSI).

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above.

We further report that: -

The Board of Directors of the Company is duly constituted with a proper balance of Executive Directors, Non-executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Except in case of meetings being convened at shorter notice, adequate notice is given to all Directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

Majority decision is carried through while the dissenting members’ views, if any, are captured and recorded as part of the minutes.

We further report that based on review of compliance mechanism established by the Company, we are of the opinion that the management has adequate systems and processes commensurate with its size and operations, to monitor and ensure compliance with all applicable laws, rules, regulations and guidelines; and

As informed, the Company has responded to notices for demands, claims, penalties etc. levied by various statutory / regulatory authorities and initiated actions for corrective measures, wherever necessary.

We further report that during the period under review:

a) Issuance of Unlisted, Secured, Redeemable Non-Convertible Debentures (“NCDs”) by way of private Placement

- 1. The Board of Directors at their meeting held on 3rd April 2024, and the members at their meeting held on 8th April 2024, had approved the issuance of 11,000 NCDs having a nominal value of ₹ 1,00,000/- each, amounting to ₹ 110,00,00,000/- on private placement basis to Alteria Capital Fund II, Alteria Capital Fund III, and InnoVen Capital India Fund. Out of which 5,000 NCDs amounting to ₹ 50,00,00,000/- were allotted by the Board, vide circular resolution dated 28th April 2024 and remaining 6,000 NCDs amounting to ₹ 60,00,00,000/- were allotted vide circular resolution on 04th May 2024.
- 2. The Board of Directors at their meeting held on 6th May 2024 and members at their meeting held on 10th May 2024, had further approved issuance of 10,000 NCDs having a nominal value of ₹ 1,00,000/- each, amounting to ₹ 100,00,00,000/- on private placement basis to Stride Ventures Debt Fund 3. The same was pre-closed by the Board at their meeting held on May 16, 2024 and hence no allotment was made in this respect.
- 3. The Board of Directors at their meeting held on 16th May 2024 and members at their meeting held on 28th May 2024, had further approved issuance of 20,000 NCDs having a nominal value of ₹ 1,00,000/- each, amounting to ₹ 200,00,00,000/- on private placement basis to Stride Ventures Debt Fund II and/ or its affiliates and Stride Ventures Debt Fund 3 and/ or its affiliates. Out of which 10,000 NCDs amounting to ₹ 100,00,00,000/- were allotted by the Board of Directors vide circular resolution on

30th May, 2024 and 10,000 NCDs amounting to ₹ 100,00,00,000/- were allotted by the Board vide circular resolution dated 13th June 2024.

- 4. The Board of Directors at their meeting held on 9th July 2024 and members at their meeting held on 15th July 2024, have further approved issuance of 10,000 NCDs having a nominal value of ₹ 1,00,000/- each, amounting to ₹ 100,00,00,000/- on private placement basis to InnoVen Capital India Fund.

Out of the 10,000 NCDs approved, 6,000 NCDs amounting to ₹ 60,00,00,000 were allotted by the Board of Directors through a circular resolution on 24th July 2024. The remaining 4,000 NCDs, aggregating to ₹ 40,00,00,000, were offered by the Board in its meeting held on 8th November 2024. Of these, 2,000 NCDs (₹ 20,00,00,000) were allotted via circular resolution on 19th November 2024, and the balance 2,000 NCDs (₹ 20,00,00,000) were offered in the Board meeting held on 3rd February 2025 and subsequently allotted through a circular resolution dated 5th February 2025.

b) Issuance of Compulsory Convertible Preference Shares (“CCPS”)

- 1. The Board of Directors at their meeting held on 06th May 2024 and members at their meeting held on 28th May 2024 approved the issuance of 74,148 Series F CCPS with a face value of ₹ 1/- each and at a premium of ₹ 11,673 each amounting to ₹ 86,56,03,752/- to Mr. Tarun Sanjay Mehta, and Mr. Swapnil Babanlal Jain and the same were allotted by the board on 9th July 2024.
- 2. The Board of directors at their meeting dated 29th July 2024 and members at their meeting held on 30th July 2024 had approved the issuance of 1,65,28,925 Series G CCPS with a face value of ₹ 10/- and at a premium of ₹ 353/- amounting to ₹ 5,99,99,99,775/- to India-Japan Fund. The same was allotted by the Board through circular resolution on 04th September 2024.

c) Issue of Bonus Shares

The Board of Directors at their meeting held on 18th June 2024 and members at their meeting held on 21st June 2024 approved issuance of 2,96,58,520 bonus equity shares of Re. 1/- each by capitalising Company’s security premium account. The same was allotted by the Board of Directors vide circular resolution on 22nd June 2024.

- d) The Board of Directors at their meeting held on 25th February, 2025 approved conversion of Series F Compulsory Convertible Preference Shares (CCPS) to Equity Shares of the Company and on their meeting held 8th March 2025 approved conversion of all outstanding CCPS into Equity Shares of the Company.

e) Resolutions passed under Section 180 (1) (a) and (c) of the Act:

- 1. The shareholders of the Company, vide Special Resolution at their Extra-Ordinary General meeting held on 5th September 2024, approved the borrowing limits of the Company under Section 180(1)(c) of the Act upto ₹ 50,000 million.
- 2. The shareholders of the Company, vide Special Resolution at their Extra-Ordinary General meeting held on 5th September 2024, approved the creation of charge on the movable and immovable properties of the Company in respect of borrowings under Section 180(1)(a) of the Act.

f) Issuance of Securities under Initial Public Offer

The Company has, vide Special Resolution passed by the members at their meeting held on 5th September 2024, approved the Initial Public Offer (IPO) of Equity Shares comprising of a fresh issue of Equity Shares aggregating up to ₹ 3,500 million by the Company (the “Fresh Issue”) with an option to the Company to retain an over-subscription to the extent of 1% of the net offer size and an offer for sale of Equity Shares by existing and eligible shareholders of the Company (the “Selling Shareholders”) who intimate their intention to the Board (the “Offer for Sale” and together with the Fresh Issue, the “Offer”).

- g) The equity shares of the Company were listed on BSE Limited and National Stock Exchange of India Limited on 6th May 2025.

For BMP & Co. LLP,
Company Secretaries
PR No.: 6387/2025
UDIN: FO07834G000316593

Pramod S M Partner

Place: Bangalore FCS No: 7834
Date: May 12, 2025 CP No: 13784

This report to be read with our letter of even date which is annexed as Annexure A and forms an integral part of this report.

Board’s Report

Annexure A

To,
The Board of Directors
Ather Energy Limited
CIN: U40100KA2013PLC093769
3rd Floor, Tower D, IBC Knowledge Park,
4/1, Bannerghatta Main Road,
Bangalore-560029, Karnataka.

Our report of even date is to be read along with this letter.

1. Maintenance of Secretarial record is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.

2. We have followed the audit practices and process as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on a test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices we followed provide a reasonable basis for our opinion.

3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.

4. Wherever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.

5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on a test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

7. We further report that, based on the information provided by the Company, its officers, authorised representatives during the conduct of the audit, in our opinion adequate systems and process and control mechanism exist in the Company to monitor compliance with applicable general laws like labour laws & Environment laws and Data protection policy.

8. We further report that the Compliance by the Company of applicable financial laws like Direct & Indirect tax laws has not been reviewed in this audit since the same has been subject to review by the statutory financial audit and other designated professionals.
- For BMP & Co. LLP,
Company Secretaries
PR No.: 6387/2025
UDIN: FO07834G000316593

Pramod S M Partner
FCS No: 7834
CP No: 13784

Place: Bangalore
Date: May 12, 2025

Board’s Report

Annexure-II

ANNUAL REPORT ON CSR ACTIVITIES

1. Brief outline on CSR Policy of the Company

The Company believes that being socially responsible is the way of going beyond business as usual, making CSR a way of life in our business operations and our people operations. We choose to be community conscious, socially responsible and responsive to the needs around us as we stay committed to our true north.

The Company believes that the adoption of environmentally and socially responsible practices will not only contribute to the Company becoming stronger and more successful but also serve as an enabler to create greater long-term value for its stakeholders, namely investors, customers, team members, suppliers & contractors, and host communities.

The Company aligns with sustainable development goals by curbing emissions through its line of electric scooters. Its high-performance smart electric scooters are an amalgamation of indigenous clean design and engineering using predominantly domestically sourced components. The Company aims to be a catalyst in expediting the mission of transitioning to a greener future for all, simultaneously pledging to uphold responsible business practices that consistently enhance operational performance to mitigate any negative environmental and social consequences stemming from its activities.

FOCUS AREAS

Our focus areas will be based on the ‘do no harm principle’ where we replace and rejuvenate resources that we draw from communities around us. As we strive to create shared values around us, sectors wherein we find synergy between community and business include:

- **Education:** Education is a key driver of growth and balances the socio-economic fabric of any economy. The Company’s CSR programmes will aim to improve quality education from school to university with equal access for all. Our educational interventions will also focus on relevant community-based requirements, especially in the area of road safety.

-**Employability & Skill Development:** Youth have a tremendous potential to contribute to the economy’s growth and development and require the necessary technical and vocational skills to compete in a dynamic labour market. With rapid industrial and technological advancements, imparting relevant skills will go a long way in enabling youth, especially women, to take hold of employment opportunities. The Company will also seek to promote the entrepreneurial spirit in communities, especially among women, to bridge economic gaps and support individuals from vulnerable groups with required entrepreneurial skills.

-**Environment:** Responsibility towards the environment is extremely crucial as it helps preserve the planet and ensure a sustainable future. Our programmes will aim at supporting communities to use natural resources efficiently and proactively mitigate the impacts of climate change.

-**Rural Community Development:** The Company will support communities around its areas of operations and promote access to various community needs such as water, sanitation and basic healthcare. With rapid urbanisation and the need for safety during commute, the Company will also promote road safety behavior change as part of its rural/community development initiative.

- **Disaster Response:** The Company will be a responsive organisation and at its discretion make its resources available to support natural disaster relief efforts as required across the country from time to time. Being responsive would include supporting ad-hoc relief as well as long- term rehabilitative interventions.

Any other activities as mentioned under Schedule VII of the Companies Act, 2013.

During the year, we continued to focus on the key programmatic areas as per our CSR Policy.

Board’s Report

Volunteering

At Ather we believe in coming together as a team and engaging with the communities around us. In a combined effort, team members from our factory near Hosur along with three government schools made paper bags using old newspapers and distributed them at kirana shops in the market places. This activity was organised around World Environment Day to spread awareness about the harmful effects of single use plastic and the different efforts we can take as a community to reduce plastics around us, one paper bag at a time. We engaged with around 300 students from the 3 schools in our neighbourhood.

Our team members participated in a couple of city cleaning initiatives. Our volunteers spent a day composting municipal wet waste at the Swacha Graha Kalika Kendra in HSR Layout. We also experienced a zero waste event and understood the importance of segregating household waste into 3 types. We also had a team that participated in the clean temple initiative of the BBMP at the Banashankari Temple where they patrolled to prevent the use of plastic bags and other plastic waste generated in religious rituals.

In July 2024, 120 team members of both our corporate office and factory volunteered in a blood donation drive that benefited low income families with this required critical support to meet their health emergencies.

On the occasion of Road Safety Month in January, team members conducted quizzes and games for 60 students of a Government school near our factory to spread awareness on road safety given the changing nature of road traffic in their communities with the speedy industrialisation and urbanisation of their towns. We also went door to door in the villages, encouraging households to be road safety champions in their villages.

Responding to Natural Disasters

We are committed to being a responsive organisation; responding to the needs of those during natural disasters. Our team members rallied in support of the Wayanad landslides that occurred in August 2024. Through employee contributions combined with a matching contribution from the management, we were able to provide ‘back to home’ kits consisting of kitchen essentials to 110 families directly affected by the landslides.

Meeting immediate education needs

As we grow as a business, we ensure the community alongside grows with us. This year we were able to provide some immediate educational assistance to 2 schools in our neighbourhood. We provided 250 plates and tumblers to facilitate the school to implement the CM’s Breakfast scheme introduced for Primary schools. We also provided one of the remote government Primary schools in Thally block with desks and tables enabling 40 children to have a more comfortable learning environment in their school.

2. Composition of Corporate Social Responsibility Committee (CSR)

The amount to be spent by the Company under section 135(5) does not exceed Rupees fifty lakh, hence the requirement for constitution of CSR Committee is not applicable and the functions of CSR Committee has been discharged by the Board of Directors of the Company.

3. The web-link where Composition of CSR committee, CSR Policy and CSR projects approved by the board are disclosed on the website of the company

Composition of CSR committee: Not applicable
CSR Policy of the Company: <https://media.atherenergy.com/CSR-Policy.pdf>
CSR projects approved by the board: Not applicable

4. Provide the executive summary along with web-link(s) of Impact Assessment of CSR Projects carried out in pursuance of sub-rule (3) of rule 8, if applicable: Not applicable

5. (a) Average net profit of the Company as per section 135(5): Nil, due to losses during three preceding financial years
(b) Two percent of average net profit of the company as per section 135(5): Not applicable
(c) Surplus arising out of the CSR projects or programmes or activities of the previous financial years: Not applicable
(d) Amount required to be set off for the financial year, if any: Not applicable
(e) Total CSR obligation for the financial year [(b)+(c)-(d)]: Not applicable

Board’s Report

6. (a) Amount spent on CSR Projects (both Ongoing Project and other than Ongoing Project) – Not applicable
(b) Amount spent in Administrative Overheads: Not applicable
(c) Amount spent on Impact Assessment, if applicable: Not applicable
(d) Total amount spent for the financial year [(a)+b+c]): Not applicable
(e) CSR amount spent or unspent for the financial year: Not applicable
(f) Excess amount for set -off, if any: Not applicable
7. Details of Unspent CSR amount for the preceding three financial years: Not applicable
8. Whether any capital assets have been created or acquired through Corporate Social Responsibility amount spent in the financial year: Not applicable
- If Yes, enter the number of Capital assets created/ acquired: Not applicable

Furnish the details relating to such asset(s) so created or acquired through Corporate Social Responsibility amount spent in the financial year:

S. No	Short particulars of the property or asset(s) [including complete address and location of the property]	Pincode of the property or asset(s)	Date of creation	Amount of CSR amount spent	Details of entity/Authority/ Beneficiary of the registered owner		
					CSR Registration Number, if applicable	Name	Registered address
(1)	(2)	(3)	(4)	(5)	(6)		
NIL							

9. Specify the reason(s), if the Company has failed to spend two per cent of the average net profit as per section 135(5) – Not applicable

For and on behalf of the Board of Directors of Ather Energy Limited

Tarun Sanjay Mehta
Executive Director & CEO
DIN: 06392463

Swapnil Babanlal Jain
Executive Director & CTO
DIN: 06682759

Place: Bangalore
Date: May 12, 2025

Place: Bangalore
Date: May 12, 2025

Board’s Report

Annexure-III

FORM NO.AOC-2

PARTICULARS OF CONTRACTS / ARRANGEMENTS MADE WITH RELATED PARTIES

[Pursuant to clause (h) of sub-section (3) of Section 134 of the Companies Act, 2013 and Rule 8(2) of the Companies (Accounts) Rules, 2014]

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

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

The Company has not entered into any contracts or arrangements or transactions with its related parties which is not at arm’s length basis during the financial year 2024-25.

2. Details of material contracts or arrangement or transactions at arm’s length basis:

There were no material contracts or arrangements or transactions entered into during the financial year ended March 31, 2025.

For and on behalf of the Board of Directors of
Ather Energy Limited

Tarun Sanjay Mehta
Executive Director & CEO
DIN: 06392463

Swapnil Babanlal Jain
Executive Director & CTO
DIN: 06682759

Place: Bangalore
Date: May 12, 2025

Place: Bangalore
Date: May 12, 2025

Board’s Report

Annexure-IV

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

[Pursuant to Section 134(3)(m) of the Act read with Rule 8 of the Companies (Accounts) Rules, 2014]

(A) Conservation of Energy

i. Steps taken for conservation of energy or impact on conservation of energy

1. An energy audit has been conducted, serving as the basis for implementing energy-saving initiatives from FY26 onwards.
2. The existing Diesel Generators (“DGs”), with capacities of 600kVA and 320kVA, have been synchronized to collectively provide up to 920kVA of power to support new projects, eliminating the need for purchasing higher- capacity DGs.
3. 12Nos Internet of things -based energy meters have been installed on high-power-consuming machines within the battery plant as part of Phase-1, aimed at monitoring energy usage and identifying opportunities for reducing power consumption.
4. Automated high-speed rolling shutters were installed on the shop floor of the battery plant to facilitate material movement, leading to a 5.1% reduction in Heating ventilation and air conditioning energy consumption.
5. Variable frequency drive (“VFD”) installed compressor pressure increased to 7 bar and non VFD compressor made off in battery plant for energy consumption reduction of 17.8%.
6. Timer based Heating ventilation and air conditioning control installed in the Mezzanine floor to reduce Heating ventilation and air conditioning energy consumption.
7. Timer based Lighting control installed for rooftop lighting in vehicle plant.
8. Timer based High volume low speed control installed in vehicle plant.
9. Conveyor auto stop logic implemented when idle for 5 mins in vehicle plant.
10. Motion sensors implemented in compressor room, powerhouse and maintenance room for lighting control in vehicle plant.

ii. Steps taken by the company for utilizing alternate sources of energy

1. Rooftop solar Photovoltaic system with an installed capacity of 200 kWp, generated 286,085 kWh against a total energy consumption of 2,725,625 kWh, providing an average monthly contribution of 10.6%. During April 2024, the system generated up to 14.8% of the total energy demand, equating to approximately 30,823 kWh.
2. The replacement of four pneumatic air gun tools with Direct current tools reduced monthly energy consumption from ~120 kWh to ~20 kWh, achieving a notable savings of ~100 kWh.

iii. The capital investment on energy conservation equipment’s

1. DG synchronisation - ₹ 13 Lakhs
2. Energy meter installation- ₹ 3.7 Lakhs
3. High speed rolling shutters- ₹ 8.7 lakhs
4. Direct current Tool Nut runner - ₹ 4.3 Lakhs

(B) Technology Absorption

i. Efforts made towards technology absorption

All processes are seamlessly managed and executed through the Scalex System (Manufacturing execution system), ensuring comprehensive end-to-end Manufacturing in both battery and vehicle manufacturing facilities.

ii. Benefits derived like product improvement, cost reduction, product development or import substitution

The process of monitoring, tracking, and ensuring traceability of battery packs and vehicles down to the child part level enhances the improvement of SPR and OLE, while also contributing to a significant reduction in scrap costs. With this we also ensured the variant control, process Poka yoke.

Board’s Report

iii. In case of imported technology (imported during the last three years reckoned from the beginning of the FY)

Details of technology imported	Year of import	Whether the technology been fully absorbed	If not fully absorbed, areas where absorption has not taken place, and the reasons thereof
NA	NA	NA	NA
NA	NA	NA	NA
NA	NA	NA	NA

iv. Expenditure incurred on Research & Development: ₹ 3,214,820,864 including development cost capitalised ₹ 1,092,836,877.

(C) Foreign exchange earnings and outgo

Particulars	Amount in INR	
	FY 2024-25	FY 2023-24
Foreign Exchange inflows	267,559,468	23,780,090
Foreign Exchange outgo	4,763,768,791	2,629,943,396

For and on behalf of the Board of Directors of
Ather Energy Limited

Tarun Sanjay Mehta
Executive Director & CEO
DIN: 06392463

Swapnil Babanlal Jain
Executive Director & CTO
DIN: 06682759

Place: Bangalore
Date: May 12, 2025

Place: Bangalore
Date: May 12, 2025

Board’s Report

Annexure-V

REMUNERATION DETAILS

[Pursuant to Section 197 read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]]

1. Remuneration details of Directors and KMP

Name of the Directors/KMP and Designation	Percentage increase in remuneration in the financial year 2024-25	Ratio of the remuneration of Directors to the median remuneration of employees of the Company
Executive Directors***		
Mr. Tarun Sanjay Mehta	13.33%	15.21: 1
Mr. Swapnil Babanlal Jain	13.33%	15.21: 1
Non-executive Directors*		
Mr. Niranjan Kumar Gupta	NIL	NIL
Mr. Nilesh Shrivastava	NIL	NIL
Mr. Pankaj Sood	NIL	NIL
Mr. Ram Kuppuswamy	NIL	NIL
Non-executive Independent Directors**		
Mr. Kaushik Dutta	NA	0.93: 1
Ms. Neelam Dhawan	NA	0.66: 1
Mr. Sanjay Nayak	NA	0.49: 1
Key Managerial Personnel***		
Mr. Sohil Dilipkumar Parekh	28.64%	8.05: 1
Ms. Puja Aggarwal	10.00%	3.12: 1

*No remuneration or sitting fees payable to Non-executive Directors for attending Board/Committee meetings.

**Remuneration paid to Independent Directors comprises solely of sitting fees of ₹ 1,00,000 paid per Board / Committee meeting attended. Hence, the total remuneration received is based on the number of Board and committee meetings attended during the year. They are also entitled to receive remuneration as per the provisions of Section II of Part II of Schedule V of the Act.

***Excludes share based payment and Includes Variable Pay at 100% achievement of targets which shall be payable in FY 2025-26.

2. The percentage increase in the median remuneration of employees in the financial year 2024-25: 10.6%
3. The number of permanent employees on the rolls of Company as on March 31, 2025: 1,617
4. Average percentile increase already made in the salaries of employees other than the managerial personnel in the financial year 2024-25 and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration: NA
5. The key parameters for any variable component of remuneration availed by the Directors: Achievement against Financial Targets: Revenue/EBITDA
6. The Company affirms that the remuneration is as per the Nomination and Remuneration policy adopted by the Company.

For and on behalf of the Board of Directors of
Ather Energy Limited

Tarun Sanjay Mehta
Executive Director & CEO
DIN: 06392463

Place: Bangalore
Date: May 12, 2025

Swapnil Babanlal Jain
Executive Director & CTO
DIN: 06682759

Place: Bangalore
Date: May 12, 2025

Board’s Report

1. Company’s philosophy on corporate governance

Your Company’s philosophy on corporate governance is based on holistic approach not only towards its own growth but also towards maximization of value to the shareholders, employees, customers, Government and also the general public at large. Transparency and accountability are the fundamental principles of sound corporate governance, which ensures that the organization is managed and monitored in a responsible manner for creating and sharing stakeholder’s value.

Your Company is always committed to good corporate governance and its adherence to best practices and its philosophy is based on five basic elements namely, Board’s accountability, value creation, strategic-guidance, transparency and equitable treatment to all stakeholders. The Company has adopted a Code of Conduct for its Directors and Senior Management, the Code for prevention of Insider Trading which strengthens the Company’s corporate governance philosophy.

A report on compliance with corporate governance principles as prescribed under the Listing Regulations, to the extent applicable to the company during the year under review is given below:

2. Board of Directors

Board Procedure

Detailed agenda and notes thereon are sent to each Director at least seven days in advance of Board and Committee Meetings in most instances. During the year, as part of the IPO process the Company had held certain Board and Committee meetings at shorter notice but the same was held with due approval of the Board and Committee members and in presence of atleast one Independent Director, wherever applicable. All material information is incorporated in the agenda for facilitating meaningful and focused discussions at the meeting. The Board

reviews strategy and business plans, annual operating plans and capital expenditure budgets, investments, compliance reports, etc. The Board also reviews minutes of meeting of various Committees of the Board, adoption of financial results, major accounting provisions and write-offs, collaboration agreement, etc.

The Company Secretary records minutes of the proceedings of each Board and Committee meetings. Draft minutes are circulated to Board /Committee members within fifteen days from the meeting for their comments. Directors communicate their comments, if any, in writing on the draft minutes within seven days from the date of circulation. The minutes are entered in the minute books within thirty days from the conclusion of the meeting and signed by the Chairperson in terms of applicable laws.

The guidelines for Board and Committee meetings facilitate an effective post meeting follow-up, review and reporting process for decisions taken by the Board and Committees thereof. Important decisions taken at Board/Committee meetings are promptly communicated to the concerned departments/ divisions.

a. Composition and category of Directors

Your Board consists of an optimal combination of Executive, Non-executive and Independent Directors, representing a judicious mix of in-depth knowledge and experience and is in conformity with Regulation 17 of the Listing Regulations and Section 149 of Companies Act, 2013 (“the Act”).

As on March 31, 2025, the Board of Directors has 9 Members comprising 7 Non-executive Directors (including 3 Independent Directors, 2 Nominee Directors representing equity investors) and 2 Executive Directors. The profiles of Directors are available on the website of the Company at <https://www.atherenergy.com/investor-relations/governance>.

Annexure VI

CORPORATE GOVERNANCE REPORT

b. Attendance of Directors during financial year 2024-2025

The attendance of directors at the Board Meetings held during the year and at the last Annual General Meeting (AGM) are given below:

Name of the Director	DIN	Designation	Category	AGM held on September 27, 2024	Number of Board meeting																Entitled to attend	Attended	% of attendance
					1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16			
					03-Apr-24	06-Apr-24	16-May-24	06-Jun-24	17-Jun-24	09-Jul-24	29-Jul-24	09-Aug-24	27-Sep-24	06-Sep-24	08-Nov-24	03-Feb-25	25-Feb-25	08-Mar-25	12-Mar-25				
Ms. Neelam Dhawan**	00871445	Chairperson & Non-executive Independent Director	Independent Director		NA	NA	NA	NA	NA	NA	NA	NA								7	7	100	
Mr. Tarun Sanjay Mehta	06392463	Executive Director & CEO	Promoter, Executive			LOA						LOA								16	14	87.5	
Mr. Swapnil Babanlal Jain	06682759	Executive Director & CEO	Promoter, executive		LOA					LOA	LOA									16	13	81.25	
Mr. Niranjan Kumar Gupta	07806792	Non-executive Director (Nominee of Hero MotoCorp Limited)	Non-executive	LOA	LOA															16	15	93.75	
Mr. Nilesh Shrivastava	09632942	Nominee Director (Nominee of National Investment and Infrastructure Fund II)	Nominee Director	LOA																16	16	100	
Mr. Ram Kuppuswamy	09817635	Non-executive Director (Nominee of Hero MotoCorp Limited)	Non-executive	LOA													LOA			16	15	93.75	
Mr. Pankaj Sood	05185378	Nominee Director (Nominee of Caladium Investment Pte Ltd)	Nominee Director	LOA								LOA							LOA	16	12	75	
Mr. Kaushik Dutta*	03328990	Non-executive Independent Director	Independent Director		NA	NA	NA													13	13	100	
Mr. Sanjay Nayak**	01049871	Non-executive Independent Director	Independent Director		NA	NA	NA	NA	NA	NA	NA	NA								7	7	100	
% of attendance					100	50	83.33	100	100	100	85.71	71.43	85.71	100	100	88.89	100	88.89	100				

Notes:
* Mr. Kaushik Dutta was appointed as Non-executive Independent Director of the Company with effect from May 6, 2024.
** Ms. Neelam Dhawan & Mr. Sanjay Nayak were appointed as Non-executive Independent Director of the Company with effect from August 27, 2024.

Board’s Report

c. Number of other Board of Directors or Committees in which Director is a member/chairperson:

The number of Directorships and Committee Chairmanships/ Memberships held by the Directors in other companies as on March 31, 2025, are given herein below. Other directorships do not include directorships in foreign companies. For the purpose of determination of limit of the Board Committees, chairpersonship and membership of the Audit Committee and Stakeholders’ Relationship Committee has been considered as per Regulation 26(1)(b) of Listing Regulations.

Name of the Director	Number of directorships in other companies*	Number of committee positions held in public companies*		Name of the other listed companies	Category of directorship in listed companies
		Chairperson	Member		
Ms. Neelam Dhawan	6	1	4	Tech Mahindra Limited	Independent Director
				Hindustan Unilever Limited	Independent Director
				ICICI Bank Limited	Independent Director
Mr. Tarun Sanjay Mehta	Nil	Nil	Nil	Nil	Nil
Mr. Swapnil Babanlal Jain	Nil	Nil	Nil	Nil	Nil
Mr. Niranjan Kumar Gupta	1	Nil	Nil	Nil	Nil
Mr. Nilesh Shrivastava	2	Nil	3	Nil	Nil
Mr. Ram Kuppuswamy	Nil	Nil	Nil	Nil	Nil
Mr. Pankaj Sood	6	Nil	1	Mphasis Limited	Director
				Aditya Birla Fashion and retail Limited	Nominee Director
				Eternal Limited	Independent Director
Mr. Kaushik Dutta	9	3	6	PB Fintech Limited	Independent Director
				Zinka Logistics Solutions Limited	Independent Director
				Nil	Nil
Mr. Sanjay Nayak	2	Nil	Nil	Nil	Nil

Note:

*The above details are as on March 31, 2025, and excludes the directorship and committee positions held in Ather Energy Limited.

d. Number of Board Meetings held

Sixteen Board Meetings were held during the year and the gap between two consecutive meetings did not exceed one hundred and twenty days.

e. Disclosure of relationship between directors inter-se

Directors on our Board are not related to each other.

f. Details of number of shares of the Company held by Non-executive Directors as on March 31, 2025

None of the Non-executive Directors are holding any shares of the Company.

g. Familiarization Programs for Board Members:

Current Executive Directors and Senior Management provide an overview of operations and familiarize the new Directors on matters related to the vision and values of the Company. The Board members are provided business update comprising of Company’s performance viz a vis its competitors, industry trends etc. as part of each quarterly meetings.

Board’s Report

Your Company also has a practice of sharing a handbook with the Directors at the time of induction containing informative documents like Memorandum & Articles of Association, organization structure, composition of Board and Committees, duties and terms of reference of the Committees of the Board and important policies. The details of familiarization programs imparted to the Independent Directors are disclosed on the Company’s website and can be accessed at <https://www.atherenergy.com/investor-relations/policies-and-documents>

h. Core skills/ expertise/ competencies of the Board of Directors

The skills/competencies for the members of the Board as identified by the Board of Directors of the Company that are required in the context of Automobile Business are as follows:

Automotive Experience/ Product Development

Strategy Planning & Management

Corporate Governance & Compliance

Accounting & Financial experience

People & talent Development

Research & Development/ Technology

Leadership

Risk Management

Name	Ms. Neelam Dhawan			
Designation	Chairperson & Non-executive Independent Director			
Age	65			
Date of appointment	August 27, 2024			
Term ending date	August 26, 2027			
Shareholding as on March 31, 2025	Nil			
Areas of expertise				
				
Profile available at	https://www.atherenergy.com/investor-relations/governance			

Name	Mr. Tarun Sanjay Mehta			
Designation	Executive Director & CEO			
Age	35			
Date of appointment	May 30, 2024			
Term ending date	May 29, 2029			
Shareholding as on March 31, 2025	2,05,17,732 equity shares			
Areas of expertise				
				
Profile available at	https://www.atherenergy.com/investor-relations/governance			

Board’s Report

Name	Mr. Swapnil Babanlal Jain			
Designation	Executive Director & CTO			
Age	35			
Date of appointment	May 30, 2024			
Term ending date	May 29, 2029			
Shareholding as on March 31, 2025	2,05,17,732 equity shares			
Areas of expertise				
Profile available at	https://www.atherenergy.com/investor-relations/governance			

Name	Mr. Niranjan Kumar Gupta			
Designation	Non-executive Director (Nominee of Hero MotoCorp Limited)			
Age	54			
Date of appointment	November 3, 2020			
Term ending date	Resigned with effect from May 06, 2025			
Shareholding as on March 31, 2025	Nil			
Areas of expertise				
Profile available at	https://www.atherenergy.com/investor-relations/governance			

Name	Mr. Nilesh Shrivastava			
Designation	Nominee Director (Nominee of National Investment and Infrastructure Fund II)			
Age	51			
Date of appointment	July 22, 2022			
Term ending date	Liable to retire by rotation			
Shareholding as on March 31, 2025	Nil			
Areas of expertise				
Profile available at	https://www.atherenergy.com/investor-relations/governance			

Name	Mr. Pankaj Sood			
Designation	Nominee Director (Nominee of Caladium Investment Pte Ltd)			
Age	49			
Date of appointment	November 11, 2022			
Term ending date	Liable to retire by rotation			
Shareholding as on March 31, 2025	Nil			
Areas of expertise				
Profile available at	https://www.atherenergy.com/investor-relations/governance			

Board’s Report

Name	Mr. Ram Kuppuswamy			
Designation	Non-executive Director (Nominee of Hero MotoCorp Limited)			
Age	48			
Date of appointment	January 27, 2023			
Term ending date	Liable to retire by rotation			
Shareholding as on March 31, 2025	Nil			
Areas of expertise				
Profile available at	https://www.atherenergy.com/investor-relations/governance			

Name	Mr. Kaushik Dutta			
Designation	Non-executive Independent Director			
Age	63			
Date of appointment	May 6, 2024			
Term ending date	May 5, 2029			
Shareholding as on March 31, 2025	Nil			
Areas of expertise				
Profile available at	https://www.atherenergy.com/investor-relations/governance			

Name	Mr. Sanjay Nayak			
Designation	Non-executive Independent Director			
Age	60			
Date of appointment	August 27, 2024			
Term ending date	August 26, 2029			
Shareholding as on March 31, 2025	Nil			
Areas of expertise				
Profile available at	https://www.atherenergy.com/investor-relations/governance			

Board’s Report

i. Declaration by Independent Directors

Your Company has received necessary declaration from each Independent Director under Section 149(7) and Section 150 of the Act and under Regulation 25(8) of Listing Regulations, that he/she meets the criteria of independence laid down in Section 149(6) of the Act read with Rules and Schedule IV and Regulation 16(1)(b) of the Listing Regulations.

In the opinion of the Board of Directors, the Independent Directors fulfil the conditions specified in the Act and Listing Regulations and are Independent of the Management.

j. Reason for resignation of the Independent Directors

None of the Independent Directors have resigned during the financial year 2024-2025.

k. Meeting of Independent Directors

During the year, the meeting of Independent Directors was held on May 12, 2025 to discuss the Board evaluation results for the financial year 2024-25.

3. Committees of the Board

Board has constituted four committees comprising of the statutory committees as required under the Listing Regulations and the Act. The Board had also constituted an IPO Committee and a Committee of Independent Directors during the year for specific purposes relating to the IPO. Details of the Committees, their respective terms of reference, composition and details of meetings held during the financial year 2024-25 are as follows:

STATUTORY COMMITTEES

a. Audit Committee

The Audit Committee has been constituted on August 27, 2024, in terms of Section 177 of the Act, read with Regulation 18 of the Listing Regulations. The scope and function of the Audit Committee is in accordance with Section 177 of the Act, read with Regulation 18 and Part C of Schedule II of the Listing Regulations. Brief description of terms of reference of Audit Committee is as follows:

- (1) oversight of the financial reporting process and the disclosure of financial information relating to the Company to ensure that the financial statements are correct, sufficient and credible;

- (2) recommendation to the Board for appointment, re-appointment, removal, remuneration and other terms of appointment of statutory auditors, internal auditors and secretarial auditors of the Company;
- (3) approval of payment for any other services rendered by the statutory auditors;
- (4) reviewing, with the management, the annual financial statements and auditor’s report thereon before submission to the Board for approval, with reference to:
 - a. matters required to be included in the director’s responsibility statement to be included in the Board’s report in terms of clause (c) of sub-section 3 of Section 134 of the Companies Act, 2013.
 - b. changes, if any, in accounting policies and practices and reasons for the same.
 - c. major accounting entries involving estimates based on the exercise of judgment by management.
 - d. significant adjustments made in the financial statements arising out of audit findings.
 - e. compliance with listing and other legal requirements relating to financial statements.
 - f. disclosure of any related party transactions; and
 - g. modified opinion(s) in the draft audit report.

- (5) reviewing, with the management, the quarterly financial statements before submission to the Board for approval;

- (6) reviewing, with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the Offer document / prospectus / notice and the report submitted by the monitoring agency monitoring the utilization of proceeds of a public or rights issue or preferential issue or qualified institutions placement, and making appropriate recommendations to the Board to take up steps in this matter;

- (7) reviewing and monitoring the statutory auditor’s independence and performance, and effectiveness of audit process;
- (8) approval or any subsequent modification of transactions of the Company with related parties and omnibus approval for related party transactions proposed to be entered into by the Company
 - a. Recommend criteria for omnibus approval or any changes to the criteria for approval of the Board.
 - b. Make omnibus approval for related party transactions proposed to be entered into by the Company for every financial year as per the criteria approved.
 - c. Review of transactions pursuant to omnibus approval.
 - d. Make recommendation to the Board, where Committee does not approve transactions other than the transactions falling under Section 188 of the Companies Act, 2013.
 - e. Related party transactions to which the subsidiary of the Company is a party, but the Company is not a party as per limits mentioned in the Related party transaction policy of the Company.
- (9) scrutiny of inter-corporate loans and investments;
- (10) valuation of undertakings or assets of the Company, wherever necessary;
- (11) evaluation of internal financial controls and risk management systems;
- (12) reviewing, with the management, performance of statutory auditors and internal auditors, and adequacy of the internal control systems;
- (13) reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;
- (14) discussion with internal auditors of any significant findings and follow-up thereon;

- (15) reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board;
- (16) discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;
- (17) looking into the reasons for substantial defaults in the payment to depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;
- (18) reviewing the functioning of the whistle blower mechanism;
- (19) monitoring the end use of funds raised through public offers and related matters;
- (20) overseeing the vigil mechanism established by the Company, with the chairperson of the Audit Committee directly hearing grievances of victimization of employees and directors, who used the vigil mechanism to report genuine concerns in appropriate and exceptional cases;
- (21) approval of appointment of chief financial officer (i.e., any other person heading the finance function or discharging that function) after assessing the qualifications, experience and background, etc. of the candidate;
- (22) reviewing the utilization of loans and/ or advances from/investment by the Company in its subsidiary(/ies) exceeding ₹1,000,000,000 or 10% of the asset size of the subsidiary(/ies), whichever is lower including existing loans/ advances/ investments;
- (23) review the financial statements, in particular, the investments made by any unlisted subsidiary;
- (24) considering and commenting on rationale, cost-benefits and impact of schemes involving merger, demerger, amalgamation etc., on the Company and its shareholders;

Board’s Report

- (25) approving the key performance indicators (“KPIs”) for disclosure in the offer documents, and approval of KPIs once every year, or as may be required under applicable law;

(26) carrying out any other functions as may be decided by the Board and/or as provided under the Companies Act, 2013, the SEBI Listing Regulations or any other applicable law, as and when amended from time to time;

(27) mandatorily review the following information:

a. Management discussion and analysis of financial condition and results of operations.

b. Management letters / letters of internal control weaknesses issued by the statutory auditors.

c. Internal audit reports relating to internal control weaknesses.

d. The appointment, removal and terms of remuneration of the chief internal auditor; and

e. Statement of deviations in terms of the SEBI Listing Regulations:

i. quarterly statement of deviation(s) including report of monitoring agency, if applicable, submitted to stock exchange(s) where the Equity Shares are proposed to be listed in terms of the SEBI Listing Regulations.

ii. annual statement of funds utilized for purposes other than those stated in the offer document/ prospectus/ notice in terms of the SEBI Listing Regulations.

iii. such information as may be prescribed under the Companies Act and the SEBI Listing Regulations.

(28) To recommend to the Board Code of Insider Trading of the Company and to supervise implementation of the Insider Trading Code including following:

a. To monitor, review, assess the policies and procedures relating to proper functioning of the system for prevention of insider trading.

b. to note the status reports detailing the dealings by Designated Persons in securities of the Company.

c. To provide directions on any penal action to be initiated, in case of any violation of the SEBI Insider Trading Regulations by any person.
- The composition of the Audit Committee as on March 31, 2025 is as under:
- | S. No | Name of the Member | Designation | Chairperson/Member |
|-------|----------------------------|------------------------------------|--------------------|
| 1. | Mr. Kaushik Dutta | Non-executive Independent Director | Chairperson |
| 2. | Ms. Neelam Dhawan | Non-executive Independent Director | Member |
| 3. | Mr. Niranjana Kumar Gupta* | Non-executive Director | Member |
- *Mr. Niranjana Kumar Gupta ceased to be member of the Committee with effect from May 06, 2025 and Mr. Ram Kuppaswamy has been appointed as member of the Committee with effect from May 06, 2025.
- The Audit Committee met 3 times during the financial year 2024-25. The said meetings were held on September 9, 2024, November 8, 2024 and February 3, 2025 and the necessary quorum was present for all the meetings.
- Attendance details of the Audit Committee
- | Name of the Member | Chairperson/Member | September 9, 2024 | November 8, 2024 | February 3, 2025 |
|---------------------------|--------------------|-------------------|------------------|------------------|
| Mr. Kaushik Dutta | Chairperson | <div></div> | <div></div> | <div></div> |
| Ms. Neelam Dhawan | Member | <div></div> | <div></div> | <div></div> |
| Mr. Niranjana Kumar Gupta | Member | <div></div> | <div></div> | <div></div> |
- Video Conferencing
- Board’s Report
- b. Nomination and Remuneration Committee

The Nomination and Remuneration Committee has been constituted on August 27, 2024, in terms of Section 178 of the Act, read with Regulation 19 of the Listing Regulations. The scope and function of the Nomination and Remuneration Committee is in accordance with Section 178 of the Act, read with Regulation 19 and Part D of Schedule II of the Listing Regulations. Brief description of terms of reference of Nomination and Remuneration Committee is as follows:

(1) Formulation of criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board a policy relating to the remuneration of the directors, key managerial personnel and other employees (“Remuneration Policy”);

(2) For every appointment of an independent director, evaluate the balance of skills, knowledge and experience on the Board and on the basis of such evaluation, prepare a description of the role and capabilities required of an independent director. The person recommended to the Board for appointment as an independent director shall have the capabilities identified in such description. For the purpose of identifying suitable candidates, the Committee may:

(a) use the services of external agencies, if required.

(b) consider candidates from a wide range of backgrounds, having due regard to diversity; and

(c) consider the time commitments of the candidates.

(3) Formulation of criteria for evaluation of performance of independent directors and the Board;

(4) Devising a policy on Board diversity;

(5) Identifying persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down and recommend to the Board their appointment and removal and carrying out evaluation of every director’s performance (including independent director);

(6) Extending or continue the term of appointment of the independent director, on the basis of the report of performance evaluation of independent directors;

(7) recommend to the board, all remuneration, in whatever form, payable to senior management;

(8) Analysing, monitoring and reviewing various human resource and compensation matters;

(9) Determining the Company’s policy on specific remuneration packages for executive directors including pension rights and any compensation payment and determining remuneration packages of such directors;

(10) The Committee, while formulating the Remuneration Policy, shall ensure that:

(a) the level and composition of remuneration be reasonable and sufficient to attract, retain and motivate directors of the quality required to run the Company successfully.

(b) relationship of remuneration to performance is clear and meets appropriate performance benchmarks; and

(c) remuneration to directors, key managerial personnel and senior management involves a balance between fixed and incentive pay reflecting short- and long-term performance objectives appropriate to the working of the Company and its goals.

(11) Perform such functions as are required to be performed under the Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021, as amended, including the following:

(a) administering any existing and proposed employee stock option schemes formulated by the Company from time to time (the “Plan”)

(b) determining the eligibility of employees to participate under the Plan

(c) granting options to eligible employees and determining the date of grant

(d) determining the number of options to be granted to an employee

(e) determining the exercise price under the Plan and

(f) construing and interpreting the Plan and any agreements defining the rights and obligations of the Company and eligible employees under the Plan, and prescribing, amending and/or rescinding rules and regulations relating to the administration of the Plan.

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Board’s Report

(12) Carrying out any other activities as may be delegated by the Board or as may be required under the Companies Act, 2013, the SEBI Listing Regulations or any other applicable law, as may be amended from time to time.

The composition of the Nomination and Remuneration Committee as on March 31, 2025 is as under:

S. No	Name of the Member	Designation	Chairperson/Member
1.	Mr. Sanjay Nayak	Non-executive Independent Director	Chairperson
2.	Ms. Neelam Dhawan	Non-executive Independent Director	Member
3.	Mr. Pankaj Sood	Nominee Director	Member

The Nomination and Remuneration Committee met 2 times during the financial year 2024-25. The said meetings were held on October 28, 2024 and March 8, 2025 and the necessary quorum was present for all the meetings.

Attendance details of the Nomination and Remuneration Committee

Name of the Member	Chairperson/Member	October 28, 2024	March 8, 2025
Mr. Sanjay Nayak	Chairperson		
Ms. Neelam Dhawan	Member		
Mr. Pankaj Sood	Member		

Video Conferencing

The Nomination and Remuneration Committee had formulated the criteria for conducting the performance evaluation of the individual Directors, Committees of Board, Board as a whole and Chairperson. The evaluation was conducted by way of an online questionnaire method which consisted of questions with quantitative parameters with a dedicated section for subjective suggestion/feedback. The Independent Directors and the members of Nomination and Remuneration Committee in their respective meetings held on May 12, 2025 respectively discussed the outcome of evaluation and the same was then placed before the Board. The Directors took note of the outcome of the Board evaluation of FY 2024-25.

The key criteria based on which the performance evaluation of the Directors was carried out were Personal attributes, Attendance. Participation and preparedness in meetings, Understanding of business and culture, Value addition, etc.

c. Stakeholders Relationship Committee

The Stakeholders Relationship Committee has been constituted on August 27, 2024, in terms of Section 178 of the Act read with Regulation 20 of the Listing Regulations. The scope and function of the Committee is in accordance with Section 178 of the Act read with Regulation 20 and Part D of Schedule II of the Listing Regulations. Brief description of terms of reference of Stakeholders Relationship Committee is as follows:

- (1) considering and looking into various aspects of interest of shareholders, debenture holders and other security holders;
- (2) resolving the grievances of the security holders of the Company including complaints related to transfer/transmission of shares, non-receipt of annual report, non-receipt of declared dividends, issue of new/duplicate certificates, general meetings etc;
- (3) giving effect to allotment of equity shares, approval of transfer or transmission of equity shares, debentures or any other securities;
- (4) issue of duplicate certificates and new certificates on split/consolidation/renewal, etc;
- (5) review of measures taken for effective exercise of voting rights by shareholders;
- (6) review of adherence to the service standards adopted by the Company in respect of various services being rendered by the registrar and share transfer agent;
- (7) review of the various measures and initiatives taken by the Company for reducing the quantum of unclaimed dividends and ensuring timely receipt of dividend warrants/annual reports/statutory notices by the shareholders of the company; and
- (8) carrying out any other functions required to be carried out by the Committee under the Companies Act, 2013 or the SEBI Listing Regulations or any other applicable law, as amended from time to time.

Board’s Report

The composition of the Stakeholders' Relationship Committee as on March 31, 2025 is as under:

S. No	Name of the Member	Designation	Chairperson/Member
1.	Ms. Neelam Dhawan	Non-executive Independent Director	Chairperson
2.	Mr. Sanjay Nayak	Non-executive Independent Director	Member
3.	Mr. Tarun Sanjay Mehta	Executive Director & CEO	Member

The requirement to hold the Stakeholders Relationship Committee was not applicable for FY 2024-25.

The details with regard to Stakeholder’s grievances as on March 31, 2025 are as under:

S. No	Particulars	Details
1.	Name of the Non-executive Director heading the Committee	Ms. Neelam Dhawan Non-executive Independent Director
2.	Name and Designation of Compliance Officer	Ms. Puja Aggarwal Company Secretary and Compliance Officer
3.	Number of shareholders complaints received as on March 31, 2025	0
4.	Number of complaints not solved to the satisfaction of shareholders as on March 31, 2025	0
5.	Number of pending complaints as on March 31, 2025	0

d. Risk Management Committee

The Risk Management Committee has been constituted on August 27, 2024, in terms of Regulation 21 of the Listing Regulations. Brief description of terms of reference of Risk Management Committee is as follows:

- (1) Review, assess and formulate the risk management system and policy of the Company from time to time and recommend for an amendment or modification thereof, which shall include:

(a) a framework for identification of internal and external risks specifically faced by the Company, in particular including financial, operational, sectoral, sustainability (particularly, environment, social and governance related risks), information, cyber security risks or any other risk as may be determined by the Risk Management Committee.

(b) measures for risk mitigation including systems and processes for internal control of identified risks; and

(c) business continuity plan.
- (2) Ensure that appropriate methodology, processes and systems are in place to monitor and evaluate risks associated with the business of the Company;

- (3) Monitor and oversee implementation of the risk management policy, including evaluating the adequacy of risk management systems;
- (4) Periodically review the risk management policy, at least once in two years, including by considering the changing industry dynamics and evolving complexity, and recommend for any amendment or modification thereof, as necessary;
- (5) Keep the Board of the Company informed about the nature and content of its discussions, recommendations and actions to be taken;
- (6) Review the appointment, removal and terms of remuneration of the Chief Risk Officer (if any);
- (7) To implement and monitor policies and/or processes for ensuring cyber security;
- (8) To coordinate its activities with other committees, in instances where there is any overlap with activities of such committees, as per the framework laid down by the Board; and
- (9) Any other similar or other functions as may be laid down by Board from time to time and/or as may be required under applicable law, as amended from time to time, including the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended.

Board’s Report

The composition of the Risk Management Committee as on March 31, 2025 is as under:

S. No	Name of the Member	Designation	Chairperson/Member
1.	Mr. Kaushik Dutta	Non-executive Independent Director	Chairperson
2.	Mr. Swapnil Babanlal Jain	Executive Director & CTO	Member
3.	Mr. Nilesh Shrivastava	Nominee Director	Member
4.	Mr. Ram Kuppuswamy	Non-executive Director	Member

The Risk Management Committee was constituted on August 27, 2024. The Risk Management Committee met once during the financial year 2024-25 on March 20, 2025. The necessary quorum was present for the meeting.

Attendance details of the Risk Management Committee:

Name of the Member	Chairperson/Member	March 20, 2025
Mr. Kaushik Dutta	Chairperson	
Mr. Swapnil Babanlal Jain	Member	
Mr. Nilesh Shrivastava	Member	
Mr. Ram Kuppuswamy	Member	LOA

Video Conferencing In Person

Non-statutory Committee

IPO Committee

The Board had constituted IPO Committee on January 29, 2024 for the Initial Public Offering (IPO) of the Company. The terms of reference, composition and details of meetings held during the financial year 2024-25 are as follows:

- (1)

Appointment of intermediaries
- (2)

To seek consents/ waivers of lenders, customers etc
- (3)

Approval to various types of bank accounts relating to the IPO
- (4)

Approval of the statutory advertisements to be published in relation to the IPO
- (5)

Approval of all expenditure and expenses with respect to the IPO
- (6)

To consider listing of shares of the Company

- on NSE and BSE, make applications for in-principle and final listing approvals
- (7)

Dematerialisation of shares and related activities
- (8)

Communication and consents of selling shareholders
- (9)

Approve corporate governance requirements
- (10)

To do all such acts, deeds, matters and things and execute all such other documents, etc. as may be deemed necessary or desirable for such purpose, including without limitation, finalize the basis of allocation, issue of allotment letters/ confirmation of allotment notes, credit of equity shares to the demat accounts of the successful allottees, share certificates in accordance with the relevant rules, in consultation with the BRLMs in accordance with applicable laws;

Board’s Report

The composition of the IPO Committee as on March 31, 2025 is as under:

S. No	Name of the Member	Designation	Chairperson/Member
1.	Mr. Tarun Sanjay Mehta	Executive Director & CEO	Member
2.	Mr. Niranjan Kumar Gupta	Non-executive Director	Member
3.	Mr. Pankaj Sood	Nominee Director	Member
4.	Mr. Nilesh Shrivastava	Nominee Director	Member

The IPO Committee met 2 times during the financial year 2024-25. The said meetings were held on August 27, 2024 and September 09, 2024 and the necessary quorum was present for all the meetings.

Attendance details of the IPO Committee

Name of the Member	Chairperson/Member	August 27, 2024	September 09, 2024
Mr. Tarun Sanjay Mehta	Member		
Mr. Niranjan Kumar Gupta	Member		
Mr. Pankaj Sood	Member		
Mr. Nilesh Shrivastava	Member		

Video Conferencing In Person

4. Senior Management Personnel

The Senior Management of the Company as on March 31, 2025 includes the following:

S. No	Name	Designation
1.	Mr. Ravneet Singh Phokela	Chief Business Officer
2.	Mr. Harendra Saksena	Chief Procurement Officer
3.	Mr. Sanjeev Kumar Singh*	Chief Operating Officer
4.	Ms. Sunitha Lal	Chief Human Resources Officer
5.	Mr. Milind Kothekar	Chief of Staff for CEO & Head – Product Management
6.	Mr. Sohil Dilipkumar Parekh*	Chief Financial Officer
7.	Ms. Puja Aggarwal	Company Secretary and Compliance Officer

*Changes in the particulars of Senior Management during the financial year 2024-25 are as follows:

S. No	Name	Appointment/ Resignation	Designation	Effective date
1.	Mr. Sanjeev Kumar Singh	Appointment	Chief Operating Officer	April 01, 2024
2	Mr. Sohil Dilipkumar Parekh	Appointment	Chief Financial Officer	April 01, 2024

5. Remuneration of Directors

a. Pecuniary relationship or transactions of the Non-executive Directors

During the year under review, apart from payment of sitting fees there were no pecuniary relationships or transactions with Non-executive Independent Directors of the Company. Further, they are entitled to receive remuneration as per the provisions of Section II of Part II of Schedule V of the Act for the FY 2024-25. Also, Company has not paid any amount as remuneration and sitting fees to Non-executive Directors and Nominee Directors of the Company.

b. Criteria for making payment to Non-executive Directors

The policy for payment to Non-executive Independent Directors has been made available on the website of the Company at <https://media.atherenergy.com/NRC-Policy.pdf>.

c. Remuneration Policy

The Company's remuneration policy is aimed at attracting, motivating and retaining quality talent by creating a high-performance culture. In determining the remuneration of Executive Directors, CEO, Senior Management and Key Managerial Personnel, the Nomination and

Board’s Report

Remuneration Committee and the Board shall ensure / consider the following:

- a. The balance between fixed and variable pay reflecting short-term and long-term performance objectives, appropriate to the working of the Company and its goals.
- b. Alignment of remuneration of Key Managerial Personnel and Directors with long-term interests of the Company.
- c. Company’s performance vis-à-vis the annual achievement, individuals’ performance vis-à-vis KRAs/ KPIs.
- d. Industry benchmark and current compensation trends in the market.

The Nomination and Remuneration Committee recommends the remuneration for the Executive Directors, CEO, Senior Management and Key Managerial Personnel. The payment of remuneration to the Executive Directors and Non-executive Directors is approved by the Board and Members. There was no change to the remuneration policy during the financial year. The Nomination and Remuneration policy is available on Company’s website at <https://media.atherenergy.com/NRC-Policy.pdf>.

Remuneration to Executive Directors

The details of remuneration paid to Executive Directors are mentioned below:

(₹ in million)			
S No	Particulars	Mr. Tarun Sanjay Mehta*	Mr. Swapnil Babanlal Jain*
1	Fixed compensation	20.17	20.17
2	Variable compensation**	7.67	7.67
Total		27.84	27.84

*The Board by way of its resolution dated August 27, 2024 and shareholders by way of their special resolution dated September 5, 2024, have approved a revised annual remuneration of up to ₹ 50 million in any financial year where the Company has no profit or where the profit is inadequate for Mr. Tarun Sanjay Mehta and Mr. Swapnil Babanlal Jain, for a period of three years with effect from August 1, 2024, in accordance with the provisions of Section II of Part II of Schedule V of the Act., as may be approved by the Board, based on the recommendation of the Nomination and Remuneration Committee from time to time.

** Includes Variable pay at 100% achievement of targets which shall be payable in FY 2025-26.

Remuneration to other Non-executive Directors and Nominee Directors

Non-executive Directors and Nominee Directors are neither entitled to any sitting fees for attending meetings of the Board or any of its Committees, nor entitled to any commission or remuneration from Company. Accordingly, Non-executive Directors and Nominee Directors did not receive any remuneration during the financial year 2024-25.

Remuneration to Non-executive Independent Directors

During the financial year under review, your Company paid sitting fees of ₹ 100,000/- per meeting to each Non-executive Independent Director for attending the meetings of Board/ Committees of the Board. The payment to said Directors is within the limits prescribed under the provisions of the Act and Listing Regulations. The Company also reimburses any out-of-pocket expenses incurred by the Directors for attending the meetings of the Company. Non-executive Independent Directors are also entitled to remuneration in accordance with the provisions of Section 149 of the Act. Since, the Company has inadequate profits, the Company shall pay remuneration to Non-executive Independent Directors as per the provisions of Section II of Part II of Schedule V of the Act.

The Board of Directors and shareholders at their meeting held on August 27, 2024 and September 5, 2024 respectively had approved the payment of remuneration to each Non-executive Independent Director for each financial year as the Board of Directors may from time to time determine within the overall limit of ₹ 7.5 Million to each of the Non-executive Independent Directors of the Company for each financial year based on the recommendation of Nomination and Remuneration Committee for a period of 3 (three) years commencing from the financial year 2024-25.

Remuneration to Non-executive Independent Directors is linked to the factors like chairmanship of committees, membership of committees and their contribution etc. as defined in the Nomination and Remuneration Policy and Policy on evaluation of the Board of the Company.

During the financial year under review, the annual remuneration payable to a single Non-executive Director did not exceed fifty per cent of the total annual remuneration payable to all the Non-executive Directors of the Company.

Board’s Report

The details of remuneration paid to Non-executive Independent Directors are mentioned below:

(₹ in million)		
Name of Director	Sitting Fees	Total
Mr. Kaushik Dutta*	1.7	1.7
Ms. Neelam Dhawan**	1.2	1.2
Mr. Sanjay Nayak**	0.9	0.9

*Appointed as Non-executive Independent Director effective from May 06, 2024

**Appointed as Non-executive Independent Director effective from August 27, 2024

Note: Non-executive Independent Directors are entitled to receive remuneration as per the provisions of Section II of Part II of Schedule V of the Act for the FY 2024-25 which shall be paid in FY 2025-26.”

6. General Body Meetings

a. Annual General Meeting (“AGM”)

Details of AGMs held during the last 3 years are as under:

Financial Year	Date	Time	Venue	Special Resolution
2021-2022	May 31, 2022	04:00 PM (IST)	Video Conferencing	None
2022-2023	August 24, 2023	10:00 AM (IST)	(‘VC’)/ Other Audio-Visual Means (‘OAVM’)	Approval for maintenance of Statutory Registers, returns and other records at the Corporate Office
2023-2024	September 27, 2024	04:00 PM (IST)		None

b. Details of Special Resolution passed through postal ballot

Not applicable for financial year ended March 31, 2025.

c. Person who conducted the postal ballot exercise;

Not applicable for financial year ended March 31, 2025.

d. Details of special resolution proposed to be conducted through postal ballot

Not applicable for financial year ended March 31, 2025.

e. Procedure for postal ballot

Not applicable for financial year ended March 31, 2025.

d. Service Contracts, Notice and Severance Fees

As on March 31, 2025, the Board of Directors had 9 Members viz. 2 Executive Directors and 7 Non-executive Directors, including 3 Independent Directors, 2 Non-executive Directors & 2 Nominee Directors. The Executive Directors are employees of the Company and are subject to service conditions as per the Company’s Policy. There is no separate provision for payment of severance fees to any of the Directors.

e. Stock option details

During the year under review there were no stock options granted to any of the Directors of the Company.

7. Means of Communication

Not applicable for financial year ended March 31, 2025.

8. General shareholder information

a. Annual General Meeting

Annual General Meeting of the Company shall be held through Video Conferencing (VC)/ other Audio-Visual Means (OAVM) (Instruction and general guidelines for participation through VC/ OAVM has been given in Notice of the AGM).

Date : September 17, 2025

Time : 11:00 AM (IST)

b. Financial year

Financial year covers the period from April 01, 2024, to March 31, 2025

Board’s Report

c. Dividend payment date

Not applicable

d. Listing on Stock Exchanges

Equity Shares of the Company were listed on May 06, 2025 on the following exchanges and the requisite listing fees have been paid in full to the Stock Exchanges.

BSE Limited (BSE) Department of Corporate Services, Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai – 400001	National Stock Exchange of India Limited (NSE) Exchange plaza, C-1, Block G, Bandra Kurla Complex, Mumbai – 400051.
Scrip Code: 544397	NSE Symbol: ATHERENERG
ISIN: INEOLEZ01016	

e. Suspension of Trading

The equity shares of the Company were not listed on stock exchanges during the year under review and hence disclosure under this clause is not applicable.

h. Shareholding as on March 31, 2025:

i. Distribution of shareholdings as on March 31, 2025:

Shares – Range	Number of Shareholders	Percentage of total shareholders	Total Shares for the Range	Percentage of issued capital
1 – 50,000	9	28.12	2,38,815	0.08
50,001 – 1,00,000	1	3.13	57,420	0.02
1,00001 and above	22	68.75	29,03,47,234	99.90
Grand Total	32	100.00	29,06,43,469	100.00

f. Registrar and Share Transfer Agents

Name: MUFG Intime India Private Limited
(Formerly known as Link Intime India Private Limited)

Address: C-101,1st Floor, 247 Park,
Lal Bahadur Shastri. Marg,
Vikhroli (West), Mumbai -400 083
Maharashtra, India

Telephone: +91 81 0811 4949

E-mail: atherenergy.ipo@linkintime.co.in

Website: www.in.mpms.mufg.com

g. Share transfer system

Trading in equity shares of the Company through recognized stock exchanges is permitted only in dematerialized form. Pursuant to amended in Regulation 40 of Listing Regulations with effect from April 1, 2019, requests for effecting transfer of securities shall not be processed unless the securities are held in the dematerialised form with a Depository hence shares shall be transferred only through demat. However, investors are not barred from holding shares in physical form.

Further, the shareholders holding shares in demat form are requested to register their email address, bank account details and mobile number with their depository participants.

Board’s Report

ii. Category of Equity Shareholders as on March 31, 2025

Sl. No	Category	Number of shares	% of holding
1	Alternate Investment Funds	4,32,85,417	14.89
2	Corporate Bodies	11,50,83,252	39.60
3	Foreign Company	6,91,33,158	23.79
4	Firms	1,40,06,043	4.82
5	Non -Resident Indians (Non Repatriable)	9,63,090	0.33
6	Non-Resident Indians	1,25,280	0.04
7	Other Bodies Corporate	15,66,000	0.54
8	Public	28,35,765	0.98
9	Promoter	4,10,35,464	14.11
10	Promoter Group	26,10,000	0.90
Total		29,06,43,469	100.00

iii. Dematerialization of Shares & Liquidity

As on March 31, 2025, 100% of the paid-up equity share capital of your Company is held in a dematerialised form with National Securities Depository Limited and Central Depository Services (India) Limited. Post listing of Company's equity shares at the stock exchanges on May 6,2025, the equity shares are being frequently traded on BSE and NSE.

i. Outstanding GDR’s/ ADR’s or Warrants or any convertible instruments, conversion date and likely impact on equity

The Company has not issued any GDR's/ ADR's or warrants or any convertible instruments, which is likely to impact on equity. Details to the extent of outstanding employee stock options convertible into equity shares have been disclosed in the disclosure for ESOPs.

j. Commodity price risk or foreign exchange risk and hedging activities

Information on foreign exchange risk and hedging activities are provided under Notes to Accounts of Financial Statements section of Annual Report. You are requested to refer to Note No. 38 of financial statements.

k. Plant locations

Factory – 1:
159/2B2, Maragathammbal
Industrial and Logistics Park LLP., Madhagondapalli
Village, Denkanikotta Taluk, Krishnagiri District,
Tamil Nadu, 635114

Factory – 2:

No. 156/1A, 156/1B, 156/1C, 156/2A, 157/1, 158/1, 158/2, 159/2B2, 160/6B, 166/2A, 166/2B, 166/2C, 167/1, Maragathammbal Industrial and Logistics Park LLP, Madhagondapalli, Village, Denkanikotta Taluk, Krishnagiri District, Tamil Nadu, 635114

l. Address for correspondence

Puja Aggarwal
Company Secretary and Compliance Officer
13th Floor, Tower D, IBC Knowledge Park,
#4/1 Bannerghatta Main Road,
Bangalore – 560 029
Contact : +91 80 6646 5750
Email : cs@atherenergy.com
Website : www.atherenergy.com

m. Credit Rating : Not Applicable

9. Other Disclosures

a. Materially significant related party transactions

All transactions entered into with related parties during the financial year were in the ordinary course of business. During the year under review, there were no materially significant related party transactions entered into between the Company that may have potential conflict with the interest of the Company at large. The policy for dealing with the related party transactions, which has been approved by the Board, is available on the website of the Company at <https://media.atherenergy.com/RPT-policy-2025.pdf>.

Board’s Report

b. Details of non-compliance with respect to Capital Markets and penalties

The Company has complied with the requirements of Stock Exchanges, SEBI and other statutory authorities on all matters related to capital markets, to the extent applicable and no penalties or strictures have been imposed on the Company by the Stock Exchanges or SEBI or other statutory authorities during the year under review.

c. Whistle blower policy and vigil mechanism

The Company has formulated a Vigil Mechanism and Whistle-Blower Policy (“Policy”) in accordance with provisions of the Act and Regulation 22 of Listing Regulations. This Policy aims to provide a platform and mechanism for employees, directors and other stakeholders to report unethical behaviour, fraud or violations of the company’s code of conduct, ethics and principles without fear of retaliation. It also ensures direct access to the Chairperson of the Audit Committee.

The Company affirms that, in compliance with the Policy, no personnel have been denied access to the Audit Committee Chairperson. The Whistle Blower Policy is available on the website of the Company at <https://media.atherenergy.com/Whistle-Blower-Policy.pdf>

d. Compliance with mandatory requirements

The Company has complied with all the mandatory corporate governance requirements to the extent applicable to the Company.

e. Web link where policy for determining material subsidiaries is disclosed

The Company does not have any subsidiary. The Company has a policy for determining material subsidiaries which is available on the website of the Company at <https://media.atherenergy.com/Policy-for-determining-Material-Subsidiaries.pdf>

f. Details of utilization of funds raised through preferential allotment or qualified institutions placement

During the year under review, your Company made private placement offer of various series of unlisted, secured, redeemable Non-Convertible Debentures (NCD) and had raised a total sum of ₹ 410 crores and these funds were utilized for General Corporate Purposes.

Your Company also made a private placement offer of 74,148 Series F CCPS and had raised

₹ 86.56 crores and these funds were utilized for General Corporate Purposes. Further, your Company also made a private placement offer of 1,65,28,925 Series G CCPS and had raised ₹ 599.99 crores and these funds were utilized in accordance with the business plan approved by the Board and the Share subscription agreement dated July 30, 2024.

g. Certificate from a Company Secretary in practice

The Company has received a certificate from a Company secretary in practice that none of the Directors on the Board of the Company have been debarred or disqualified from being appointed or continued as Directors of companies by the Board/Ministry of Corporate Affairs or any such statutory authority is annexed to this report as **Annexure VIA**.

h. Non-acceptance of any recommendation of any Committee of the Board which is mandatorily required

The Board of Directors have taken all the recommendations of the various Committees of the Board as statutorily prescribed.

i. Total fees for all services paid by the listed entity and its subsidiaries, on a consolidated basis, to the statutory auditor and all entities in the network firm/network entity of which the statutory auditor is a part

The total fees for all services paid/ payable by the Company to M/s Deloitte Haskins & Sells, Chartered Accountants, Statutory Auditor and all entities in the network firm/ network entity of which the statutory auditor is a part, for the financial year under review is ₹ 31 million including ₹ 24 million considered as share issue expenses under other current asset.

j. Disclosures in relation to the Sexual Harassment of Women at workplace (Prevention, Prohibition and Redressal) Act, 2013

a.	Number of complaints filed during the financial year	06
b.	Number of complaints disposed of during the financial year	03*
c.	Number of complaints pending as on end of the financial year	04

(*One case was reported in Q4 of FY 23-24 & closed in Q1 FY 24-25 (within applicable timeline))

Board’s Report

k. Loans and advances in the nature of loans to firms/companies in which directors are interested by name and amount

During the financial year under review, the Company have neither advanced any loans nor given any guarantees and / or provided any securities, whether directly or indirectly to firms/ companies in which directors are interested.

l. Details of material subsidiaries, including the date and place of incorporation and the name and date of appointment of the statutory auditors of such subsidiaries

The Company does not have any subsidiaries.

m. Code for Prevention of Insider Trading Practices

During the financial year under review, the Company adhered to comprehensive Code of Conduct for prevention of Insider Trading for its Promoters, Directors, Key Managerial Personnel and Connected Persons. The Code aims to ensure monitoring, timely reporting and adequate disclosure of price sensitive information by the Promoters, Directors, Key Managerial Personnel and Connected Persons. It also aims to bring transparency and fairness in dealing with the stakeholders and also ensuring the adherence to all applicable laws and regulations. This Code lays down the guidelines, through which it advises on procedures to be followed and disclosures to be made, while dealing with shares of the Company. The Code has been made available on the website of the Company at <https://media.atherenergy.com/Code-of-conduct-for-regulating-monitoring-and-reporting-of-trading-by-insider.pdf?>

n. Other Polices

The Company has adopted various policies prescribed under the Act and Listing Regulations i.e. Policy on Determination of Materiality for Disclosures, Policy on Archival and Preservation of Documents, Dividend Distribution Policy etc which are available on the website of the Company at <https://www.atherenergy.com/investor-relations/governance>

10. Discretionary requirements (Schedule II Part E of the SEBI Listing Regulations)

The Company strives to adhere and comply with the following discretionary requirements specified under Regulation 27(1) and Part E of the Schedule II of SEBI Listing Regulations, to the extent applicable:

- a. The Company has appointed a Non-executive Independent Director as Chairperson of the Board who is not related to the Executive Directors and Chief

Executive Officer.

- b. The Company’s financial results have unmodified audit opinions.
- c. Internal auditors of the Company report directly to the Audit Committee.

11. Compliance with SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

The Company has complied with corporate governance requirements specified in regulation 17 to 27 and clauses (b) to (i) of sub-regulation (2) of regulation 46 and all other mandatory provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time, to the extent applicable.

12. Compliance with Code of Conduct

The Code of Conduct (“the Code”) for Board members and Senior Management personnel as adopted by the Board, is a comprehensive code applicable to Directors and Senior Management personnel. The Code lays down in detail, the standards of business conduct, ethics and strict governance norms for the Board and Senior Management personnel. A copy of the Code has been made available on the website of the Company at <https://media.atherenergy.com/Code-of-conduct-for-Directors-and-Senior-Management.pdf?>. The Code has been circulated to Directors and Senior management personnel and its compliance is affirmed by them annually. A declaration signed by the Chief Executive Officer to this effect is annexed to this report as **Annexure VIB**.

13. Compliance Certificate on Corporate Governance

The Company listed its equity shares on BSE Limited and National Stock Exchange of India Limited with effect from May 06, 2025, hence certificate on Corporate Governance confirming compliance with the conditions of Corporate Governance as stipulated under Regulation 34(3) read with Schedule V(E) of the Listing is not applicable for the financial year 2024-25.

14. Chief Executive Officer and Chief Financial Officer Certification

Mr. Tarun Sanjay Mehta, Executive Director & CEO and Mr. Sohil Dilipkumar Parekh, Chief Financial Officer of the Company have furnished to the Board, the requisite Compliance Certificate under Regulation 17(8) of the Listing Regulations for the financial year ended March 31, 2025 and is annexed to this report as **Annexure VIC**.

Board’s Report

15. Disclosure with respect to demat suspense account/unclaimed suspense account

During the year, the Company has transferred 41,760 equity shares to Company’s unclaimed suspense Account.

S. No	Particulars	No. of Shareholders	No. of Shares
1	Aggregate number of shareholders and the outstanding shares in the suspense account lying at the beginning of the year	0	0
2	Number of shareholders who approached the Company for transfer of shares from suspense account during the financial year 2024-25	0	0
3	Number of shareholders to whom shares were transferred from suspense account during the financial year 2024-25	0	0
4	Aggregate number of shareholders and the outstanding shares in the suspense account lying as on March 31, 2025	1	41,760

Note: Voting rights on above shares remain frozen till the rightful owner claims these shares.

16. Transfer of unclaimed/unpaid amount to the Investor Education and Protection Fund

The Company does not have any instances of transferring any amount to the Investor Education and Protection Fund.

17. Disclosure of certain types of agreements binding listed entity

There are no agreements impacting management or control of the Company or imposing any restriction or creating any liability upon the Company.

18. Disclosure of accounting treatment

The financial statements have been prepared in accordance with Indian Accounting Standard (Ind AS) prescribed under Section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended. The significant accounting policies which are consistently applied have been set out in the notes to the financial statements.

For and on behalf of the Board of Directors of
Ather Energy Limited

Tarun Sanjay Mehta
Executive Director & CEO
DIN: 06392463

Swapnil Babanlal Jain
Executive Director & CTO
DIN: 06682759

Place: Bangalore
Date: May 12, 2025

Place: Bangalore
Date: May 12, 2025

Board’s Report

Annexure VIA

CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS

(Pursuant to Regulation 34(3) and Schedule V Para C clause (10)(i) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015)

To,

The Members of
Ather Energy Limited
CIN: U40100KA2013PLC093769
3rd Floor, Tower D, IBC Knowledge Park,
4/1, Bannerghatta Main Road,
Bangalore-560029, Karnataka.

We have examined the relevant registers, records, forms, returns and disclosures received from the Directors of Ather Energy Limited having CIN - U40100KA2013PLC093769 and having registered office at 3rd Floor, Tower D, IBC Knowledge Park, 4/1, Bannerghatta Main Road, Bangalore, Karnataka, India, 560029 (hereinafter referred to as ‘the Company’), produced before us by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C Sub clause 10(i) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In our opinion and to the best of our information and according to the verifications (including Directors Identification Number (DIN) status at the portal www.mca.gov.in) as considered necessary and explanations furnished to us by the Company & its officers, we hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ending on 31st March 2025 have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs, or any such other Statutory Authority.

Sl No.	Name of the Director	DIN	Designation
1.	Mr. Tarun Sanjay Mehta	06392463	Executive Director & CEO
2.	Mr. Swapnil Babanlal Jain	06682759	Executive Director & CTO
3.	*Mr. Niranjan Kumar Gupta	07806792	Non-executive Director
4.	Mr. Ram Kuppuswamy	09817635	Non-executive Director
5.	Ms. Neelam Dhawan	00871445	Independent Director
6.	Mr. Sanjay Nayak	01049871	Independent Director
7.	Mr. Kaushik Dutta	03328890	Independent Director
8.	Mr. Pankaj Sood	05185378	Nominee Director
9.	Mr. Nilesh Shrivastava	09632942	Nominee Director

*Mr. Niranjan Kumar Gupta has ceased to be a director w.e.f. 06th May 2025.

Ensuring the eligibility of for the appointment / continuity of every Director on the Board is the responsibility of the management of the Company. Our responsibility is to express an opinion on these based on our verification. This certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For BMP & Co. LLP
Company Secretaries

Pramod S M

Date: May 12, 2025
Place: Bangalore

Partner FCS 7834 / CP No. 13784
UDIN No: FO07834G000316648

Board’s Report

Annexure VIB

DECLARATION ON CODE OF CONDUCT

[Regulation 34(3), read with Schedule V (Part D) of the SEBI
(Listing Obligations and Disclosure Requirements) Regulations, 2015]

To,
The Members of
Ather Energy Limited
CIN: U40100KA2013PLC093769
3rd Floor; Tower D IBC Knowledge Park,
4/1, Bannerghatta Main Road,
Bangalore-560029, Karnataka.

I, Tarun Sanjay Mehta, Executive Director & Chief Executive Officer of the Company, declare that all the members of the Board of Directors and Senior Managerial Personnel of the Company have affirmed compliance with the Code of Conduct of the Company for the financial year 2024-25.

For Ather Energy Limited

Tarun Sanjay Mehta
Executive Director & CEO
DIN: 06392463

May 12, 2025
Bangalore

Board’s Report

Annexure VIC

COMPLIANCE CERTIFICATE

As per Regulation 17(8) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

To
The Board of Directors,
Ather Energy Limited
3rd Floor, Tower D, IBC Knowledge Park,
#4/1 Bannerghatta Main Road,
Bangalore 560 029, Karnataka, India

Dear Sir/Madam,

This is to certify that:

- a. We have reviewed Financial Statements and Cash Flow Statements for the year ended March 31, 2025 and that to the best of our knowledge and belief:
 - i. These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
 - ii. These statements together present a true and fair view of the Company’s affairs and are in compliance with existing Accounting Standards, applicable laws and regulations.
- b. There are, to the best of our knowledge and belief, no transactions entered into by the Company during the financial year under review which are fraudulent, illegal or violative of the Company’s Code of Conduct.
- c. We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting and we have disclosed to the Auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.
- d. We have indicated to the Auditors and the Audit Committee:
 - i. There are no significant changes in internal control over financial reporting during the year;
 - ii. There are no significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and
 - iii. There are no instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the Company’s internal control system over financial reporting.

For Ather Energy Limited

Tarun Sanjay Mehta
Executive Director & CEO
DIN: 06392463

Bangalore
May 12, 2025

Sohil Dilipkumar Parekh
Chief Financial Officer
PAN: ALUPP4103G

Bangalore
May 12, 2025

Independent Auditor’s Report

To The Members of Ather Energy Limited (Formerly known as Ather Energy Private Limited)

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of Ather Energy Limited (Formerly known as Ather Energy Private Limited) (“the Company”), which comprise the Balance Sheet as at March 31, 2025, and the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flows for the year ended on that date, and notes to the financial statements, including a summary of material accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013 (“the Act”) in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act, (“Ind AS”) and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2025, and its loss, total comprehensive loss, its cash flows and the changes in equity for the year ended on that date.

Basis for Opinion

We conducted our audit of the financial statements in accordance with the Standards on Auditing (“SAs”) specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the Auditor’s Responsibility for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (“ICAI”) together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI’s Code of Ethics. We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion on the financial statements.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report.

Sr. No.	Key Audit Matter	Auditor’s Response
1	Intangible assets under development (Refer note 2e to the financial statements) The Company has various internally generated intangible projects under development. Initial recognition of the development expenditure under these projects is based on assessing each project in relation to specific recognition criteria that needs to be met for capitalisation. Due to the materiality of the assets under development recognised and the level of management judgement involved, initial recognition and measurement of internally generated intangible assets under development has been considered as a key audit matter.	Principal audit procedures performed included the following: - Assessed whether the Company’s Internally generated intangible assets- research and development expenditure accounting policy is in compliance with Ind AS 38 “Intangible Assets”. - We assessed the design, implementation and operating effectiveness over management process of identifying and capitalising the development expenditure in accordance with the accounting principles of capitalisation of expenditure on internally generated intangible assets as per Ind AS 38. - For sample selected, we performed test of details to verify the appropriateness of the capitalisation.

Financial Statements

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

- The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the director report including the Annexures to the director report and Management Discussion and Analysis but does not include the financial statements and our auditor's report thereon.
- Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.
- In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.
- If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Board of Directors for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance including other comprehensive loss, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including Ind AS specified under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management and Board of Directors is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intend to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

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

Auditor's Responsibility for the Audit of the Financial Statements

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or,

if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

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

Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, based on our audit we report that:
 - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books, except for not

complying with the requirement of audit trail as stated in (i)(vi) below.

- c) The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive loss, the Statement of Cash Flows and Statement of Changes in Equity dealt with by this Report are in agreement with the relevant books of account.
- d) In our opinion, the aforesaid financial statements comply with the Ind AS specified under Section 133 of the Act.
- e) On the basis of the written representations received from the directors as on March 31, 2025 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2025 from being appointed as a director in terms of Section 164(2) of the Act.
- f) The modification relating to the maintenance of accounts and other matters connected therewith, is as stated in paragraph (b) above.
- g) With respect to the adequacy of the internal financial controls with reference to financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure A". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls with reference to financial statements.
- h) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended, in our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act.
- i) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements - Refer Note 35 to the financial statements;
 - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.

iii.	There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.	sub-clause (i) and (ii) of Rule 11(e), as provided under (a) and (b) above, contain any material misstatement.
iv.	(a) The Management has represented that, to the best of its knowledge and belief, as disclosed in the note 46 to the financial statements no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.	v. The Company has not declared or paid any dividend during the year and has not proposed final dividend for the year. vi. Based on our examination, which included test checks, the Company has used an accounting software for maintaining its books of account for the financial year ended March 31, 2025 which has a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the software except that audit trail feature was not enabled for direct changes at the database level for the period from April 1, 2024 to July 05, 2024. Consequent to this, we are unable to comment whether there were any instances of the audit trail feature being tampered with during this period.
	(b) The Management has represented, that, to the best of its knowledge and belief, as disclosed in the note 46 to the financial statements, no funds have been received by the Company from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.	Further, the audit trail that was enabled and operated for the year ended March 31, 2024 has been preserved by the Company as per the statutory requirements for record retention.
	(c) Based on the audit procedures performed that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under	
		2. As required by the Companies (Auditor's Report) Order, 2020 ("the Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in "Annexure B" a statement on the matters specified in paragraphs 3 and 4 of the Order.
		For Deloitte Haskins & Sells Chartered Accountants (Firm's Registration No. 008072S)
		Gurvinder Singh Partner (Membership No. 110128) UDIN: 25110128BMHZZT8617
	Place: Bengaluru Date: May 12, 2025	

ANNEXURE "A" TO THE INDEPENDENT AUDITOR'S REPORT

(Referred to in paragraph 1(g) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

Report on the Internal Financial Controls with reference to financial statements under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls with reference to financial statements of Ather Energy Limited (Formerly known as Ather Energy Private Limited) ("the Company") as at March 31, 2025 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management's and Board of Directors' Responsibilities for Internal Financial Controls

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

Auditor's Responsibility

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

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to financial statements and their operating effectiveness. Our audit of internal

financial controls with reference to financial statements included obtaining an understanding of internal financial controls with reference to financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

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

Meaning of Internal Financial Controls with reference to financial statements

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

Inherent Limitations of Internal Financial Controls with reference to financial statements

Because of the inherent limitations of internal financial controls with reference to financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to financial statements to future periods are subject to the risk that the internal

financial control with reference to financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls with reference to financial statements and such internal financial controls with reference to financial statements were operating effectively as at March 31, 2025, based on the criteria for internal financial control with reference to financial statements established by the Company considering the essential

components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For Deloitte Haskins & Sells

Chartered Accountants
(Firm's Registration No. 008072S)

Gurvinder Singh

Partner
(Membership No. 110128)
UDIN: 25110128BMHZZ8617

Place: Bengaluru
Date: May 12, 2025

ANNEXURE “B” TO THE INDEPENDENT AUDITOR'S REPORT

(Referred to in paragraph 2 under 'Report on Other Legal and Regulatory Requirements' Section of our report of even date)

In terms of the information and explanations sought by us and given by the company and the books of account and records examined by us in the normal course of audit and to the best of our knowledge and belief, we state that:

- (i) (a) (A) The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment, capital work in progress and relevant details of right of use assets.
(B) The Company has maintained proper records showing full particulars of intangible assets.
- (b) The Property, Plant and Equipment were physically verified during the year by the Management which, in our opinion, provides for physical verification at reasonable intervals. No material discrepancies were noticed on such verification.
- (c) The Company does not have any immovable properties and hence reporting under clause (i)(c) of the Order is not applicable. In respect of immovable properties of land and buildings that have been taken on lease and disclosed as right of use assets in the financial statements, the lease agreements are in the name of the Company, where the Company is the lessee in the agreement.
- (d) The Company has not revalued any of its property, plant and equipment including right of use asset and intangible assets during the year.
- (e) No proceedings have been initiated during the year or are pending against the Company as at March 31, 2025 for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (as amended in 2016) and rules made thereunder.
- (ii) (a) The inventories were physically verified during the year by the Management at reasonable intervals. In our opinion and according to the information and explanations given to us, the coverage and procedure of such verification by the Management is appropriate having regard to the size of the Company and nature of its operations. For the stock held with third party at the year end, written confirmation has been obtained and in respect of goods-in-transit, the goods have been received subsequent

to the year end. No discrepancies of 10 % or more in the aggregate for each class of inventories noticed on such physical verification of inventories when compared with books of accounts.

- (b) According to the information and explanations given to us, the Company has been sanctioned working capital limits in excess of Rs. 5 crores, in aggregate, at points of time during the year, from banks on the basis of security of current assets. In our opinion and according to the information and explanations given to us, the quarterly returns or statements comprising stock statements filed by the Company with such banks are in agreement with the unaudited books of account of the Company of the respective quarters.
- (iii) The Company has not made any investments in, provided any guarantee or security, to companies, firms, Limited Liability Partnerships or any other parties during the year. The Company has granted unsecured loans or advances in the nature of loans, to other parties, in respect of which:
 - (a) The Company has not provided any loans or advances in the nature of loans or stood guarantee, or provided security to any other entity during the year, and hence reporting under clause 3(iii)(a) of the Order is not applicable.
 - (b) The terms and conditions of loan granted or advances in the nature of loans, are, in our opinion, prima facie, not prejudicial to the Company's interest.
 - (c) In respect of loans granted or advances in the nature of loans provided by the Company, the schedule of repayment of principal and payment of interest has been stipulated and the repayments of principal amounts and receipts of interest are regular as per stipulation.
 - (d) According to information and explanations given to us and based on the audit procedures performed, in respect of loans granted and advances in the nature of loans provided by the Company, there is no overdue amount remaining outstanding as at the balance sheet.
 - (e) No loan or advance in the nature of loan granted by the Company which has fallen due during the year, has been renewed or

- extended or fresh loans granted to settle the overdues of existing loans given to the same parties.

(f) According to information and explanations given to us and based on the audit procedures performed, the Company has not granted any loans or advances in the nature of loans either repayable on demand or without specifying any terms or period of repayment during the year. Hence, reporting under clause 3(iii)(f) is not applicable.

(iv) According to information and explanation given to us, the Company has not granted any loans, made investments or provided guarantees or securities that are covered under the provisions of sections 185 or 186 of the Companies Act, 2013, and hence reporting under clause 3(iv) of the Order is not applicable.

(v) The Company has not accepted any deposit or amounts which are deemed to be deposits. Hence, reporting under clause (v) of the Order is not applicable.

(vi) The maintenance of cost records has been specified by the Central Government under section 148(1) of the Companies Act, 2013 in respect of manufacturing of one of the products. We have broadly reviewed the books of account maintained by the Company pursuant to the Companies (Cost Records and Audit) Rules, 2014, as amended prescribed by the Central Government for maintenance of cost records under section 148(1) of the Companies Act, 2013, and are of the opinion that, prima facie, the prescribed cost records have been made and maintained by the Company. We have, however, not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.

(vii) In respect of statutory dues:

a. Undisputed statutory dues, including Goods and Services tax, Provident Fund, Employees' State Insurance, Income-tax, duty of Custom, cess and other material statutory dues applicable to the Company have generally been regularly deposited by it with the appropriate authorities in all cases during the year.

There were no undisputed amounts payable in respect of Goods and Services tax, Provident Fund, Employees' State Insurance, Income-tax, duty of Custom, cess and other material statutory dues in arrears as at March 31, 2025 for a period of more than six months from the date they became payable.
- b. Details of statutory dues referred to in sub-clause (a) above which have not been deposited as on March 31, 2025 on account of disputes are given below:

Name of the Statute	Nature of the Dues	Forum where Dispute is Pending	Period to which the Amount Relates	Amount (Rs. in Millions)	Amount unpaid (Rs. in Millions)
Income Tax Act, 1961	Income Tax	Commissioner of Income Tax (Appeals)	FY 2016-17	0.12	0.10*
The Customs Act, 1962	Duty of Custom	Customs Excise and Service Tax Appellate Tribunal	FY 2018-19 and FY 2019-20	1.58	1.46
The Integrated Goods and Services Tax Act, 2017	The Integrated Goods and Services Tax	Commissioner of State Taxes (Appeals)	FY 2022-23	763.26	703.44
The Integrated Goods and Services Tax Act, 2017	The Integrated Goods and Services Tax	Commissioner of State Taxes (Appeals)	FY 2023-24	14.30	14.30
The Integrated Goods and Services Tax Act, 2017	The Integrated Goods and Services Tax	Commissioner of State Taxes (Appeals)	FY 2019-20	1.46	1.31

*represents penalty amount

- (viii) There were no transactions relating to previously unrecorded income that were surrendered or disclosed as income in the tax assessments under the Income Tax Act, 1961 (43 of 1961) during the year.
- (ix) (a) Loans amounting to Rs. 856 million outstanding as at March 31, 2025 are repayable on demand and terms and conditions for payment of interest thereon have been stipulated. According to the information and explanations given to us, such loans and interest thereon have not been demanded for repayment during the financial year. Considering the above, in our opinion, the Company has not defaulted in the repayment of loans or other borrowings,
- or in the payment of interest thereon to any lender during the year.
- (b) The Company has not been declared wilful defaulter by any bank or financial institution or government or any government authority.
- (c) To the best of our knowledge and belief, in our opinion, term loans availed by the Company were, applied by the Company during the year for the purposes for which the loans were obtained.
- (d) On an overall examination of the financial statements of the Company, funds raised on short-term basis have, prima facie, not been used during the year for long-term purposes by the Company

- (e) The Company did not have any subsidiary or associate or joint venture during the year and hence, reporting under clause (ix)(e) of the Order is not applicable.
- (f) The Company did not have any subsidiary or associate or joint venture during the year and hence, reporting under clause (ix)(f) of the Order is not applicable.
- (X) (a) The Company has not raised moneys by way of initial public offer or further public offer (including debt instruments) during the year and hence reporting under clause 3(x)(a) of the Order is not applicable.
- (b) The Company has made preferential allotment of shares during the year. For such allotment of shares, the Company has complied with the requirements of Section 42 and 62 of the Companies Act, 2013, and the funds raised have been, applied by the Company during the year for the purposes for which the funds were raised, other than temporary deployment pending application. The Company has not made any preferential allotment or private placement of (fully or partly or optionally) convertible debentures during the year.
- (XI) (a) To the best of our knowledge, no fraud by the Company and no material fraud on the Company has been noticed or reported during the year.
- (b) To the best of our knowledge, no report under sub-section (12) of section 143 of the Companies Act has been filed in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government, during the year and upto the date of this report.
- (c) As represented to us by the Management, there were no whistle blower complaints received by the Company during the year.
- (XII) The Company is not a Nidhi Company and hence reporting under clause (xii) of the Order is not applicable.
- (XIII) The Company is in compliance with Section 177 and 188 of the Companies Act, where applicable, for all transactions with the related parties and the details of related party transactions have been disclosed in the financial statements etc. as required by the applicable accounting standards.
- (XIV) (a) In our opinion the Company has an adequate internal audit system commensurate with the size and the nature of its business.
- (b) We have considered, the internal audit report issued to the Company during the year and covering the period upto September 2024 and internal audit reports where issued after the balance sheet date covering the period October 01, 2024 to March 31, 2025 for the period under audit.
- (XV) In our opinion, during the year, the Company has not entered into any non-cash transactions with any of its directors or persons connected with its directors and hence provisions of section 192 of the Companies Act, 2013 are not applicable to the Company.
- (XVI) (a) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934. Hence, reporting under clause (xvi)(a), (b) and (c) of the Order is not applicable.
- (b) The Group does not have any CIC as part of the group and accordingly reporting under clause (xvi)(d) of the Order is not applicable.
- (XVII) The Company has incurred cash losses amounting to Rs. 4,885 million during the financial year covered by our audit and Rs. 7,573 million in the immediately preceding financial year.
- (XVIII) There has been no resignation of the statutory auditors of the Company during the year.
- (XIX) On the basis of the financial ratios, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the financial statements and our knowledge of the Board of Directors and Management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report indicating that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.
- (XX) The Company is having net worth of rupees five hundred crore or more during the immediately preceding financial year, hence the provisions under Section 135 of the Act is applicable to the Company during the year. However, considering that the Company has been incurring losses in the preceding three financial year, no amount is required to be spent by the company. Accordingly, reporting under clause 3(xx) of the Order is not applicable for the year.

For Deloitte Haskins & Sells
Chartered Accountants
(Firm's Registration No. 008072S)

Gurvinder Singh
Partner
(Membership No. 110128)
UDIN: 25110128BMHZT8617

Place: Bengaluru
Date: May 12, 2025

Balance Sheet

as at 31 March 2025

CIN: U40100KA2013PLC093769

(Amount in millions of INR unless otherwise stated)

Particulars	Note No.	As at 31 March 2025	As at 31 March 2024
ASSETS			
NON CURRENT ASSETS			
Property, plant and equipment	2(a)	2,674	1,871
Right of use assets	2(b)	2,443	1,489
Capital work-in-progress	2(c)	57	0
Intangible assets	2(d)	1,043	1,229
Intangible assets under development	2(e)	1,163	706
Financial assets			
(i) Other financial assets	3	333	153
Other non-current assets	4	1,725	1,393
TOTAL - NON CURRENT ASSETS		9,438	6,841
CURRENT ASSETS			
Inventories	5	2,446	1,167
Financial assets			
(i) Investments	6	410	2,922
(ii) Trade receivables	7	118	16
(iii) Cash and cash equivalents	8	698	2,279
(iv) Other balances with banks	9	3,006	2,199
(v) Loans	10	4	2
(vi) Other financial assets	3	1,352	1,170
Current tax assets	11	47	24
Other current assets	4	3,487	2,515
TOTAL - CURRENT ASSETS		11,568	12,294
TOTAL ASSETS		21,006	19,135
EQUITY AND LIABILITIES			
EQUITY			
Equity share capital	12	291	0
Instrument entirely equity in nature	12	-	8
Other equity	13	4,639	5,451
TOTAL - EQUITY		4,930	5,459
LIABILITIES			
NON CURRENT LIABILITIES			
Financial liabilities			
(i) Borrowings	14	1,169	309
(ii) Lease liabilities	15	1,431	1,419
(iii) Other financial liabilities	16	119	103
Provisions	17	792	702
Other non-current liabilities	18	833	379
TOTAL - NON CURRENT LIABILITIES		4,344	2,912
CURRENT LIABILITIES			
Financial liabilities			
(i) Borrowings	14	3,330	2,840
(ii) Lease liabilities	15	263	209
(iii) Trade payables			
(A) Total outstanding dues of micro and small enterprises	19	484	185
(B) Total outstanding dues of creditors other than micro and small enterprises	19	5,125	3,842
(iv) Other financial liabilities	16	454	1,348
Other current liabilities	18	887	1,533
Provisions	17	1,189	807
TOTAL - CURRENT LIABILITIES		11,732	10,764
TOTAL EQUITY AND LIABILITIES		21,006	19,135

The accompanying notes 1-51 form an integral part of these financial statements.

As per our report of even date

For Deloitte Haskins & Sells
Chartered Accountants
Firm registration No. 008072S

Gurvinder Singh
Partner
Membership No. 110128

For and on behalf of Board of Directors of
Ather Energy Limited (formerly known as Ather Energy Private Limited)

Tarun Sanjay Mehta
Executive Director and Chief Executive Officer
DIN: 06392463

Sohil Dilipkumar Parekh
Chief Financial Officer

Swapnil Babanlal Jain
Executive Director and Chief Technical Officer
DIN: 06682759

Puja Aggarwal
Company Secretary and Compliance Officer

Date: 12 May 2025
Place: Bengaluru

Date: 12 May 2025
Place: Bengaluru

Statement of Profit and Loss

for the year ended 31 March 2025

CIN: U40100KA2013PLC093769

(Amount in millions of INR unless otherwise stated)

Particulars	Note No.	For the year ended 31 March 2025	For the year ended 31 March 2024
I Revenue from operations	20	22,550	17,538
II Other income	21	502	353
III Total income (I + II)		23,052	17,891
IV Expenses			
Cost of material consumed	22	18,269	15,792
Purchase of stock-in-trade	23	1,007	279
Change in inventories of finished goods, stock-in-trade and work-in-progress	24	(508)	247
Employee benefits expense	25	4,124	3,692
Finance costs	26	1,106	890
Depreciation and amortisation expense	27	1,710	1,467
Other expenses	28	5,467	4,375
Total expenses (IV)		31,175	26,742
V Loss before exceptional items and tax (III - IV)		(8,123)	(8,851)
VI Exceptional items	29	-	1,746
VII Loss before tax (V - VI)		(8,123)	(10,597)
VIII Tax expense			
(1) Current tax	32	-	-
(2) Deferred tax	32	-	-
Total tax expense (VIII)		-	-
IX Loss for the year (VII - VIII)		(8,123)	(10,597)
X Other comprehensive income			
(i) Items that will not be reclassified to profit or loss			
Re-measurement loss on defined benefit plans	34	(46)	(26)
Income tax relating to above items		-	-
Total other comprehensive loss for the year (X)		(46)	(26)
XI Total comprehensive loss for the year (IX+X)		(8,169)	(10,623)
XII Loss per equity share in INR (face value of INR 1 each)			
(1) Basic	31	(32)	(47)
(2) Diluted	31	(32)	(47)

The accompanying notes 1-51 form an integral part of these financial statements.

As per our report of even date

For Deloitte Haskins & Sells
Chartered Accountants
Firm registration No. 008072S

Gurvinder Singh
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Membership No. 110128

For and on behalf of Board of Directors of
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Executive Director and Chief Technical Officer
DIN: 06682759

Puja Aggarwal
Company Secretary and Compliance Officer

Date: 12 May 2025
Place: Bengaluru

Date: 12 May 2025
Place: Bengaluru

Statement of Changes in Equity

for the year ended 31 March 2025

CIN: U40100KA2013PLC093769

(Amount in millions of INR unless otherwise stated)

A. Equity share capital

Particulars	Equity Shares of INR 1 each		Equity Shares of INR 37 each	
	No. of Shares	Amount	No. of Shares	Amount
As at 01 April 2023	111,030	0	3,530	0
Issue of equity share during the year	-	-	-	-
As at 31 March 2024	111,030	0	3,530	0
Issue of equity share during the year (refer note 12.1.1(i)(a))	907,236	1	-	-
Issue of bonus shares during the year (refer note 12.1.1(i)(b))	29,658,520	30	-	-
Issue of equity shares by sub-division of face value from INR 37 to INR 1 (refer note 12.1.1(i)(b))	130,610	0	(3,530)	(0)
Add: Issue of equity shares by conversion of Compulsory Convertible Preference Shares (CCPS) (refer note 12.1.1 (i) (c))	259,836,073	260	-	-
As at 31 March 2025	290,643,469	291	-	-

B. Instruments entirely equity in nature - Compulsorily convertible preference shares (CCPS)

Particulars	Compulsorily convertible preference shares of INR 1 each		Compulsorily convertible preference shares of INR 10 each		Compulsorily convertible preference shares of INR 37 each	
	No. of Shares	Amount	No. of Shares	Amount	No. of Shares	Amount
As at 01 April 2023	74,732	0	512,748	5	23,490	1
Issue of compulsorily convertible preference shares during the year	-	-	222,479	2	-	-
As at 31 March 2024	74,732	0	735,227	7	23,490	1
Issue of compulsorily convertible preference shares during the year (refer note 12.2.11 and 12.2.12)	-	-	-	-	-	-
Less: Conversion of CCPS into Equity shares (refer note 12.2.12(ix))	(74,732)	(0)	(735,227)	(7)	(23,490)	(1)
As at 31 March 2025	-	-	-	-	-	-

Statement of Changes in Equity (Contd.)

for the year ended 31 March 2025

CIN: U40100KA2013PLC093769

(Amount in millions of INR unless otherwise stated)

C. Other equity

Particulars	Reserves and Surplus			Total
	Retained earnings	Securities Premium	Stock Options Outstanding Account	
As at 01 April 2023	(18,373)	23,521	983	6,131
Loss for the year	(10,597)	-	-	(10,597)
Other Comprehensive loss for the year	(26)	-	-	(26)
Issue of compulsorily convertible preference shares during the year	-	9,009	-	9,009
Charge against share based payments during the year	-	-	882	882
Settlement of RTS liability by issue of equity instruments (refer note 16(ii))	-	797	-	797
Issue of bonus compulsorily convertible preference shares during the year (refer note 13(a) and note 16(ii))	-	(0)	-	(0)
Stock options cancelled during the year (refer note 25(a))	-	-	(745)	(745)
Transfer to retained earnings during the year on cancellation of stock options	(97)	-	97	-
As at 31 March 2024	(29,093)	33,327	1,217	5,451
Loss for the year	(8,123)	-	-	(8,123)
Other Comprehensive loss for the year	(46)	-	-	(46)
Issue of equity shares on settlement of stock options during the year (refer note 12.1.1(i)(a))	-	169	(170)	(1)
Issue of bonus equity shares by utilisation of security premium during the year (refer note 12.1.1(i)(b))	-	(30)	-	(30)
Charge against share based payments during the year	-	-	830	830
Modification of terms of employee share based payments	-	-	51	51
Issue of compulsorily convertible preference shares during the year (refer note 12.2.12(iii))	-	-	866	866
Conversion of Series F CCPS classified as stock options into equity shares (refer note 12.2.12 (vii))	-	857	(876)	(19)
Conversion of Series G CCPS classified as financial liability into equity shares (refer note 12.2.12 (viii))	-	5,978	-	5,978
Utilisation of Securities Premium for Conversion of CCPS into equity shares (refer note 12.2.12 (ix))	-	(210)	-	(210)
Stock options settled/cancelled during the year	-	-	(108)	(108)
Transfer to retained earnings on cancellation of stock options during the year	(60)	-	60	-
As at 31 March 2025	(37,322)	40,091	1,870	4,639

The accompanying notes 1-51 form an integral part of these financial statements.

As per our report of even date

For Deloitte Haskins & Sells
Chartered Accountants
Firm registration No. 008072S

Gurvinder Singh
Partner
Membership No. 110128

Date: 12 May 2025
Place: Bengaluru

For and on behalf of Board of Directors of
Ather Energy Limited (formerly known as Ather Energy Private Limited)

Tarun Sanjay Mehta
Executive Director and Chief Executive Officer
DIN: 06392463

Sohil Dilipkumar Parekh
Chief Financial Officer

Date: 12 May 2025
Place: Bengaluru

Swapnil Babanlal Jain
Executive Director and Chief Technical Officer
DIN: 06682759

Puja Aggarwal
Company Secretary and Compliance Officer

Statement of Cash Flows

for the year ended 31 March 2025

CIN: U40100KA2013PLC093769

(Amount in millions of INR unless otherwise stated)

Particulars	For the year ended 31 March 2025	For the year ended 31 March 2024
A. Cash flows from operating activities		
Loss before tax	(8,123)	(10,597)
Adjustments for:		
Depreciation and amortisation expense	1,710	1,467
Warranty cost	602	429
Assets discarded	13	12
Finance costs	1,106	890
Loss on fair value measurement of financial liabilities (net)	-	224
Allowance for doubtful advance and receivables	89	58
Provision/Liability no longer required written back	(75)	(32)
Sundry balances written off	0	6
Unrealized foreign exchange (gain)/loss (net)	(17)	4
Share based payment expense, (net)	831	815
Interest income	(190)	(196)
Gain on sale of property, plant and equipment, net	(0)	(1)
Gain on termination of lease	(3)	(2)
Net gain on disposal / fair valuation of investments carried at fair value through profit & loss	(218)	(115)
Operating loss before working capital changes	(4,275)	(7,038)
Changes in working capital:		
(Increase)/decrease in inventories	(1,278)	1,407
(Increase) in trade receivables	(104)	(4)
(Increase)/decrease in other financial assets	(344)	2,512
(Increase) in other assets	(1,378)	(976)
Increase in trade payables	1,594	193
(Decrease) in other financial liabilities	(939)	(48)
(Decrease)/increase in other liabilities and provisions	(460)	1,279
Cash used in operations	(7,184)	(2,675)
Income taxes paid (net)	(23)	(1)
Net cash used in operating activities	(7,207)	(2,676)
B. Cash flows from investing activities		
Capital expenditure on property, plant and equipment and intangible assets, capital work in progress and intangible assets under development including capital advances and payable on purchase of property, plant and equipment.	(3,390)	(1,159)
Proceeds from disposal of property, plant and equipment	0	3
Investments in term deposits	(2,450)	(4,385)
Redemption of term deposits	1,538	3,123
Proceeds from / (Investments in) mutual funds	126	(125)
Interest received	394	262
Net cash used in investing activities	(3,782)	(2,281)
C. Cash flows from financing activities		
Proceeds from issue of compulsorily convertible preference shares and equity shares (including securities premium)	866	9,011
Principal Payment of lease liabilities	(211)	(168)
Proceeds from non- current borrowings (including current maturities)	4,100	1,300
Repayment of non- current borrowings (including current maturities)	(2,583)	(1,847)
Proceeds from / (Repayment) of current borrowings (net)	5,830	(1,194)
Finance costs	(973)	(770)
Net cash generated from financing activities	7,029	6,332
Net (decrease) / increase in cash and cash equivalents	(3,960)	1,375
Cash and cash equivalents at the beginning of the year	2,279	826
Liquid mutual funds	2,781	2,859
Cash and cash equivalents at the end of the year	1,100	5,060

Statement of Cash Flows (Contd.)

for the year ended 31 March 2025

CIN: U40100KA2013PLC093769

(Amount in millions of INR unless otherwise stated)

Particulars	For the year ended 31 March 2025	For the year ended 31 March 2024
Reconciliation of cash and cash equivalents		
Cash on hand	1	1
Balances with banks in current accounts	697	2,278
Liquid mutual funds	402	2,781
Total	1,100	5,060

Notes

1. The above Statement of cash flow has been prepared under the “Indirect Method” as set out in Ind AS 7 “Statement of Cash Flows”.
2. Disclosure of changes in liabilities arising from financing activities, including both changes arising from cash flows and non-cash changes, are given below:

Particulars	As at 01 April 2024	Net cash flows	Changes in fair values/ Accruals	Unrealised foreign exchange fluctuation	Others*	As at 31 March 2025
Non-current borrowings (including current maturities)	2,114	1,517	12	-	-	3,643
Current borrowings	1,035	5,830	(2)	(7)	(6,000)	856
Interest accrued	1	(973)	972	-	-	-
Lease liabilities	1,628	(211)	-	-	277	1,694
Total	4,778	6,163	982	(7)	(5,723)	6,193

*Others includes INR (6000) million on account of conversion of Series G CCPS classified as financial liability into equity shares (refer note 12.2.12 (viii)) and INR 277 million on account of addition of new leases (net of reversal of lease liability on termination of leases).

Particulars	As at 01 April 2023	Net cash flows	Changes in fair values/ Accruals	Unrealised foreign exchange fluctuation	Others**	As at 31 March 2024
Non-current borrowings (including current maturities)	2,659	(547)	2	-	-	2,114
Current borrowings	2,193	(1,194)	33	3	-	1,035
Interest accrued	11	(770)	760	-	-	1
Lease liabilities	1,864	(168)	-	-	(68)	1,628
Total	6,727	(2,679)	795	3	(68)	4,778

**Others includes reassessment of lease liability (net of addition of new leases / reversal on termination of leases) due to change in the lease term of INR (68) million.

The accompanying notes 1-51 form an integral part of these financial statements.

As per our report of even date

For Deloitte Haskins & Sells
Chartered Accountants
Firm registration No. 008072S

Gurvinder Singh
Partner
Membership No. 110128

Date: 12 May 2025
Place: Bengaluru

**For and on behalf of Board of Directors of
Ather Energy Limited (formerly known as Ather Energy Private Limited)**

Tarun Sanjay Mehta
Executive Director and Chief Executive Officer
DIN: 06392463

Sohil Dilipkumar Parekh
Chief Financial Officer

Date: 12 May 2025
Place: Bengaluru

Swapnil Babanlal Jain
Executive Director and Chief Technical Officer
DIN: 06682759

Puja Aggarwal
Company Secretary and Compliance Officer

Notes to the Financial Statements

for the year ended 31 March 2025

1. Material Accounting Policies

1.1 Corporate Information

Ather Energy Limited (Formerly known as Ather Energy Private Limited) ('the Company') (CIN:U40100KA2013PLC093769) is a Public Limited Company incorporated and domiciled in India. The Company has converted from Private Limited Company to Public Limited Company, pursuant to a special resolution passed in the extraordinary general meeting of the shareholders of the Company held on 21 June 2024 and consequently the name of the Company has changed to Ather Energy Limited pursuant to a fresh certificate of incorporation by the Registrar of Companies on 27 August 2024. The Company's registered office is located at 3rd floor, Tower D, IBC knowledge park, #4/1, Bannerghatta main road, Bengaluru, Karnataka, India, 560029. The Company has completed its Initial Public Offer (IPO) and accordingly the Company's equity shares are listed on National Stock Exchange of India Limited (NSE) and BSE Limited (BSE) on 06 May 2025.

These financial statements for the year ended 31 March 2025 have been approved by the Board of Directors and authorised for issuance on 12 May 2025.

1.2 Basis of Preparation

The financial statements of the Company comprise of the Balance Sheet as at 31 March 2025, the Statement of Profit and Loss (including Other comprehensive income), the Statement of Changes in Equity, the Statement of Cash Flows for the year ended and summary of material accounting policies, and other explanatory information (collectively, the "financial statements").

These 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 together with the Companies (Indian Accounting Standards) Rules, 2015, as amended from time to time and other relevant provisions of the Act, on an accrual basis.

The financial statements have been prepared on a historical cost basis, except for certain financial instruments, defined benefit liabilities and share based payment arrangements that are measured at fair value at the end of each reporting period, as explained in the accounting policies below.

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

These financial statements are presented in Indian Rupees (INR), which is also the Company's functional currency and all values are rounded to the nearest million, except when otherwise indicated. The number '0' in financial statements denotes amount less than INR 0.5 million.

1.3 Summary of Material Accounting Policies

1.3.1 Current versus non-current classification

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

An asset is classified as current when it satisfies any of the following criteria;

- a) It is expected to be realized in, or is intended for sale or consumption in, the Company's normal operating cycle;
- b) It is held primarily for the purpose of being traded;
- c) It is expected to be realized within twelve months after the reporting date; or
- d) It is cash or cash equivalent unless it is restricted from being exchanged or used to settle a liability for at least twelve months after the reporting date.

A liability is classified as current when it satisfies any of the following criteria;

- a) It is expected to be settled in the Company's normal operating cycle;
- b) It is held primarily for the purpose of being traded;
- c) It is due to be settled within twelve months after the reporting date; or
- d) The Company does not have an unconditional right to defer settlements of the liability for at least twelve months after the reporting date. Terms of a liability that could, at the option of the counterparty, result in its settlement by the issue of equity instruments do not affect its classification.

All other assets and liabilities are classified as non-current.

Notes to the Financial Statements

for the year ended 31 March 2025

The Company has determined its operating cycle as twelve months for the above purpose of classification as current and non-current.

1.3.2 Fair Value Measurement

A number of Company's accounting policies and disclosures require the measurement of fair values, for both financial and non-financial assets and liabilities at each balance sheet date. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- a) In the principal market for the asset or liability, or
- b) In the absence of a principal market, in the most advantageous market for the asset or liability
- c) The principal or the most advantageous market must be accessible by the Company.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their best economic interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- a) Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities

- b) Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- c) Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting year.

For recurring and non-recurring fair value measurements categorised within Level 3 of the fair value hierarchy, mention a description of the valuation processes used by the entity (including, for example, how an entity decides its valuation policies and procedures and analyses changes in fair value measurements from period to period).

For the purpose of fair value disclosures, the Company has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

1.3.3 Use of estimates and judgements

The preparation of financial statements in conformity with Ind AS requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on a periodic basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in any future periods affected. Information about significant areas of estimation, uncertainty and critical judgments in applying accounting policies that have the most significant effect on the amounts recognized in the financial statements is included in the following notes:

Notes to the Financial Statements

for the year ended 31 March 2025

a. Intangible assets and intangible assets under development

Capitalisation of cost in intangible assets and intangible assets under development is based on management’s judgement that technological and economic feasibility is confirmed and asset under development will generate economic benefits in future. Based on the impairment assessment carried out, the Company’s management has determined that these assets have not suffered any impairment loss.

b. Defined benefit plans

The cost of the defined benefit plan and other post-employment benefits and the present value of such obligation are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases, mortality rates and future pension increases. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

c. Provisions and contingent liability

On an ongoing basis, Company reviews pending cases, claims by third parties and other contingencies. For contingent losses that are considered probable, an estimated loss is recorded as an accrual in the financial statements. Contingent loss that are considered possible are not provided for but disclosed as Contingent liabilities in the financial statements. Contingencies the likelihood of which is remote are not disclosed in the financial statements. Contingent gains are not recognized until the contingency has been resolved and amounts are received or receivable.

The Company is a party to certain tax and other disputes with government authorities. Due to the uncertainty associated with such cases, it is possible that, on conclusion of such matters at a future date, the final outcome may differ significantly.

d. Useful lives of depreciable assets

Management reviews the useful lives of depreciable assets at each reporting date. As at 31 March 2025 management assessed that the useful lives represent the expected utility of the assets to the Company. Further, there is no significant change in the useful lives as compared to previous year.

e. Provision for warranty

Provisions for warranty-related costs are recognized when the products are sold by the Company. Provision is estimated based on historical experience and/or technical estimates. Provisions are discounted, where necessary, to its present value based on the best estimate required to settle the obligation at the balance sheet date. In certain cases, the Company also has back-to-back contractual arrangement with its suppliers in the event that a vehicle fault is proven to be a supplier’s fault. These are reviewed at each reporting date and adjusted to reflect the current best estimates (net of recoveries from vendors).

f. Share based payment

Employees of the Company receive remuneration in the form of Share-based Payment transactions, whereby employees render services as consideration for equity instruments (equity-settled transactions). In accordance with the Ind AS 102 Share-based Payment, the cost of equity-settled transactions is measured using the fair value method. The cumulative expense recognised for equity-settled transactions at each reporting date until the vesting date reflects the extent to which the vesting year has expired and the Company’s best estimate of the number of equity instruments that will ultimately vest. The expense or credit recognised in the statement of profit and loss for a year represents the movement in cumulative expense recognised as at the beginning and end of that period and is recognised in employee benefits expense.

g. Inventories

The Company estimates the net realisable value (NRV) of its inventories by taking into account their estimated selling price,

estimated cost of completion, estimated costs necessary to make the sale. Management periodically reviews the inventory listing to determine if any allowance should be accounted for in the financial statements for obsolete or slow-moving items, and to compare the carrying value of inventory items with their respective net realizable value.

1.3.4 Property, Plant and Equipment (PPE)

Property, plant and equipment are stated at cost less accumulated depreciation and impairment losses, if any. Cost includes purchase price, related taxes, duties, freight, insurance, etc. attributable to the acquisition, installation of the PPE and borrowing cost if capitalisation criteria are met but excludes duties and taxes that are recoverable from tax authorities.

Machinery spares which can be used only in connection with an item of PPE and whose use is expected to be irregular are capitalised and depreciated over the useful life of the principal item of the relevant assets. Subsequent expenditure relating to PPE is capitalised only if it is probable that future economic benefits associated with the item will flow to the entity and the cost of the item can be measured reliably.

Material replacement cost is capitalized provided it is probable that future economic benefits associated with the item will flow to the entity and the cost of the item can be measured reliably. When replacement cost is eligible for capitalization, the carrying amount of those parts that are replaced are derecognized. When significant parts of plant and equipment are required to be replaced at intervals, the Company depreciates them separately based on their specific useful life.

Property, plant and equipment retired from active use and held for sale are stated at the lower of their net book value and net realisable value and are disclosed separately in the Balance Sheet.

The Company identifies and determines cost of each component/part of the asset separately, if the component/part has a cost which is significant to the total cost of the asset and has useful life that is materially different from that of the remaining asset.

Property, plant and equipment not ready for the intended use, on the balance sheet date,

are disclosed as “Capital work-in progress” and are carried at cost, comprising direct cost and attributable interest.

Depreciation and Amortisation

Depreciation is provided on a pro rata basis on straight line method to allocate the cost, net of residual value over the estimated useful lives of the assets.

Depreciation has been provided on the straight-line method based on the useful life as prescribed in Schedule II to the Companies Act, 2013 except in respect of the following categories of assets:

Description of Assets	Useful life and Basis of Depreciation based on the Management estimates
a) Plant and Machinery – Laboratory Equipment	5 Years
b) Plant and Machinery – Moulds and Jigs	8 Years
c) Leasehold Improvements	Over the primary lease period or the life of the asset whichever is lower.
d) Internally built vehicles	3 years
e) Electric installation	Over the primary lease period or 10 years whichever is lower.
f) Charging Infrastructure	3 years

The Company, based on technical assessment made by technical expert and Management estimate, depreciates above items of property, plant and equipment over estimated useful lives which are different from the useful life prescribed in Schedule II to the Companies Act, 2013. The Management believes that these estimated useful lives are realistic and reflect fair approximation of the period over which the assets are likely to be used.

The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting year, with the effect of any changes in estimate accounted for on a prospective basis.

Right of use assets are depreciated over the primary lease period as the right to use of these assets ceases on expiry of the lease period.

Notes to the Financial Statements

for the year ended 31 March 2025

Depreciation on additions is being provided on pro rata basis from the month of such additions.

Depreciation on assets sold, discarded or demolished during the year is being provided up to the month in which such assets are sold, discarded or demolished. 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 statement of profit and loss.

1.3.5 Intangible Assets

Intangible assets acquired separately: Intangible assets with finite useful lives that are acquired separately are carried at cost less accumulated amortisation and accumulated impairment losses, if any. 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. Intangible assets with indefinite useful lives that are acquired separately are carried at cost less accumulated impairment losses, if any.

Internally-generated intangible assets – research and development expenditure: Expenditure on research activities is recognised as an expense in the statement of profit and loss in the period in which it is incurred.

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

- The technical feasibility of completing the intangible asset so that it will be available for use / sale;
- The intention to complete the intangible asset and use or sell it;
- The ability to use or sell the intangible asset;
- How the intangible asset will generate probable future economic benefits;
- The availability of adequate technical, financial and other resources to complete the development and to use or sell the intangible asset; and
- The ability to measure reliably the expenditure attributable to the intangible asset during its development.

The amount initially 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 Statement of Profit and 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.

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

Useful lives of other intangible assets:

Other intangible assets are amortised over their respective individual estimated useful lives on a straight-line basis, from the date that they are available for use. The estimated useful life of an identifiable intangible asset is based on a number of factors including the effects of obsolescence, demand, competition, and other economic factors (such as the stability of the industry, and known technological advances), and the level of maintenance expenditures required to obtain the expected future cash flows from the asset.

The management estimates the useful lives for its intangible assets as follows:

Description of Assets	Useful life and Basis of amortisation based on the Management estimates
a) Software	5 years
b) Patent & other intellectual property rights	5 years
c) Website	3 years
d) Product development (internally generated intangible assets)	2 - 7 years

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1.3.6 Impairment of tangible and intangible assets

The Company assesses on annual basis whether there is an indication that an asset may be impaired. If any indication exists, the Company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's (CGU) net selling price and its value in use. The recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. Where the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. Intangible assets with indefinite useful lives and intangible assets not yet available for use are tested for impairment at least annually, and whenever there is an indication that the asset may be impaired.

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. In determining net selling price, recent market transactions are taken into account, if available. If no such transactions can be identified, an appropriate valuation model is used.

The Company bases its impairment calculation on detailed budgets and forecast calculations which are prepared separately for each of the Company's cash-generating units to which the individual assets are allocated. These budgets and forecast calculations are generally covering a period of five years. For longer periods, a long-term growth rate is calculated and applied to project future cash flows after the fifth year.

An assessment is made on annual basis as to whether there is any indication that previously recognized impairment losses may no longer exist or may have decreased. If such indication exists, the Company estimates the asset's or cash-generating unit's recoverable amount. A previously recognized impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognized. The reversal is limited so that the carrying amount of the asset does not exceed

its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognized for the asset in prior years. Such reversal is recognized in the Statement of Profit and Loss unless the asset is carried at a revalued amount, in which case the reversal is treated as a revaluation increase.

After impairment, depreciation is provided on the revised carrying amount of the asset over its remaining useful life.

1.3.7 Inventories

Raw materials, components and stores & spare parts are valued at lower of cost determined on weighted average basis and estimated net realisable value. Cost includes purchase price, freight, taxes and duties and is net of Goods and Services Tax to the extent credit of the tax is availed of.

Work-in-progress and finished goods are valued at lower of cost and estimated net realisable value. Cost includes all direct costs including material procurement cost and appropriate proportion of overheads to bring the goods to the present location and condition.

Due allowance is made for slow/non-moving / obsolete items. Materials and other items held for use in the production of inventories are not written down below cost if the finished products in which they will be used are expected to be sold at or above cost.

Net realizable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and estimated costs necessary to make the sale.

1.3.8 Revenue from contract with customers and Other Income

Revenue from contract with customers

Revenue is recognised upon transfer of control of promised products or services to customers for an amount that reflects the consideration which the Company expects to receive in exchange for those products or services. Revenue excludes taxes or duties collected on behalf of the Government.

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- Sale of products

The Company recognises revenues from sale of products measured at the amount of transaction price (net of variable consideration), when it satisfies its performance obligation at a point in time which is when products are delivered to customers, which is when control including risks and rewards and title of ownership pass to the customer, and when there is no longer any unfulfilled obligation. The transaction price of goods sold is net of variable consideration on account of various discounts and schemes offered by the Company as part of the contract.

The Company offers sales incentives in the form of variable marketing expense to customers, which vary depending on the timing and customer of any subsequent sale of the vehicle. This sales incentive is accounted for as a revenue reduction and is constrained to a level that is highly probable not to reverse the amount of revenue recognised when any associated uncertainty is subsequently resolved. The Company estimates the expected sales incentive by market and considers uncertainties including competitor pricing, ageing of retailer stock and local market conditions.

Revenues are recognised when collectability of the resulting receivable is reasonably assured.

- Sale of services

Income from sale of services and extended warranties are recognised as income over the relevant period of service or extended warranty.

When the Company sells bundled service and extended period of warranty, such services are treated as a separate performance obligation only if the service or warranty is having a different timing of performance obligation. In such cases, the transaction price allocated towards such service or extended period of warranty based on relative standalone selling price and is recognised as a contract liability until the service obligation has been met. The price that is regularly charged for an item when sold separately is the best evidence of its standalone selling price. In the absence of such evidence, the primary method used to estimate standalone selling price

is the expected cost plus a margin, under which the Company estimates the cost of satisfying the performance obligation and then adds an appropriate margin based on similar services.

Sales of services include certain performance obligations that are satisfied over a period of time. Any amount received in advance in respect of such performance obligations that are satisfied over a period of time is recorded as a contract liability and recorded as revenue when service is rendered to customers. Refund liabilities comprise of obligation towards customers to pay for discounts and sales incentives.

Revenue is measured based on the transaction price, which is the consideration, adjusted for variable consideration on account of discounts and other incentives, if any, offered by the Company as a part of the contract with the customer. Revenue also excludes taxes or other amounts collected from customers. No element of financing is deemed present as the sale of goods / services are primarily on a “Cash and Carry” basis.

Contract balances

Trade receivables

A receivable is recognised by the Company when the goods are delivered to the customer as this represents the point in time at which the right to consideration becomes unconditional, as only the passage of time is required before payment due. Refer to accounting policy on Financial instruments – initial measurement and subsequent measurement

Contract liabilities

A contract liability is the obligation to transfer goods to a customer for which the Company has received consideration 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. Contract liabilities are recognised as revenue when the Company performs under the contract.

Warranty obligation

The Company provides warranties for general repairs of defects as per terms of the contract

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with ultimate customers. These warranties are considered as assurance type warranties and are accounted for under Ind AS 37- Provisions, Contingent Liabilities and Contingent Assets. The provision for warranty is disclosed net of supplier reimbursements.

Other Income

- Interest income is recognised on the accrual basis. For all debt instruments measured at amortised cost, interest income is recognised on time proportion basis, taking into account the amount outstanding and effective interest rate.
- Dividend income is accounted for when the right to receive it is established.

1.3.9 Government Grants

Government grants and subsidies are recognised when there is reasonable assurance that the Company will comply with the conditions attached to them and the grants/subsidy will be received.

When the grant or subsidy from the Government relates to an expense item, it is recognised as income on a systematic basis in the Statement of Profit and Loss over the period necessary to match them with the related costs, which they are intended to compensate.

When the Company receives grants of non-monetary assets, the asset and the grant are recorded at fair value amounts and released to profit or loss over the expected useful life in a pattern of consumption of the benefit of the underlying asset, i.e. by equal annual instalments. When loans or similar assistance are provided by Governments or related institutions, with an interest rate below the current applicable market rate, the effect of this favourable interest is regarded as a Government grant. The loan or assistance is initially recognised and measured at fair value of the proceeds received. The loan is subsequently measured as per the accounting policy applicable to financial liabilities.

1.3.10 Employee Benefits

I. Defined Contribution Plan

a. Provident Fund

Contributions in respect of Employees Provident Fund are made

to the Regional Provident Fund. These Contributions are recognised as expense in the year in which the services are rendered. The Company has no obligation other than the contribution payable to the Regional Provident fund.

b. Employee State Insurance

Contributions to Employees State Insurance Scheme are recognised as expense in the year in which the services are rendered.

II. Defined Benefit Plan

a. Gratuity

The Company accounts its liability for future gratuity benefits based on actuarial valuation done by an independent actuary, as at the balance sheet date, determined every year using the Projected Unit Credit method. Actuarial gains/ losses are immediately recognised in retained earnings through Other Comprehensive Income in the period in which they occur. Re-measurements are not re-classified to profit or loss in subsequent periods. Past service cost is recognised immediately to the extent that the benefits are already vested and otherwise is amortised on a straight-line basis over the average period until the benefits become vested. Net interest is calculated by applying a discount rate to the net defined benefit liability or asset. The defined benefit obligation recognised in the balance sheet represents the present value of the Defined Benefit Obligation less the Fair Value of Plan Assets out of which the obligations are expected to be settled and adjusted for unrecognised past service cost, if any. Any asset arising out of this calculation is recognised limited to the past service cost plus the present value of available refunds and reduction in future contributions.

b. Compensated Absences

Accumulated leave (earned leave) can be availed and encashed on

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termination of employment, subject to terms and conditions of the scheme, the liability is recognised on the basis of an independent actuarial valuation. They are therefore measured as the present value of expected future payments to be made in respect of services provided by employees up to the end of the reporting period using the projected unit credit method. The benefits are discounted using the market yields at the end of the reporting period that have terms approximating to the terms of the related obligation. Re-measurements as a result of experience adjustments and changes in actuarial assumptions are recognised in Statement of Profit and Loss.

III. Short Term Employee Benefits

Liabilities for wages and salaries, including non-monetary benefits that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are recognized in respect of employees’ services upto the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled. The liabilities are presented as current employee benefit obligations in the balance sheet. Short term employee benefits include short term compensated absences which is recognized based on the eligible leave at credit on the balance sheet date, and the estimated cost is based on the terms of the employment contract.

1.3.11 Leases

The Company assesses, whether the contract is, or contains, a lease. A contract is, or contains, a lease if the contract involves– (a) the use of an identified asset, (b) the right to obtain substantially all the economic benefits from use of the identified asset, and (c) the right to direct the use of the identified asset.

As a lessee: The Company recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises

the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received. Right-of-use assets are depreciated from the commencement date on a straight-line basis over the shorter of the lease term and useful life of the underlying asset.

Right of use assets are evaluated for recoverability whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable. For the purpose of impairment testing, the recoverable amount (i.e. the higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. In such cases, the recoverable amount is determined for the Cash Generating Unit (CGU) to which the asset belongs.

The lease liability is initially measured at the present value of the future lease payments at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, company's incremental borrowing rate. Generally, the company uses its incremental borrowing rate as the discount rate. Lease liabilities are remeasured with a corresponding adjustment to the related right of use asset if the Company changes its assessment if whether it will exercise an extension or a termination option.

A lease contract is modified and the lease modification is not accounted for as a separate lease, in which case the lease liability is remeasured based on the lease term of the modified lease by discounting the revised lease payments using a revised discount rate at the effective date of the modification.

As a practical expedient, Ind AS 116 permits a lessee not to separate non-lease components, and instead account for any lease and associated non-lease components as a single arrangement. The Company has used this practical expedient.

Lease liabilities include the net present value of the following lease payments:

- fixed payments, including in-substance fixed payments;
- variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;
- amounts expected to be payable under a residual value guarantee;
- the exercise price under a purchase option that the Company is reasonably certain to exercise; and
- lease payments in an optional renewal period if the Company is reasonably certain to exercise an extension option, and penalties for early termination of a lease unless the company is reasonably certain not to terminate early.

The lease liability is measured at amortised cost using the effective interest method.

Short-term leases and leases of low-value assets: The Company has elected not to recognise right-of-use assets and lease liabilities for short-term leases that have a lease term of 12 months. The Company recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

1.3.12 Foreign Currency Transactions

Initial recognition

Transactions in foreign currencies entered by the Company are accounted at the exchange rates prevailing on the date of the transaction.

Measurement as at Balance Sheet date

Foreign currency monetary items of the Company outstanding at the Balance Sheet date are restated at reporting date exchange rates.

Non-monetary items carried at historical cost are translated using the exchange rates at the dates of initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined. The gain or loss arising on translation of non-monetary items measured at fair value is treated in line with the recognition of the gain or loss on the change in fair value of the item.

Treatment of Exchange Differences

Exchange differences arising on settlement/ restatement of foreign currency monetary assets and liabilities of the Company are recognised as income or expense in the Statement of Profit and Loss.

1.3.13 Taxes on Income

Income tax expense comprises current and deferred taxes. Income tax expense is recognized in the Statement of Profit and Loss except to the extent it relates to items recognized directly in equity, in which case it is recognized in equity.

Current Tax is the amount of tax payable on the taxable income for the year and is determined in accordance with the provisions of the Income Tax Act, 1961. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date.

Current income tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). Current tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity.

Minimum Alternate Tax (MAT) when paid in accordance with the tax laws, which gives future economic benefits in the form of adjustment to future tax liability, is considered as an asset if there is convincing evidence that the Company will pay normal income tax. Accordingly, MAT is recognised as an asset in the Balance Sheet when it is probable that future economic benefit associated with it will flow to the Company. The carrying amount of MAT would be reviewed at each reporting date and the asset is written down to the extent the Company does not have convincing evidence that it will pay normal income tax during the specified period.

Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary

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differences, and the carry forward of unused tax credits and unused tax losses can be utilised. The carrying amount of deferred tax assets is reviewed at each reporting date and written off to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

1.3.14 Provisions and Contingencies

A provision is recognized when an enterprise has a present obligation (legal or constructive) as a result of past event; it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made. Provisions are determined based on best estimate required to settle the obligation at the balance sheet date, taking into account the risks and uncertainties surrounding the obligation. These are reviewed at each balance sheet date and adjusted to reflect the current best estimates. Where a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (when the effect of the time value of money is material). When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, a receivable is recognised as an asset if it is virtually certain that reimbursement will be received and the amount receivable can be measured reliably.

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Company or a present obligation that is not recognized because it is not probable that an outflow of resources will be required to settle the obligation or the amount of the obligation cannot be measured with sufficient reliability. The Company does not recognize a contingent liability but discloses its existence in the financial statements.

Provisions for warranty-related costs are recognized when the products are sold. Provision is estimated based on historical experience and/or technical estimates. The estimate of such warranty-related costs is reviewed on an annual basis.

Present obligations arising under onerous contracts are recognised and measured as provisions. An onerous contract is considered to exist where the Company has a contract under which the unavoidable costs of meeting the obligations under the contract exceed the economic benefits expected to be received from the contract.

Provisions for the costs to restore leased assets to their original condition, as required by the terms and conditions of the lease, are recognised when the obligation is incurred, either at the commencement date or as a consequence of having used the underlying asset during a particular period of the lease, at the Company's best estimate of the expenditure that would be required to restore the assets. Estimates are regularly reviewed and adjusted as appropriate for new circumstances.

1.3.15 Borrowing Costs

Borrowing Costs include interest, amortisation of ancillary costs incurred and exchange differences arising from foreign currency borrowings to the extent they are regarded as an adjustment to the borrowing costs. Borrowing Costs, allocated to and utilised for qualifying assets, pertaining to the period from commencement of activities relating to construction / development of the qualifying asset up to the date the asset is ready for its intended use is added to the cost of the assets. Capitalisation of Borrowing Costs is suspended and charged to the Statement of

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Profit and Loss during extended periods when active development activity on the qualifying assets is interrupted. All other borrowing costs are expensed in the period they occur.

1.3.16 Earnings Per Share

Basic Earnings Per Share is calculated by dividing the net profit or loss for the period attributable to equity shareholders the weighted average number of equity shares (including equivalent number of equity shares on conversion of compulsorily convertible preference shares) outstanding during the year.

The weighted average number of equity shares outstanding during the period and for all periods 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 period attributable to equity shareholders and the weighted average number of shares outstanding during the period is adjusted for the effects of all dilutive potential equity shares.

1.3.17 Employees Stock Option

Employees of the Company receive remuneration in the form of share-based payments, whereby employees render services as consideration for equity instruments (equity-settled transactions).

The cost of equity-settled transactions is determined by the fair value at the date when the grant is made using an appropriate valuation model.

That cost is recognised, together with a corresponding increase in share-based payment (SBP) reserves in equity, over the year in which the performance and/or service conditions are fulfilled in employee benefits expense. The cumulative expense recognised for equity settled transactions at each reporting date until the vesting date reflects the extent to which the vesting year has expired and the Company's best estimate of the number of equity instruments that will ultimately vest. The expense or credit in the statement of profit and loss for a year represents the movement in cumulative expense recognised as at the beginning and end of that period and is recognised in employee benefits expense.

Service and non-market performance conditions are not taken into account when determining the grant date fair value of awards, but the likelihood of the conditions being met is assessed as part of the Company's best estimate of the number of equity instruments that will ultimately vest. Market performance conditions are reflected within the grant date fair value. Any other conditions attached to an award, but without an associated service requirement, are considered to be non-vesting conditions. Non-vesting conditions are reflected in the fair value of an award and lead to an immediate expensing of an award unless there are also service and/or performance conditions.

No expense is recognised for awards that do not ultimately vest because non-market performance and/or service conditions have not been met. Where awards include a market or non-vesting condition, the transactions are treated as vested irrespective of whether the market or non-vesting condition is satisfied, provided that all other performance and/or service conditions are satisfied.

1.3.18 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

i. Initial recognition and measurement

All financial assets are recognised initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset.

Trade receivables that do not contain a significant financing component or for which the Company has applied the practical expedient are measured at the transaction price determined under Ind AS 115. Refer accounting policy on 'Revenue from contracts with customers'.

ii. Subsequent measurement

For purposes of subsequent measurement, financial assets are classified in four categories:

- a. Financial assets at amortised cost
- b. Financial assets at fair value through other comprehensive income (OCI)

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- c. Financial assets at fair value through profit or loss
- d. Equity instruments measured at Fair Value Through Other Comprehensive Income

a. Financial assets at amortised cost

A financial asset is subsequently measured at the amortised cost if both the following conditions are met:

- The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and
- Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

After initial measurement, such financial assets are subsequently measured at amortised cost using the Effective Interest Rate (EIR) method. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in finance income in the profit or loss. The losses arising from impairment are recognised in the profit or loss. This category generally applies to trade and other receivables.

b. Financial assets at fair value through other comprehensive income

A financial asset is subsequently measured at fair value through other comprehensive income if both the following conditions are met:

- The asset is held within a business where the objective is achieved by both collecting contractual cash flows and selling financial assets and
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

After the initial measurement, such financial assets are subsequently measured at fair value at each reporting date. Fair value

movement are recognised in the other comprehensive income and impairment are recognised in statement of profit & loss. On derecognition, gains and losses accumulated in OCI are reclassified to profit or loss.

c. Financial assets at fair value through profit or loss

A financial assets which is not classified in any of the above categories are subsequently fair valued through profit or loss.

d. Equity instruments measured at Fair Value Through Other Comprehensive Income

All equity investments in scope of Ind-AS 109 are measured at fair value. Equity instruments which are held for trading are classified as at fair value through profit or loss. For all other equity instruments, the Company decides to classify the same either as at Fair value through other comprehensive income or fair value through profit or loss. The Company makes such election on an instrument-by-instrument basis. The classification is made on initial recognition and is irrevocable.

If the Company decides to classify an equity instrument as at fair value through other comprehensive income, then all fair value changes on the instrument, excluding dividends, are recognized in the OCI. There is no recycling of the amounts from OCI to P&L, even on sale of investment. However, the Company may transfer the cumulative gain or loss within equity.

Equity instruments included within the fair value through profit or loss category are measured at fair value with all changes recognized in the Statement of Profit and Loss.

iii. De-recognition

A financial asset (or, where applicable, a part of a financial asset or part of a Company of similar financial assets) is primarily de-recognised when:

- The rights to receive cash flows from the asset have expired, or
- the Company has transferred substantially all the risks and rewards of the asset.

iv. Impairment of financial assets

In accordance with Ind-AS 109, the Company applies expected credit loss (ECL) model for measurement and recognition of impairment loss on the following financial assets and credit risk exposure:

- Financial assets that are debt instruments, and are measured at amortised cost e.g., loans, debt securities, deposits, trade receivables and bank balance

The Company follows 'simplified approach' for recognition of impairment loss allowance on Trade receivables.

The application of simplified approach does not require the Company to track changes in credit risk. Rather, it recognises impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition.

Lifetime ECL are the expected credit losses resulting from all possible default events over the expected life of a financial instrument. ECL is the difference between all contractual cash flows that are due to the Company in accordance with the contract and all the cash flows that the entity expects to receive, discounted at the original EIR. When estimating the cash flows, an entity is required to consider:

- All contractual terms of the financial instrument (including prepayment, extension, call and similar options) over the expected life of the financial instrument. However, in rare cases when the expected life of the financial instrument cannot be estimated reliably, then the entity is required to use the remaining contractual term of the financial instrument
- Cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms

ECL impairment loss allowance (or reversal) recognized during the period is recognized as income/ expense in the Statement of Profit and Loss. This amount is reflected under the head 'other expenses' in the Statement of Profit and Loss. The presentation for various financial instruments in the Balance Sheet is described below:

- Financial assets measured as at amortised cost: ECL is presented as an allowance, i.e., as an integral part of the measurement of those assets in the balance sheet. The allowance reduces the net carrying amount. Until the asset meets write-off criteria, the Company does not reduce impairment allowance from the gross carrying amount.

For assessing increase in credit risk and impairment loss, the Company combines financial instruments on the basis of shared credit risk characteristics with the objective of facilitating an analysis that is designed to enable significant increases in credit risk to be identified on a timely basis.

B. Financial liabilities

i. Initial recognition and measurement

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

The Company's financial liabilities include trade and other payables, loans and borrowings including bank overdrafts and derivative financial instruments.

ii. 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 include derivatives, financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss. Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. This category

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also includes derivative financial instruments entered by the Company that are not designated as hedging instruments in hedge relationships as defined by Ind AS 109. Separated embedded derivatives are also classified as held for trading unless they are designated as effective hedging instruments.

Right to subscribe

The Shareholder Agreement includes an Anti-Dilution Price Protection clause ie. in the event of a down round funding, existing shareholders will have the right to purchase a certain number of additional shares at nominal value to compensate them. This down-round protection has been separated from the host preference shares and has been recognized as a derivative liability per Ind AS 32, Presentation of financial instruments. This financial liability is measured at FVTPL in the financial statements per Ind AS 109, Financial Instrument

Gains or losses on liabilities held for trading are recognised in the profit or loss.

Financial liabilities designated upon initial recognition at fair value through profit or loss are designated as such at the initial date of recognition, and only if the criteria in Ind AS 109 are satisfied. For liabilities designated as FVTPL, fair value gains/ losses attributable to changes in own credit risks are recognized in the Statement of Profit and Loss. These gains/ losses are not subsequently transferred to Statement of Profit and Loss. However, the Company may transfer the cumulative gain or loss within equity. All other changes in fair value of such liability are recognised in the Statement of Profit and Loss.

Loans and borrowings

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the Statement of Profit and Loss.

De-recognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the de-recognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the Statement of Profit and Loss.

Offsetting of financial instruments

Financial assets and financial liabilities are offset, and the net amount is reported in the balance sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

1.3.19 Statement of Cash Flow

Statement of Cash flows are reported using the indirect method, whereby profit / (loss) before tax is adjusted for the effects of transactions of non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from operating, investing and financing activities of the Company are segregated based on the available information.

1.3.20 Cash and Cash Equivalents

Cash comprises cash on hand and demand deposits with banks. Cash equivalents are short-term (with an original maturity of three months or less from the date of acquisition), highly liquid investments that are readily convertible into known amounts of cash and which are subject to insignificant risk of change in value. Any cash or bank balance held for any specific use is not considered as cash & cash equivalent.

1.3.21 Recent accounting developments

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

Note No. 2 (a)

PROPERTY, PLANT AND EQUIPMENT

(Amount in millions of INR unless otherwise stated)

Particulars	Leasehold Improvements	Plant & Machinery	Furniture and Fittings	Vehicles	Office Equipment	Electronic Equipment	IT equipment	Charging Infrastructure	Total
Gross Carrying Amount									
Balance as at 01 April 2023	337	1,579	58	40	105	55	230	84	2,488
Additions	30	281	6	6	11	13	33	58	438
Disposals	-	(18)	(1)	(1)	(3)	(2)	(14)	(8)	(47)
Balance as at 31 March 2024	367	1,842	63	45	113	66	249	134	2,879
Additions	50	949	15	32	21	26	77	87	1,257
Disposals	(6)	(14)	(0)	(0)	(0)	(2)	(11)	(15)	(48)
Balance as at 31 March 2025	411	2,777	78	77	134	90	315	206	4,088
Accumulated depreciation									
Balance as at 01 April 2023	143	342	15	5	30	15	103	17	670
Depreciation ex-pense for the year	53	176	5	12	19	15	52	38	370
Disposals	-	(8)	(0)	(1)	(3)	(0)	(14)	(6)	(32)
Balance as at 31 March 2024	196	510	20	16	46	30	141	49	1,008
Depreciation ex-pense for the year	55	222	7	19	21	9	60	49	442
Disposals	(6)	(5)	(0)	(0)	(0)	(1)	(10)	(14)	(36)
Balance as at 31 March 2025	245	727	27	35	67	38	191	84	1,414
Carrying amount (net)									
As at 31 March 2024	171	1,332	43	29	67	36	108	85	1,871
As at 31 March 2025	166	2,050	51	42	67	52	124	122	2,674

Notes:

1. The above assets are owned by the Company unless otherwise specified.
2. Refer note 14 for details of property, plant and equipment hypothecated as security towards borrowings

Notes to the Financial Statements

for the year ended 31 March 2025

(Amount in millions of INR unless otherwise stated)

Note No. 2 (b)

RIGHT OF USE ASSETS

Particulars	Buildings	Leasehold Land	Total
Gross Carrying Amount			
Balance as at 01 April 2023	2,077	-	2,077
Additions	20	-	20
Adjustment*	(70)	-	(70)
Disposals	(43)	-	(43)
Balance as at 31 March 2024	1,984	-	1,984
Additions (refer note (i) below)	302	968	1,270
Disposals	(103)	-	(103)
Balance as at 31 March 2025	2,183	968	3,151
Accumulated depreciation			
Balance as at 01 April 2023	233	-	233
Depreciation expense for the year	288	-	288
Disposals	(26)	-	(26)
Balance as at 31 March 2024	495	-	495
Depreciation expense for the year (refer note (ii) below)	302	7	309
Disposals	(96)	-	(96)
Balance as at 31 March 2025	701	7	708
Carrying amount (net)			
As at 31 March 2024	1,489	-	1,489
As at 31 March 2025	1,482	961	2,443

Notes:

- (i)

The Board of Directors of the Company in its meeting held on 06 June 2024 approved investment in approximately 100 acres parcel of land located in Chhatrapati Sambhaji Nagar, Maharashtra on a long-term lease for setting up a project for the manufacturing of Electric Two-Wheelers. The Company has entered into sublease agreement with the Maharashtra Industrial Township Limited on 01 August 2024 for leasing of the piece and parcel of the land admeasuring 397,976.74 square meters for a period of 95 years for a an upfront lease payment of INR 955 million and the same has been accounted under the head “Right of use assets”.
- (ii)

During the year ended 31 March 2025, Depreciation expenses of INR 7 million (year ended 31 March 2024: INR Nil) is capitalised as direct cost with respect to the new factory project which is currently under Capital Work-in-progress.

Movement in lease liabilities:

Particulars	For the year ended 31 March 2025	For the year ended 31 March 2024
Balance at the beginning of the year	1,628	1,864
Additions during the year	286	19
Interest expense during the year	189	196
Lease payments during the year	(400)	(364)
Adjustment during the year*	-	(68)
Reversal of lease liability on termination of lease during the year	(9)	(19)
Balance at the end of the year	1,694	1,628
Current lease liabilities	263	209
Non current lease liabilities	1,431	1,419

Notes to the Financial Statements

for the year ended 31 March 2025

(Amount in millions of INR unless otherwise stated)

The table below provides details regarding the contractual maturities of lease liabilities on an undiscounted basis:

Particulars	As at 31 March 2025	As at 31 March 2024
Less than one year	439	383
One to five years	1,185	1,229
More than five years	1,082	1,082
Total undiscounted lease liabilities	2,706	2,694

Rent and maintenance for the short term leases amounting to INR 153 million is debited to Statement of Profit and Loss during the year ended 31 March 2025 (year ended 31 March 2024 : INR 119 million).

* The adjustment is on account of reassessment of lease liability in accordance with IND AS 116 due to change in the lease term.

Note No. 2 (c)

CAPITAL WORK-IN-PROGRESS

Particulars	As at 31 March 2025	As at 31 March 2024
Balance at the beginning of the year	0	9
Net movement during the year	57	(9)
Balance at the end of the year	57	0

Capital work-in-progress (CWIP) ageing as at 31 March 2025

Particulars	Amount in CWIP for a year of				Total
	< 1 year	1-2 years	2-3 years	> 3 years	
Projects in progress	57	-	-	-	57
Total	57	-	-	-	57

Capital work-in-progress (CWIP) ageing as at 31 March 2024

Particulars	Amount in CWIP for a year of				Total
	< 1 year	1-2 years	2-3 years	> 3 years	
Projects in progress	0	-	-	-	0
Total	0	-	-	-	0

Note: There are no projects for which completion is overdue compared to original plan and cost is not exceeding against the budgeted cost.

Notes to the Financial Statements

for the year ended 31 March 2025

(Amount in millions of INR unless otherwise stated)

Note No. 2 (d)

INTANGIBLE ASSETS

Particulars	Website	Software	Patents & Other IP Rights	Product Development (Internally generated)	Total
Gross Carrying Amount					
Balance as at 01 April 2023	16	131	9	2,622	2,778
Additions	-	26	-	229	255
Disposals	(16)	(2)	-	-	(18)
Balance as at 31 March 2024	-	155	9	2,851	3,015
Additions	-	74	-	706	780
Disposals	-	-	-	-	-
Balance as at 31 March 2025	-	229	9	3,557	3,795
Accumulated amortisation and impairment					
Balance as at 01 April 2023	15	71	6	903	995
Amortisation expense for the year	1	23	3	782	809
Disposals	(16)	(2)	-	-	(18)
Balance as at 31 March 2024	-	92	9	1,685	1,786
Amortisation expense for the year	-	25	-	941	966
Disposals	-	-	-	-	-
Balance as at 31 March 2025	-	117	9	2,626	2,752
Carrying amount (net)					
As at 31 March 2024	-	63	-	1,166	1,229
As at 31 March 2025	-	112	-	931	1,043

Note No. 2 (e)

INTANGIBLE ASSETS UNDER DEVELOPMENT*

Description of Assets	As at 31 March 2025	As at 31 March 2024
Balance at the beginning of the year	706	365
Net movement during the year	457	341
Balance at the end of the year	1,163	706

Intangible Assets Under Development Ageing schedule as at 31 March 2025

Intangible Assets Under Development	Amount in Intangible Assets Under Development for a year of				Total
	< 1 year	1-2 years	2-3 years	> 3 years	
Project in progress	999	93	0	71	1,163
Total	999	93	0	71	1,163

Intangible Assets Under Development Ageing schedule as at 31 March 2024

Intangible Assets Under Development	Amount in Intangible Assets Under Development for a year of				Total
	< 1 year	1-2 years	2-3 years	> 3 years	
Project in progress	484	11	-	211	706
Total	484	11	-	211	706

*There are no projects for which completion is overdue compared to original plan and cost is not exceeding against the budgeted cost.

Note : The Company has not revalued its property, plant and equipment (including right-of-use assets) or intangible assets or both during the current or previous year.

Notes to the Financial Statements

for the year ended 31 March 2025

(Amount in millions of INR unless otherwise stated)

Note - 3 OTHER FINANCIAL ASSETS

Particulars	As at 31 March 2025	As at 31 March 2024
Non-current		
Unsecured considered good		
Security deposits	142	129
Term deposits (with balance maturity of more than 12 months)*	105	0
Deposits with lenders	86	24
Total	333	153
Current		
Unsecured considered good		
EV subsidy receivable#	910	845
Interest accrued on term deposits	2	2
Deposits with lenders and others	434	320
Unbilled revenue	5	1
Other receivables	1	2
Total	1,352	1,170

* Lien marked against bank guarantees and term loan from banks

net of allowance for doubtful receivable INR 121 million (31 March 2024: 60 million)

Note - 4 OTHER ASSETS

Particulars	As at 31 March 2025	As at 31 March 2024
Non-current		
Unsecured, considered good		
Balances with Government authorities	1,057	982
Prepaid expenses	579	263
Capital advances	89	148
	1,725	1,393
Unsecured, considered doubtful		
Capital advances	32	32
Less: Allowance for doubtful advance	(32)	(32)
Total	1,725	1,393
Current		
Unsecured, considered good		
Balances with Government authorities	2,844	2,293
Prepaid expenses	322	159
Share issue expenses (refer note below)	237	-
Advances to employees	5	2
Advance to vendors	79	61
	3,487	2,515
Unsecured, considered doubtful		
Advance to vendors	7	5
Less: Allowance for doubtful advance	(7)	(5)
	-	-
Total	3,487	2,515

Note: Share issue expenses will be adjusted against security premium or recovered from the selling shareholders on a pro rata basis, in proportion to the number of Equity Shares to be issued through the Fresh Issue and to be sold by each of the Selling Shareholders through the Offer for Sale.

Notes to the Financial Statements

for the year ended 31 March 2025

(Amount in millions of INR unless otherwise stated)

Note - 5 INVENTORIES

Particulars	As at 31 March 2025	As at 31 March 2024
Raw materials & components	1,307	892
Raw Materials-in-transit	461	97
Work-in-progress	-	0
Finished goods	324	90
Stock-in-trade	354	88
Total	2,446	1,167

Note (a): Mode of valuation has been stated in note 1.3.7

Note (b): The value of inventories above is stated after net provisions of INR 140 million (31 March 2024:INR 114 million) for write-down to net realisable value and provisions for slow-moving and obsolete items.

Note (c): Refer note 14 for details of inventory hypothecated as security towards borrowings.

Note - 6 INVESTMENTS

Particulars	As at 31 March 2025	As at 31 March 2024
Investments carried at fair value through profit and loss		
Investments in quoted mutual funds (refer note 1 below)		
Aditya Birla Sun Life Money Manager Fund - Regular Plan 21,345.219 Units (31 March 2024: 970,544.219 Units)	8	327
Aditya Birla Sun Life Liquid Fund - Direct Plan Nil Units (31 March 2024:1,554,087.826 Units)	-	606
Aditya Birla Sun Life Overnight Fund - Direct Plan 72,544.881 Units (31 March 2024: Nil Units)	100	-
Aditya Birla Sun Life Liquid Fund - Regular Plan Nil Units (31 March 2024: 519,954.237 Units)	-	200
Axis Overnight Fund - Direct Plan 148,671.532 Units (31 March 2024: Nil Units)	201	-
HDFC Ultra Short Term Fund - Direct Plan Nil Units (31 March 2024: 973,452.080 Units)	-	14
DSP Savings Fund - Regular Plan Nil Units (31 March 2024: 1,304,399.007 Units)	-	63
DSP Savings Fund - Regular Plan 73,557.351 Units (31 March 2024: Nil Units)	101	-
Nippon India Liquid Fund - Regular Plan Nil Units (31 March 2024: 25,736.672 Units)	-	150
Bandhan Liquid Fund - Regular Plan Nil Units (31 March 2024: 62,289.195 Units)	-	201
Bandhan Liquid Fund -Direct Plan Nil Units (31 March 2024: 137,666.019 Units)	-	402
Bandhan Overnight Fund - Direct Plan Nil Units (31 March 2024: 40,809.624 Units)	-	52
Tata Liquid Fund- Direct Plan Nil Units (31 March 2024: 105,883.701 Units)	-	403
LIC MF Liquid Fund-Direct Plan Nil Units (31 March 2024: 34,769.734 Units)	-	152
Nippon India Liquid Fund Direct Plan Nil Units (31 March 2024: 59,471.443 units)	-	352
	410	2,922

Notes to the Financial Statements

for the year ended 31 March 2025

(Amount in millions of INR unless otherwise stated)

Particulars	As at 31 March 2025	As at 31 March 2024
Investments in Commercial Paper of IL&FS Financial Services Limited	182	196
Less: Allowance for diminution in value of investments (refer note 2 below)	(182)	(196)
Total	410	2,922
(a) Aggregate amount of quoted investments and market value thereof;	410	2,922
(b) Aggregate amount of unquoted investments; and	182	196
(c) Aggregate amount of impairment in value of investments.	(182)	(196)

Note 1: Detail of lien marked investments

Name of the security	As at 31 March 2025	As at 31 March 2024
Aditya Birla Sun Life Money Manager Fund - Regular Plan 21,345.219 units (31 March 2024: 417,630.617 Units)	8	141
Total	8	141

Note 2: The Company invested in Commercial Paper (CP) of IL&FS Financial Services Limited (ILFS) with a maturity date of 22 October 2018. ILFS has defaulted on the payment on such maturity date. The Company has created provision for doubtful investment for 100% of the cost of investments on its evaluation of recoverability. The interest income on the CP has not been recognised in the Statement of Profit and Loss in the current year as well as previous year. However, during the current year, the Company has received a sum of INR 14 million from IL&FS Financial Services Limited as a part of the Interim Distribution process and hence the Company has reversed the allowance made for diminution in the value of investment to the extent of amount received.

Note - 7 TRADE RECEIVABLES

Particulars	As at 31 March 2025	As at 31 March 2024
Secured		
Trade Receivables - considered good	53	-
Unsecured		
Trade Receivables - considered good	65	16
Trade Receivables - Credit impaired	2	-
	120	16
Less : Allowance for credit impaired receivables	(2)	-
Total	118	16

Trade receivables ageing as at 31 March 2025

Particulars	Outstanding for the following periods from transaction date						Total
	Not due	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	
Undisputed							
- Considered good	-	113	5	-	-	-	118
- Which have significant increase in credit risk	-	-	-	-	-	-	-
- Credit impaired	-	-	-	2	-	-	2
Disputed							
- Considered good	-	-	-	-	-	-	-
- Which have significant increase in credit risk	-	-	-	-	-	-	-
- Credit impaired	-	-	-	-	-	-	-
Total	-	113	5	2	-	-	120
Less : Allowance for credit impaired receivables							(2)
Total							118

Notes to the Financial Statements

for the year ended 31 March 2025

(Amount in millions of INR unless otherwise stated)

Trade receivables ageing as at 31 March 2024

Particulars	Outstanding for the following periods from transaction date						Total
	Not due	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	
Undisputed							
- Considered good	-	16	0	-	-	-	16
- Which have significant increase in credit risk	-	-	-	-	-	-	-
- Credit impaired	-	-	-	-	-	-	-
Disputed							-
- Considered good	-	-	-	-	-	-	-
- Which have significant increase in credit risk	-	-	-	-	-	-	-
- Credit impaired	-	-	-	-	-	-	-
Total	-	16	0	-	-	-	16
Less : Allowance for credit impaired receivables							-
Total							16

Note - 8 CASH AND CASH EQUIVALENTS

Particulars	As at 31 March 2025	As at 31 March 2024
Cash on hand	1	1
Balances with banks		
- in current accounts	697	2,278
Total	698	2,279
The balance that meet the definition of cash and cash equivalents as per Ind AS 7 Statement of Cash Flows is including liquid mutual fund of INR 402 million as at 31 March 2025 (31 March 2024: INR 2,781 million)	1,100	5,060

Note - 9 OTHER BALANCES WITH BANKS

Particulars	As at 31 March 2025	As at 31 March 2024
Bank balances other than cash and cash equivalents		
- Earmarked deposits with banks*	677	855
- Term deposit accounts (with original maturity of more than 3 months but less than 12 months)	2,329	1,344
Total	3,006	2,199

*Lien marked against bank guarantee and term loan from banks

Note - 10 LOANS

Particulars	As at 31 March 2025	As at 31 March 2024
Current		
Unsecured, considered good		
Loans to employees	4	2
Total	4	2

Note - 11 CURRENT TAX ASSETS

Particulars	As at 31 March 2025	As at 31 March 2024
Tax deduction at source	47	24
Total	47	24

Notes to the Financial Statements

for the year ended 31 March 2025

(Amount in millions of INR unless otherwise stated)

Note - 12 EQUITY SHARE CAPITAL AND INSTRUMENT ENTIRELY EQUITY IN NATURE

Particulars	As at 31 March 2025		As at 31 March 2024	
	No of Shares	Amount	No of Shares	Amount
Authorised Capital				
Equity Share Capital				
Equity Shares of INR 1 each	600,000,000	600	287,158	0
Equity shares of INR 37 each	-	-	3,530	0
Preference Share Capital				
Compulsorily Convertible Preference shares of INR 37 each	23,490	1	23,490	1
Series A Compulsorily Convertible Preference Shares of INR 1 each	74,732	0	74,732	0
Series B Compulsorily Convertible Preference Shares of INR 10 each	99,826	1	99,826	1
Series B1 Compulsorily Convertible Preference Shares of INR 10 each	29,347	0	29,347	0
Series C Compulsorily Convertible Preference Shares of INR 10 each	29,699	0	29,699	0
Series C1 Compulsorily Convertible Preference Shares of INR 10 each	20,688	0	20,688	0
Series D Compulsorily Convertible Preference Shares of INR 10 each	88,040	1	88,040	1
Series E Compulsorily Convertible Preference Shares of INR 10 each	193,789	2	193,789	2
Series E1 Compulsorily Convertible Preference Shares of INR 10 each	51,359	1	51,359	1
Series E2 Compulsorily Convertible Preference Shares of INR 10 each	229,120	2	229,120	2
Series F Compulsorily Convertible Preference Shares of INR 1 each	74,148	0	-	-
Compulsorily Convertible Preference Shares of INR 10 each	39,156,331	392	51,132	1
Total	640,070,569	1,000	1,181,910	9

Particulars	As at 31 March 2025		As at 31 March 2024	
	No of Shares	Amount	No of Shares	Amount
Issued, Subscribed and Paid up Share Capital				
Equity Share Capital (refer note 12.1 below)				
Equity Shares of INR 1 each.	290,643,469	291	111,030	0
Equity shares of INR 37 each	-	-	3,530	0
Preference Share Capital (instrument entirely equity in nature) (refer note 12.2 below)				
Compulsorily Convertible Preference shares of INR 37 each	-	-	23,490	1
Series A Compulsorily Convertible Preference Shares of INR 1 each	-	-	74,732	0
Series B Compulsorily Convertible Preference Shares of INR 10 each	-	-	99,826	1
Series B1 Compulsorily Convertible Preference Shares of INR 10 each	-	-	29,347	0
Series C Compulsorily Convertible Preference Shares of INR 10 each	-	-	29,699	0

Notes to the Financial Statements

for the year ended 31 March 2025

(Amount in millions of INR unless otherwise stated)

Particulars	As at 31 March 2025		As at 31 March 2024	
	No of Shares	Amount	No of Shares	Amount
Series C1 Compulsorily Convertible Preference Shares of INR 10 each	-	-	20,688	0
Series D Compulsorily Convertible Preference Shares of INR 10 each	-	-	88,040	1
Series E Compulsorily Convertible Preference Shares of INR 10 each	-	-	193,789	2
Series E1 Compulsorily Convertible Preference Shares of INR 10 each	-	-	51,359	1
Series E2 Compulsorily Convertible Preference Shares of INR 10 each	-	-	204,391	2
Compulsorily Convertible Preference Shares of INR 10 each	-	-	18,088	0
Total	290,643,469	291	948,009	8

Note: During the year ended 31 March 2025, the Company has issued 74,148 number of Series F Compulsorily convertible preference shares of INR 1 each and 1,65,28,925 number of Series G Compulsorily convertible preference shares of INR 10 each(refer note 12.2.11 and 12.2.12).

12.1. Equity Share Capital

12.1.1 Equity Shares of INR 1 each Fully paid up.

(i) Reconciliation of shares outstanding at the beginning and at the end of reporting year

Particulars	As at 31 March 2025		As at 31 March 2024	
	No of Shares	Amount	No of Shares	Amount
Opening Balance	111,030	0	111,030	0
Add: Issued of equity shares during the year (refer note (a) below)	907,236	1	-	-
Add: Issue of bonus shares during the year (refer note (b) below)	29,658,520	30	-	-
Add: Issue of equity shares by sub-division of face value from INR 37 to INR 1 (refer note (b) below)	130,610	0	-	-
Add: Issue of equity shares by conversion of Compulsory Convertible Preference Shares (CCPS) (refer note (c) below)	259,836,073	260	-	-
Closing Balance	290,643,469	291	111,030	0

Notes :

- (a) The Board of Directors of the Company vide their resolution dated 4 July 2024 approved the allotment of 907,236 Equity shares of INR 1 each (adjusted for Bonus Issuance) to Tarun Sanjay Mehta and Swapnil Babanlal Jain pursuant to exercise of stock options.
- (b) The Board of Directors of our Company in its meeting held on 18 June 2024 and shareholders of our Company in the Extraordinary General Meeting held on 21 June 2024 approved the issuance of bonus equity share of INR 1 each in the ratio of 260:1 and 224:1 for the equity shares of INR 1 each and for the equity shares of INR 37 each respectively and also approved the sub-division of 3,530 equity shares of INR 37 each into 1,30,610 equity shares of INR 1 each. The conversion ratio of the Compulsory Convertible Preference Shares into Equity Shares and the employee stock options along with its price per option have been adjusted accordingly.
- (c) The Board of Directors vide their resolution dated 25 February 2025 approved the conversion of 74,148 Series F CCPS into 19,352,628 equity shares in the conversion ratio of 261:1 with the face value of INR 1 each ranking pari-passu with the existing equity shares of the Company (refer note 12.2.12 (vii)). Further, the Board of Directors

Notes to the Financial Statements

for the year ended 31 March 2025

(Amount in millions of INR unless otherwise stated)

vide their resolution dated 08 March, 2025 approved the conversion of Compulsory Convertible Preference Shares (Series Seed One, Series Seed Two, Series Seed Three and Series Seed Four), Series A, Series B, Series B1, Series C, Series C1, Series D, Series E, Series E1, Series E2, Series Bonus CCPS and Series G classes of Compulsory Convertible Preference Shares (“CCPS”) issued and allotted by the Company from time to time aggregating to 17,362,374 Outstanding CCPS of the Company into 240,483,445 fully paid up equity shares of face value of INR 1/- each ranking pari-passu with the existing equity shares of the Company (refer note 12.2.12 (viii) and (ix)).

- (d) Out of the above equity shares 5,025 Equity shares (1,311,525 equity shares post issue of bonus shares) were issued on 21 February 2022 @ face value of INR 1 received in cash and INR 48,900/- as securities premium on fair valuation of right to subscribe for consideration other than Cash.

(ii) Rights, preferences & restrictions attached to this class of share

Each holder of the equity shares is entitled to one vote per share and carries a right to dividends as and when declared by the Company. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amount, in proportion to their shareholding.

12.1.2 Equity Shares of INR 37 each

(i) Reconciliation of shares outstanding at the beginning and at the end of reporting year

Particulars	As at 31 March 2025		As at 31 March 2024	
	No of Shares	Amount	No of Shares	Amount
Opening Balance	3,530	0	3,530	0
Add: Issue of equity shares by sub-division of face value from INR 37 to INR 1 (refer note 12.1.1(i)(b))	1,27,080	-	-	-
Less: Transfer to equity shares of INR 1 each post sub-division (refer note 12.1.1(i)(b))	(1,30,610)	(0)	-	-
Closing Balance	-	-	3,530	0

Note: 2,50,000 15% compulsorily convertible debentures of INR 10 each were converted into 353 Equity shares of INR 370 each at a price of INR 7,082.15 in exercise of the conversion clause of the subscription agreement on 20 October 2014.

The aforesaid shares were sub-divided to equity shares of face value of INR 37 each on 13 March 2015.

12.2. Instrument entirely equity in nature - Compulsorily convertible preference shares (CCPS)

12.2.1 Compulsorily Convertible Preference shares of INR 37 each (CCPS)

(i) Reconciliation of shares outstanding at the beginning and at the end of reporting year

Particulars	As at 31 March 2025		As at 31 March 2024	
	No of Shares	Amount	No of Shares	Amount
Opening Balance	23,490	1	23,490	1
Add: Issued during the year	-	-	-	-
Less: Conversion of CCPS into Equity shares (refer note 12.2.12(ix) below)	(23,490)	(1)	-	-
Closing Balance	-	-	23,490	1

Note: 71 Compulsorily Convertible Preference shares issued on 20 October 2014 @ fair value of INR 21,696.17 (INR 370 as face value & INR 21,326.17 as securities premium) on conversion of loan along with accrued interest of INR 1,540,428. The aforesaid Compulsorily Convertible Preference shares were sub-divided to Compulsorily Convertible Preference shares of face value of INR 37 each on 13 March 2015.

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(ii) Rights, preferences & restrictions attached to this class of share

- (a) Each preference share were to get converted into 261 equity share of INR 1 each (refer note 12.1.1(i) (b)) subject to adjustments for share splits, bonus etc. based on the subscription agreement not later than 20 years from date of issue from financial year 2014-15.
- (b) No dividend shall be payable.
- (c) One vote per compulsorily convertible preference shares pari passu with the equity shares.
- (d) Right over surplus assets on a pro-rata basis in the event of liquidation. “

12.2.2 Series A Compulsorily Convertible Preference Shares of INR 1 each (CCPS)

(i) Reconciliation of shares outstanding at the beginning and at the end of reporting year

Particulars	As at 31 March 2025		As at 31 March 2024	
	No of Shares	Amount	No of Shares	Amount
Opening Balance	74,732	0	74,732	0
Add: Issued during the year	-	-	-	-
Less: Conversion of CCPS into Equity shares (refer note 12.2.12(ix) below)	(74,732)	(0)	-	-
Closing Balance	-	-	74,732	0

12.2.3 Series B Compulsorily Convertible Preference Shares of INR 10 each (CCPS)

(i) Reconciliation of shares outstanding at the beginning and at the end of reporting year

Particulars	As at 31 March 2025		As at 31 March 2024	
	No of Shares	Amount	No of Shares	Amount
Opening Balance	99,826	1	99,826	1
Add: Issued during the year	-	-	-	-
Less: Conversion of CCPS into Equity shares (refer note 12.2.12(ix) below)	(99,826)	(1)	-	-
Closing Balance	-	-	99,826	1

12.2.4 Series B1 Compulsorily Convertible Preference Shares of INR 10 each (CCPS)

(i) Reconciliation of shares outstanding at the beginning and at the end of reporting year

Particulars	As at 31 March 2025		As at 31 March 2024	
	No of Shares	Amount	No of Shares	Amount
Opening Balance	29,347	0	29,347	0
Add: Issued during the year	-	-	-	-
Less: Conversion of CCPS into Equity shares (refer note 12.2.12(ix) below)	(29,347)	(0)	-	-
Closing Balance	-	-	29,347	0

12.2.5 Series C Compulsorily Convertible Preference Shares of INR 10 each (CCPS)

(i) Reconciliation of shares outstanding at the beginning and at the end of reporting year

Particulars	As at 31 March 2025		As at 31 March 2024	
	No of Shares	Amount	No of Shares	Amount
Opening Balance	29,699	0	29,699	0
Add: Issued during the year	-	-	-	-
Less: Conversion of CCPS into Equity shares (refer note 12.2.12(ix) below)	(29,699)	(0)	-	-
Closing Balance	-	-	29,699	0

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12.2.6 Series C1 Compulsorily Convertible Preference Shares of INR 10 each (CCPS)

(i) Reconciliation of shares outstanding at the beginning and at the end of reporting year

Particulars	As at 31 March 2025		As at 31 March 2024	
	No of Shares	Amount	No of Shares	Amount
Opening Balance	20,688	0	20,688	0
Add: Issued during the year	-	-	-	-
Less: Conversion of CCPS into Equity shares (refer note 12.2.12(ix) below)	(20,688)	(0)	-	-
Closing Balance	-	-	20,688	0

12.2.7 Series D Compulsorily Convertible Preference Shares of INR 10 each (CCPS)

(i) Reconciliation of shares outstanding at the beginning and at the end of reporting year

Particulars	As at 31 March 2025		As at 31 March 2024	
	No of Shares	Amount	No of Shares	Amount
Opening Balance	88,040	1	88,040	1
Add: Issued during the year	-	-	-	-
Less: Conversion of CCPS into Equity shares (refer note 12.2.12(ix) below)	(88,040)	(1)	-	-
Closing Balance	-	-	88,040	1

12.2.8 Series E Compulsorily Convertible Preference Shares of INR 10 each (CCPS)

(i) Reconciliation of shares outstanding at the beginning and at the end of reporting year

Particulars	As at 31 March 2025		As at 31 March 2024	
	No of Shares	Amount	No of Shares	Amount
Opening Balance	1,93,789	2	1,93,789	2
Add: Issued during the year	-	-	-	-
Less: Conversion of CCPS into Equity shares (refer note 12.2.12(ix) below)	(1,93,789)	(2)	-	-
Closing Balance	-	-	1,93,789	2

12.2.9 Series E1 Compulsorily Convertible Preference Shares of INR 10 each (CCPS)

(i) Reconciliation of shares outstanding at the beginning and at the end of reporting year

Particulars	As at 31 March 2025		As at 31 March 2024	
	No of Shares	Amount	No of Shares	Amount
Opening Balance	51,359	1	51,359	1
Add: Issued during the year	-	-	-	-
Less: Conversion of CCPS into Equity shares (refer note 12.2.12(ix) below)	(51,359)	(1)	-	-
Closing Balance	-	-	51,359	1

12.2.10 Series E2 Compulsorily Convertible Preference Shares of INR 10 each (CCPS)

(i) Reconciliation of shares outstanding at the beginning and at the end of reporting year

Particulars	As at 31 March 2025		As at 31 March 2024	
	No of Shares	Amount	No of Shares	Amount
Opening Balance	2,04,391	2	-	-
Add: Issued during the yer	-	-	2,04,391	2
Less: Conversion of CCPS into Equity shares (refer note 12.2.12(ix) below)	(2,04,391)	(2)	-	-
Closing Balance	-	-	2,04,391	2

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12.2.11 Series F Compulsorily Convertible Preference Shares of INR 1 each (CCPS)

(i) Reconciliation of shares outstanding at the beginning and at the end of reporting year

Particulars	As at 31 March 2025		As at 31 March 2024	
	No of Shares	Amount	No of Shares	Amount
Opening Balance	-	-	-	-
Add: Issued during the year (refer note 12.2.12(iii) below)	74,148	0	-	-
Less: Conversion of Series F CCPS into Equity shares (refer note 12.2.12(vii) below)	(74,148)	(0)	-	-
Closing Balance	-	-	-	-

12.2.12 Compulsorily Convertible Preference Shares of INR 10 each (CCPS)

(i) Reconciliation of shares outstanding at the beginning and at the end of reporting year

Particulars	As at 31 March 2025		As at 31 March 2024	
	No of Shares	Amount	No of Shares	Amount
Opening Balance (refer note 12.2.12(ii) below)	18,088	0	-	-
Add: Bonus share issued during the year*	-	-	18,088	0
Add: Issued during the year (Series G) (refer note 12.2.12(v) below)	1,65,28,925	165	-	-
Less: Conversion of CCPS into Equity shares (refer note 12.2.12(viii) below)	(1,65,47,013)	(165)	-	-
Closing Balance	-	-	18,088	0

*Pursuant to board and shareholder’s approval, the Company has issued 18,088 bonus share during the year ended 31 March 2024 of INR 10 per share to certain class of shareholders in ratio of their respective holdings.

(ii) Rights, preferences & restrictions attached to the above 12.2.2 to 12.2.10 and 12.2.12 (except Series G) classes of shares

- (a) Preference shareholders were entitled to receive a dividend at the rate of 0.001% per annum on each preference share held by such holder, if declared by the Board of Directors. In the event the Company declares a dividend on the Equity Shares at a rate which is higher than the rate mentioned herein, the holders of Preference Shares shall be entitled to receive, in priority to the holders of Equity Shares, a dividend at a rate per preference share as would equal the product of (i) the higher dividend rate payable on each equity share and (ii) the number of equity shares issuable upon conversion of such preference share. All dividends to such shareholders shall be non-cumulative.
- (b) On the occurrence of a liquidation event, the preference shareholders were entitled to receive out of the proceeds or assets of the Company available for distribution to its shareholders, on a pari passu basis and prior and in preference to any distribution of proceeds of such liquidation event to the holders of equity shares by reason of their ownership thereof, an amount per share equal to the sum of the applicable original issue price, plus declared but unpaid dividends thereon.
- (c) Preference shares were to be converted to such number of equity shares (refer note 12.2.12 (ix)), at the conversion ratio then in effect:
 - In the event the preference shareholder requires Company to convert all or a part of such preference shares held by such holder;
 - upon the earlier of (i) the closing of an IPO, or (ii) the date, or the occurrence of an event, specified by vote or written consent or agreement of the requisite number of investors.
 - upon the date that is twenty (20) years after the date on which such series of Preference Shares were first issued by the Company.

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- (d) Holders of preference shares enjoyed such voting rights available to the extent permissible under law, carry voting rights as if the preference shares have been fully converted into equity shares. Each preference share shall entitle the holder to the number of votes equal to the number of whole or fractional equity shares into which such preference share could then be converted. If applicable law does not permit any holder of preference shares to exercise voting rights on all or any matters submitted to the vote of the Shareholders of the Company (including the holders of equity shares) (the “Non-Voting Preference Shares”), then until the conversion of all such Non-Voting Preference Shares into equity shares, each shareholder shall vote in accordance with the instructions of the holders of such Non-Voting Preference Shares at a general meeting of the shareholders or provide proxies without instructions to the holders of the Non-Voting Preference Shares for the purposes of a general meeting of the shareholders, in respect of such number of equity shares held by each of them such that a relevant percentage of the equity shares of the Company are voted in the manner required by the holders of the Non-Voting Preference Shares.

- (iii) The Board of Directors of the Company in its meeting held on 16 May 2024 and shareholders of the Company in the Extraordinary General Meeting held on 28 May 2024 approved the issuance of 74,148 Series F Compulsory Convertible Preference Shares (“Series F CCPS”) with face value of INR 1 per share at a premium of INR 11,673 per share, aggregating to INR 11,674 per share for cash on preferential basis. The Board of Directors vide their resolution dated 09 July 2024 allotted 74,148 Series F – CCPS of face value of INR 1 each with a premium of INR 11,673 per share to the Promoters, Tarun Sanjay Mehta and Swapnil Babanlal Jain, and considering the terms of the conversion of Series F CCPS linked with achievement of internal rate of return, the same has been accounted as share based payments in accordance “IND AS 102-Share-based Payment” under the head other equity (refer note 12.2.12 (vii)).

(iv) Rights, preferences & restrictions attached to the Series F CCPS

- (a) Preference shareholders were entitled to receive a dividend at the rate of 0.001% per annum on each preference share held by such holder, if declared by the Board of Directors. In the event the Company declares a dividend on the Equity Shares at a rate which is higher than the rate mentioned herein, the holders of Preference Shares were entitled to receive, in priority to the holders of Equity Shares, a dividend at a rate per preference share as would equal the product of (i) the higher dividend rate payable on each equity share and (ii) the number of equity shares issuable upon conversion of such preference share. All dividends to such shareholders shall be non-cumulative.
- (b) On the occurrence of a liquidation event, the preference shareholders were entitled to receive out of the proceeds or assets of the Company available for distribution to its shareholders, on a pari passu basis and prior and in preference to any distribution of proceeds of such liquidation event to the holders of equity shares by reason of their ownership thereof, an amount per share equal to the sum of the applicable original issue price, plus declared but unpaid dividends thereon.
- (c) Preference shares were to be converted up to a maximum of 19,352,628 equity shares (refer note 12.2.12. (vii)) upon meeting the conversion criteria upon occurrence of either of the following, whichever is earlier –
 - An IPO of the Company prior to agreed date; or
 - An Exit Event as specified in the terms of issue of CCPS prior to the agreed date
 - upon the date that is twenty (20) years after the date on which such series of Preference Shares were first issued by the Company.
- (d) Holders of preference shares enjoyed such voting rights available to the extent permissible under law, carry voting rights as if the preference shares have been fully converted into equity shares. Each preference share entitled the holder to the number of votes equal to the number of whole or fractional equity shares into which such preference share would be converted. If applicable law did not permit any holder of preference shares to exercise voting rights on all or any matters submitted to the vote of the Shareholders of the Company (including the holders of equity shares) (the “Non-Voting Preference Shares”), then until the conversion of all such Non-Voting Preference Shares into equity shares, each shareholder shall vote in accordance with the instructions of the holders of such Non-Voting Preference Shares at a general meeting of the shareholders or provide proxies without instructions to the holders of the Non-Voting Preference

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- Shares for the purposes of a general meeting of the shareholders, in respect of such number of equity shares held by each of them such that a relevant percentage of the equity shares of the Company are voted in the manner required by the holders of the Non-Voting Preference Shares.
- (v) The Board of Directors vide their resolution dated 29 July 2024 approved the issue of 16,528,925 Series G CCPS of face value of INR 10 each at a premium of INR 353 per share to India – Japan Fund (Represented by and acting through its investment manager, National Investment and Infrastructure Fund Limited). Further, our Board of Directors by the resolution dated 04 September 2024, allotted 16,528,925 to Series G CCPS at an issue price of INR 363 for an aggregate consideration of INR 6,000 million. Considering the terms of the conversion of Series G CCPS into variable number of equity shares, the same has been accounted as Financial liability under the head “Borrowings” in accordance with IND AS 32 - Financial Instruments - Presentation” (refer note 12.2.12 (viii)).
- (vi) **Rights, preferences & restrictions attached to the Series G CCPS**
- (a) Preference shareholders were entitled to receive a dividend at the rate of 0.001% per annum on each preference share held by such holder, if declared by the Board of Directors. In the event the Company declared a dividend on the Equity Shares at a rate which is higher than the rate mentioned herein, the holders of Preference Shares were to be entitled to receive, in priority to the holders of Equity Shares, a dividend at a rate per preference share as would equal the product of (i) the higher dividend rate payable on each equity share and (ii) the number of equity shares issuable upon conversion of such preference share. All dividends to such shareholders shall be non-cumulative.
- (b) On the occurrence of a liquidation event, the preference shareholders were entitled to receive out of the proceeds or assets of the Company available for distribution to its shareholders, on a pari passu basis and prior and in preference to any distribution of proceeds of such liquidation event to the holders of equity shares by reason of their ownership thereof, an amount per share equal to the sum of the applicable original issue price, plus declared but unpaid dividends thereon.
- (c) Preference shares were to be converted up to a maximum of 31,826,050 equity shares (refer note 12.2.12 (viii)), at the conversion ratio then in effect:
- In the event the preference shareholder requires Company to convert all or a part of such preference shares held by such holder;
 - upon the earlier of (i) filing of UDRHP, or (b) a subsequent equity fund raise for a minimum amount of USD 75 million or (iii) the date, or the occurrence of an event, specified by vote or written consent or agreement of the requisite number of investors. “
- (d) Holders of preference shares enjoyed such voting rights available to the extent permissible under law, carry voting rights as if the preference shares have been fully converted into equity shares. Each preference share entitled the holder to the number of votes equal to the number of whole or fractional equity shares into which such preference share could then be converted. If applicable law does not permit any holder of preference shares to exercise voting rights on all or any matters submitted to the vote of the Shareholders of the Company (including the holders of equity shares) (the “Non-Voting Preference Shares”), then until the conversion of all such Non-Voting Preference Shares into equity shares, each shareholder shall vote in accordance with the instructions of the holders of such Non-Voting Preference Shares at a general meeting of the shareholders or provide proxies without instructions to the holders of the Non-Voting Preference Shares for the purposes of a general meeting of the shareholders, in respect of such number of equity shares held by each of them such that a relevant percentage of the equity shares of the Company are voted in the manner required by the holders of the Non-Voting Preference Shares.
- (vii) The Board of Directors vide their resolution dated 25 February 2025 approved the conversion of 74,148 Series F CCPS into 1,93,52,628 equity shares in the conversion ratio of 261:1 with the face value of INR 1 each ranking pari-passu with the existing equity shares of the Company.
- (viii) The Board of Directors vide their resolution dated 08 March, 2025 approved the conversion of 16,528,925 Series G CCPS into 22,465,447 fully paid up equity shares of face value of INR 1/- each ranking pari-passu with the existing equity shares of the Company.

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- (ix) Further, the Board of Directors vide their resolution dated 08 March, 2025 approved the conversion of Series Seed One, Series Seed Two, Series Seed Three, Series Seed Four, Series A, Series B, Series B1, Series C, Series C1, Series D, Series E, Series E1, Series E2 and Series Bonus CCPS (collectively referred as “Outstanding CCPS”) issued and allotted by the Company from time to time aggregating to 833,449 Outstanding CCPS of the Company into 218,017,998 fully paid up equity shares of face value of INR 1/- each ranking pari-passu with the existing equity shares of the Company. The conversion ratio for each of the series of CCPS is as below:

Particulars	Outstanding CCPS	Conversion Ratio	Numbers of resulting Equity shares
Compulsorily Convertible Preference shares of INR 37 each	23,490	261:1	61,30,890
Series A Compulsorily Convertible Preference Shares of INR 1 each	74,732	261:1	1,95,05,052
Series B Compulsorily Convertible Preference Shares of INR 10 each	99,826	261:1	2,60,54,586
Series B1 Compulsorily Convertible Preference Shares of INR 10 each	29,347	277.57764:1	81,46,071
Series C Compulsorily Convertible Preference Shares of INR 10 each	29,699	261.01756:1	77,51,961
Series C1 Compulsorily Convertible Preference Shares of INR 10 each	20,688	261.0378:1	54,00,351
Series D Compulsorily Convertible Preference Shares of INR 10 each	88,040	261:1	2,29,78,440
Series E Compulsorily Convertible Preference Shares of INR 10 each	1,93,789	261:1	5,05,78,929
Series E1 Compulsorily Convertible Preference Shares of INR 10 each	51,359	261:1	1,34,04,699
Series E2 Compulsorily Convertible Preference Shares of INR 10 each	2,04,391	261:1	5,33,46,051
Compulsorily Convertible Preference Shares of INR 10 each	18,088	261:1	47,20,968

12.3 Details of Shares held by Shareholders holding more than 5% of the aggregate shares in the Company

Particulars	As at 31 March 2025		As at 31 March 2024	
	No of Shares	% Holding	No of Shares	% Holding
EQUITY SHARE CAPITAL				
12.3.1 Equity Shares of INR 1 each				
Swapnil Babanlal Jain	2,05,17,732	7%	44,800	40%
Tarun Sanjay Mehta	2,05,17,732	7%	39,800	36%
Arun Vinayak	-	-	8,420	8%
IITM Incubation Cell	-	-	5,260	5%
Hero MotoCorp Limited	11,50,83,252	40%	-	-
Caladium Investment Pte Ltd	4,65,14,376	16%	-	-
India-Japan Fund	2,24,65,447	8%	-	-
National Investment And Infrastructure Fund II	2,04,12,027	7%	-	-
Internet Fund III Pte. Ltd.	1,97,60,832	7%	-	-
12.3.2 Equity Shares of INR 37 each				
V Srinivasan	-	-	3,530	100%
COMPULSORILY CONVERTIBLE PREFERENCE SHARE CAPITAL				
12.3.3 Compulsorily Convertible Preference shares of INR 37 each				
Sachin Bansal	-	-	7,278	31%
Three State Capital Pte Ltd	-	-	10,950	47%
Hero MotoCorp Limited	-	-	3,672	16%
12.3.4 Series A Compulsorily Convertible Preference Shares of INR 1 each				
Internet Fund III Pte Ltd	-	-	74,732	100%
12.3.5 Series B Compulsorily Convertible Preference Shares of INR 10 each				
Hero MotoCorp Limited	-	-	99,186	99%

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Particulars	As at 31 March 2025		As at 31 March 2024	
	No of Shares	% Holding	No of Shares	% Holding
12.3.6 Series B1 Compulsorily Convertible Preference Shares of INR 10 each				
Hero MotoCorp Limited	-	-	29,347	100%
12.3.7 Series C Compulsorily Convertible Preference Shares of INR 10 each				
Sachin Bansal	-	-	21,940	74%
Hero MotoCorp Limited	-	-	7,759	26%
12.3.8 Series C1 Compulsorily Convertible Preference Shares of INR 10 each				
Hero MotoCorp Limited	-	-	20,688	100%
12.3.9 Series D Compulsorily Convertible Preference Shares of INR 10 each				
Sachin Bansal	-	-	37,376	42%
Hero MotoCorp Limited	-	-	50,664	58%
12.3.10 Series E Compulsorily Convertible Preference Shares of INR 10 each				
Hero MotoCorp Limited	-	-	84,310	44%
National Investment and Infrastructure Fund II	-	-	76,546	39%
Caladium Investment Pte Ltd	-	-	30,558	16%
12.3.11 Series E1 Compulsorily Convertible Preference Shares of INR 10 each				
Caladium Investment Pte Ltd	-	-	51,276	100%
12.3.12 Series E2 Compulsorily Convertible Preference Shares of INR 10 each				
Hero MotoCorp Limited	-	-	1,13,404	55%
Caladium Investment Pte Ltd	-	-	90,723	44%
12.3.13 Compulsorily Convertible Preference Shares of INR 10 each				
Bonus CCPS (refer note 12.2.12(ii))				
Hero MotoCorp Limited	-	-	6,420	35%
Sachin Bansal	-	-	4,495	25%
Caladium Investment Pte Ltd	-	-	5,559	31%
National Investment and Infrastructure Fund II	-	-	1,561	9%

12.4 Details of equity Shares held by Promoters*

As at 31 March 2025

Particulars	No. of shares at the end of the year	% of total shares	% change during the year
Nominal value of INR 1 each			
Tarun Sanjay Mehta	2,05,17,732	7%	-82.50%
Swapnil Babanlal Jain	2,05,17,732	7%	-80.31%
Mehta Family Trust (Promoter group)	7,83,000	0%	-90.03%
Tarun Swarna Family Trust (Promoter group)	5,22,000	0%	-90.03%
Swapnil Jain Family Trust (Promoter group)	6,52,500	0%	100.00%
Jain Family Trust (Promoter group)	6,52,500	0%	100.00%

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As at 31 March 2024

Particulars	No. of shares at the end of the year	% of total shares	% change during the year
Nominal value of INR 1 each			
Tarun Sanjay Mehta	44,800	40%	0.00%
Swapnil Babanlal Jain	39,800	36%	-11.16%
Mehta Family Trust (Promoter group)	3,000	3%	100.00%
Tarun Swarna Family Trust (Promoter group)	2,000	2%	100.00%

* Promoters as defined in the Companies Act, 2013.

Note: The Company has identified Tarun Sanjay Mehta, Swapnil Babanlal Jain and Hero MotoCorp Limited (“HMCL”) as ‘Promoters’ in line with the definition provided under the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended (the “SEBI ICDR Regulations”) vide its resolution passed in the Board meeting dated 27 August 2024.

Note - 13 OTHER EQUITY

Particulars	As at 31 March 2025	As at 31 March 2024
(i) Securities Premium		
Balance at the beginning of the year	33,327	23,521
Add : Issue of compulsorily convertible preference shares during the year	-	9,009
Add : Issue of equity shares on settlement of stock options during the year (refer note 12.1.1(i)(a))	169	-
Add : Settlement of right to subscribe (RTS) liability by issue of equity instruments (refer note 16(ii))	-	797
Add : Issue of bonus compulsorily convertible preference shares during the year (refer note (a) below and note 16(ii))	-	(0)
Add : Issue of bonus equity shares by utilisation of security premium during the year (refer note 12.1.1(i)(b))	(30)	-
Add : Conversion of Series F CCPS classified as stock options into Equity shares (refer note 12.2.12 (vii))	857	-
Add : Conversion of Series G CCPS classified as financial liability into Equity shares (refer note 12.2.12 (viii))	5,978	-
Add : Utilisation of Securities Premium for Conversion of CCPS into Equity shares (refer note 12.2.12 (ix))	(210)	-
Balance at the end of the year	40,091	33,327
(ii) Retained earnings		
Balance at the beginning of the year	(29,093)	(18,373)
Add : Loss for the year	(8,123)	(10,597)
Add : Other Comprehensive loss	(46)	(26)
Add : Transfer from stock option outstanding account on cancellation/cash settlement	(60)	(97)
Balance at the end of the year	(37,322)	(29,093)

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Particulars	As at 31 March 2025	As at 31 March 2024
(iii) Stock Options Outstanding Reserve		
Balance at the beginning of the year	1,217	983
Less :Issue of equity shares on settlement of stock options during the year (refer note 12.1.1(i)(a))	(170)	-
Add : Charge against share based payments during the year	830	882
Add : Modification of terms of employee share based payments	51	-
Add : Issue of compulsorily convertible preference shares during the year (refer note 12.2.12(iii))	866	-
Add: Conversion of Series F CCPS classified as stock options into Equity shares (refer note 12.2.12 (vii))	(876)	-
Less : Stock options settled/cancelled during the year (refer note 25 (a))	(108)	(745)
Add : Transfer to retained earnings on cancellation/ cash settlement.	60	97
Balance at the end of the year	1,870	1,217
Total	4,639	5,451

Nature and purpose of other reserve

(i) Securities Premium

Securities premium is used to record the premium received on issue of shares. It is utilised in accordance with the provisions of the Companies Act, 2013.

(ii) Retained earnings

Retained earnings are the accumulated profits earned by the Company till date, less transfer to general reserves, dividend and other distributions made to the shareholders.

(iii) Stock Options Outstanding Reserve

The fair value of the equity-settled share based payment transactions with employees is recognised in statement of profit and loss with corresponding credit to stock options outstanding reserve. The amount of cost recognised is transferred to equity share capital and security premium on exercise of the related stock options.

Notes:

- (a) Pursuant to board and shareholder’s approval, the Company has issued 18,088 bonus share during the year ended 31 March 2024 of INR 10 per share to certain class of shareholders in ratio of their respective holdings.

Note - 14 BORROWINGS

Particulars	As at 31 March 2025	As at 31 March 2024
Non-current (at amortised cost)		
Secured		
(a) Non convertible debentures	1,169	247
(b) Term loans		
(i) from banks	-	62
Total	1,169	309
Current (at amortised cost)		
Secured		
(a) Loans repayable on demand		
(i) from banks	856	1,035
(b) Current maturities of long term debt		
Non convertible debentures	2,412	666
Term loan		
(i) from banks	62	68
(ii) from others	-	1,071
Total	3,330	2,840
	4,499	3,149

Note:

- (i) Above amounts are net off unamortised borrowing costs.

Notes to the Financial Statements

for the year ended 31 March 2025

(Amount in millions of INR unless otherwise stated)

(i) Terms and repayment:

- (a) Secured term loans from banks and others carry interest rate ranging from 9.25% p.a. These loans are repayable in monthly installments as per the terms of the respective loan agreements. Tenure of these loans are ranging from 2 to 5 years.
- (b) The Company has availed short term credit facilities in the form of working capital loans to meet the working capital requirements of the Company and these facilities carry an floating interest from 6.80% p.a. to 9.97% p.a. These are repayable on demand.
- (c) The Company has issued redeemable Non-convertible debentures for the purpose of general corporate purposes and the terms of the debentures are as below:

Face value (INR)	Number of debentures	Allotted on	Outstanding as at 31 March 2025*	Outstanding as at 31 March 2024*	Interest rate	Repayment
1,00,000	2,000	05 February 2025	200	-	14.85% p.a. payable on monthly basis	Redeemable in 20 equal installments of INR 1,00,00,000/- each commencing from 1 May 2025
1,00,000	2,000	19 November 2024	189	-	14.85% p.a. payable on monthly basis	Redeemable in 19 equal installments of INR 1,05,20,000/- each commencing from 1 April 2025
100,000	10,000	13 June 2024	1000	-	14.50% p.a. payable on monthly basis	Redeemable in 21 equal installments of INR 476,19,048/- each commencing from 30 April 2025
100,000	5,000	30 May 2024	476	-	14.50% p.a. payable on monthly basis	Redeemable in 21 equal installments of INR 238,09,524/- each commencing from 31 March 2025
100,000	5,000	30 May 2024	476	-	14.50% p.a. payable on monthly basis	Redeemable in 21 equal installments of INR 238,09,524/- each commencing from 31 March 2025
100,000	6,000	24 July 2024	480	-	14.85% p.a. payable on monthly basis	Redeemable in 20 equal installments of INR 300,00,000/- each commencing from 1 January 2025
100,000	6,000	04 May 2024	360	-	14.85% p.a. payable on monthly basis	Redeemable in 20 equal installments of INR 300,00,000/- each commencing from 1 September 2024
100,000	2,000	28 April 2024	90	-	14.85% p.a. payable on monthly basis	Redeemable in 20 equal installments of INR 100,00,000/- each commencing from 1 June 2024
100,000	3,000	28 April 2024	135	-	14.85% p.a. payable on monthly basis	Redeemable in 20 equal installments of INR 150,00,000/- each commencing from 1 June 2024
100,000	5,000	11 August 2023	72	357	14.85% p.a. payable on monthly basis	Redeemable in 21 equal installments of INR 2,38,00,000/- each commencing from 1 November 2023
100,000	5,000	18 August 2023	72	357	14.85% p.a. payable on monthly basis	Redeemable in 21 equal installments of INR 2,38,00,000/- each commencing from 1 November 2023

Notes to the Financial Statements

for the year ended 31 March 2025

(Amount in millions of INR unless otherwise stated)

Face value (INR)	Number of debentures	Allotted on	Outstanding as at 31 March 2025*	Outstanding as at 31 March 2024*	Interest rate	Repayment
100,000	1,500	02 September 2023	21	107	14.85% p.a. payable on monthly basis	Redeemable in 21 equal installments of INR 71,42,857/- each commencing from 1 November 2023
100,000	1,500	02 September 2023	21	107	14.85% p.a. payable on monthly basis	Redeemable in 21 equal installments of INR 71,42,857/- each commencing from 1 November 2023

*Excluding amount of unamortised processing charges and provision of back-end fees

(ii) Term of security:

(a) Term loans and Working capital loans from banks:

Pari passu charge on current assets both present and future, Cash margin of 25% by way of on fixed deposits, Pari passu charge on brand and trademark/IPR/Intangibles of the technology stock/product suite if any.

(b) Term loans from Others

First pari passu charge on movable property, plant and equipment of the Company including intangibles, Cash margin @20% of principal outstanding amount, Second charge over the present and future current assets of the Company.

(c) Non-convertible debentures

First Pari-passu charge on existing and future property, plant and equipment, Cash and cash equivalents & all intellectual property rights, Second pari-passu charge on existing and future Current assets of the company.

(iii) Additional disclosures:

1. The Company has borrowings from banks or financial institutions on the basis of security of current assets and the statements of current assets filed by the Company with banks or financial institutions are in agreement with the books of accounts.
2. The Company has utilised the borrowings for the purpose for which it was taken.
3. Charges or satisfaction of charges are registered with ROC within the statutory period, there are no charges or satisfaction yet to be registered with ROC beyond the statutory period as at 31 March 2025.
4. The Company has not been declared a wilful defaulter by any bank or financial institution or government or any government authority.

Note - 15 LEASE LIABILITIES

Particulars	As at 31 March 2025	As at 31 March 2024
Non-current		
Lease liability (Refer note 2(b))	1,431	1,419
Total	1,431	1,419
Current		
Lease liability (Refer note 2(b))	263	209
Total	263	209

Notes to the Financial Statements

for the year ended 31 March 2025

(Amount in millions of INR unless otherwise stated)

Note - 16 OTHER FINANCIAL LIABILITIES

Particulars	As at 31 March 2025	As at 31 March 2024
Non-current		
Deposits received from dealers	119	103
Total	119	103
Current		
Payable to employees	240	801
Interest accrued on borrowings	-	1
Right to subscribe (refer note (i) & (ii) below)	-	44
Stock option liability (cash settled) (refer note (iii) below)	-	350
Payable on purchase of Property, Plant and Equipment	102	39
Payable towards refund of charger price to customer and incentive amount for differential battery capacity (refer note to 29(a))	105	111
Other Liabilities	7	2
Total	454	1,348

Note:

- (i) In terms of borrowing and shareholder’s agreements, certain lenders / shareholders have the ‘Right To Subscribe’ (RTS) to the Company’s equity shares of face value of INR 1 each. During the year ended 31 March 2024, certain shareholders having 18,088 RTS have shared their consent to the Company for exercising their rights. Furthermore, shareholders have indicated their consent to the board for the issuance of bonus Compulsorily Convertible Preference Shares (CCPS) in lieu of equity shares, subject to the decision of both the Board and Shareholder. Pursuant to board and shareholder’s approval, the Company has issued 18,088 bonus CCPS to certain class of shareholder’s in ratio of their respective holdings. Consequently, the settlement of full RTS liability by issue of bonus shares has been adjusted with the Securities Premium account.
- (ii) In terms of borrowing agreements, certain lenders have ‘Right To Subscribe’ (“RTS”) to the Company’s equity shares of face value of INR 1 each. During the year ended 31 March 2025, lenders having 1,811 RTS have intimated the Company to exercise their rights and opt for one time cash settlement in lieu of equity shares of the Company. Pursuant to a resolution passed in the Board meeting held on 09 July 2024, the Company has entered into the settlement agreement dated 15 July 2024 with the said lenders for cancellation and relinquishment of RTS by cash settlement amounting to INR 8 million which has been paid and settled.
- (iii) Stock option liability (cash settled): Eligible employees and consultants were entitled to receive cash on account of appreciation in stock prices of the Company, subject to fulfilment of certain vesting conditions. The same have been settled / adjusted during the year.

The fair value of the above liabilities as at 31 March 2024 are determined by using Black-Scholes Model.

Note - 17 PROVISIONS

Particulars	As at 31 March 2025	As at 31 March 2024
Non-current		
Provision for Employee benefits		
Provision for Gratuity (refer note 34)	261	155
Provision for compensated absences	177	116
	438	271
Other provisions		
Provision for warranties (refer note (a) below)	323	404
Provision for site-restoration expense (refer note (b) below)	31	27
	354	431
	792	702

Notes to the Financial Statements

for the year ended 31 March 2025

(Amount in millions of INR unless otherwise stated)

Particulars	As at 31 March 2025	As at 31 March 2024
Current		
Provision for Employee benefits		
Provision for Gratuity (refer note 34)	17	17
Provision for compensated absences	31	28
	48	45
Other provisions		
Provision for warranties (refer note (a) below)	1,097	672
Provision for repair and others (refer note (c) below)	44	90
	1,141	762
	1,189	807

(a) Movement of provision for warranty

Particulars	As at 31 March 2025	As at 31 March 2024
Opening Balance	1,076	820
Addition during the year	807	444
Unwinding of interest	82	77
Utilised during the year	(377)	(250)
Unused amounts reversed during the year	(168)	(15)
Closing balance	1,420	1,076
Non Current	323	404
Current	1,097	672

(b) Movement of site-restoration expense

Particulars	As at 31 March 2025	As at 31 March 2024
Opening Balance	27	25
Addition during the year	4	-
Unwinding of interest	3	3
Unused amounts reversed during the year	(3)	(1)
Closing balance	31	27
Non Current	31	27
Current	-	-

(c) Movement of provision for repairs and others

Particulars	As at 31 March 2025	As at 31 March 2024
Opening Balance	90	10
Addition during the year	4	93
Utilised during the year	(31)	(13)
Unused amounts reversed during the year	(19)	-
Closing balance	44	90
Non Current	-	-
Current	44	90

Notes to the Financial Statements

for the year ended 31 March 2025

(Amount in millions of INR unless otherwise stated)

Note - 18 OTHER LIABILITIES

Particulars	As at 31 March 2025	As at 31 March 2024
Non-current		
Subsidy received from Government (refer note below)	21	21
Deferred Government Grant	10	-
Deferred revenue	802	358
Total	833	379
Current		
Statutory dues payable	145	455
Interest payable to vendors registered under the MSMED Act	26	18
Deferred revenue	221	121
Advance received from customers	495	939
Total	887	1,533

Note: During the year ended 31 March 2024, the Company received an amount towards incentive under the Tamil Nadu Electric Vehicle Policy 2019 subject to fulfilment of certain conditions. Pending fulfilment of the attached conditions, the Company has disclosed the incentive received as other liabilities in line with Ind AS-20.

Note - 19 TRADE PAYABLES

Particulars	As at 31 March 2025	As at 31 March 2024
Total outstanding dues of micro and small enterprises (MSME)	484	185
Total outstanding dues of creditors other than micro and small enterprises	5,125	3,842
Total	5,609	4,027

(a) Trade Payables ageing as at 31 March 2025

Particulars	Outstanding for the following periods from the due date					Total
	Not due	Less than 1 year	1-2 Years	2-3 years	More than 3 years	
Undisputed						
- MSME	346	137	1	0	-	484
- Others	2,262	1,292	3	1	0	3,558
Disputed						-
- MSME	-	-	-	-	-	-
- Others	-	-	-	-	-	-
Total	2,608	1,429	4	1	0	4,042
Accrued expenses						1,567
Total						5,609

Notes to the Financial Statements

for the year ended 31 March 2025

(Amount in millions of INR unless otherwise stated)

(b) Trade Payables ageing as at 31 March 2024

Particulars	Outstanding for the following periods from the due date					Total
	Not due	Less than 1 year	1-2 Years	2-3 years	More than 3 years	
Undisputed						
- MSME	133	52	0	-	-	185
- Others	2,402	475	4	0	0	2,881
Disputed						-
- MSME	-	-	-	-	-	-
- Others	-	-	-	-	-	-
Total	2,535	527	4	0	0	3,066
Accrued expenses						961
Total						4,027

(c) Relationship with struck off Companies

Based on the information available with the Company, there has not been any transaction and balance outstanding with struck off companies as at and during the year ended 31 March, 2025 and 31 March, 2024 respectively.

DISCLOSURES REQUIRED UNDER SECTION 22 OF THE MICRO, SMALL AND MEDIUM ENTERPRISES DEVELOPMENT ACT, 2006

Particulars	As at 31 March 2025	As at 31 March 2024
(i) Principal amount remaining unpaid to suppliers	484	185
(ii) Interest due on unpaid principal amount to suppliers	26	18
(iii) The amount of interest paid along with the amounts of the payment made to the suppliers beyond the appointed day	-	-
(iv) The amount of interest due and payable for the period of delay in making payment (without adding the interest under MSME Development Act)	8	5
(v) The amount of interest accrued and remaining unpaid	26	18
(vi) Amount of further interest remaining due and payable even in the succeeding year.	-	-

Dues to Micro and Small Enterprises have been determined to the extent such parties have been identified on the basis of information collected by the Management.

Note - 20 REVENUE FROM OPERATIONS

Particulars	For the year ended 31 March 2025	For the year ended 31 March 2024
Revenue from sale of product and services		
Sale of finished products	19,984	15,819
Sale of stock-in-trade	1,071	502
Sale of service	1,451	1,190
Other operating revenue	44	27
Total	22,550	17,538

Notes to the Financial Statements

for the year ended 31 March 2025

(Amount in millions of INR unless otherwise stated)

A. Reconciliation of Revenue from operations with the contracted price:

Description	For the year ended 31 March 2025	For the year ended 31 March 2024
Contract price	26,255	18,880
Less: Trade discounts, Incentives, etc	(3,705)	(1,342)
Total	22,550	17,538

B. Disaggregation of revenue:

The Company has performed a disaggregated analysis of revenues considering the nature, amount, timing and uncertainty of revenues. This includes disclosure of revenues by geography and timing of recognition. Refer note 33 for revenue by geography.

C. Assets and liabilities related to contracts with customers:

Description	For the year ended 31 March 2025	For the year ended 31 March 2024
Contract assets		
Trade receivable	118	16
	118	16
Contract liabilities		
Advance from customers	495	939
Deferred revenue	1,023	479
Total	1,518	1,418

D. Revenue recognised in the below mentioned year that was included in the contract liability balance at the beginning of the year:

Description	For the year ended 31 March 2025	For the year ended 31 March 2024
Revenue recognised from contract liabilities at the beginning of the year	939	423

E. Movement in deferred revenue during the year:

Description	For the year ended 31 March 2025	For the year ended 31 March 2024
Opening balance	479	22
Add: Net addition during the year	713	548
Less: Revenue recognised during the year	(169)	(91)
Closing balance	1,023	479

F. Timing of revenue recognition:

Description	For the year ended 31 March 2025	For the year ended 31 March 2024
Good and services transferred at a point in time	22,381	17,447
Service transferred over time	169	91
Total	22,550	17,538

Notes to the Financial Statements

for the year ended 31 March 2025

(Amount in millions of INR unless otherwise stated)

Note - 21 OTHER INCOME

Particulars	For the year ended 31 March 2025	For the year ended 31 March 2024
Interest income under the effective interest method on financial assets carried at amortised cost		
Interest on term deposit	155	164
Unwinding of interest on financial assets	35	32
Income on financial assets carried at fair value through profit or loss		
Net gain on disposal / fair valuation of investments carried at fair value through profit & loss	218	115
Other non-operating income		
Provision/Liability no longer required written back	75	32
Gain on sale of property, plant and equipment, net	0	1
Gain on termination of lease	3	2
Other income	16	7
Total	502	353

Note - 22 COST OF MATERIAL CONSUMED

Particulars	For the year ended 31 March 2025	For the year ended 31 March 2024
Raw Materials and components consumed:		
Inventory at the beginning of the year	989	2,118
Add: Purchases	19,050	14,663
Less: Inventory at the end of the year	(1,770)	(989)
Total	18,269	15,792

Note - 23 PURCHASE OF STOCK-IN-TRADE

Particulars	For the year ended 31 March 2025	For the year ended 31 March 2024
Purchase of stock-in-trade	1,007	279
Total	1,007	279

Note - 24 CHANGE IN INVENTORIES OF FINISHED GOODS, STOCK-IN-TRADE AND WORK-IN-PROGRESS

Particulars	For the year ended 31 March 2025	For the year ended 31 March 2024
Inventories at the beginning of the year		
- Finished Goods	90	303
- Work-in-Progress	0	39
- Stock-in-trade	88	114
	178	456
- Stock-in-trade capitalised	(8)	(31)
Inventories at the end of the year		
- Finished Goods	324	90
- Work-in-Progress	-	0
- Stock-in-trade	354	88
	678	178
Total	(508)	247

Notes to the Financial Statements

for the year ended 31 March 2025

(Amount in millions of INR unless otherwise stated)

Note - 25 EMPLOYEE BENEFITS EXPENSE

Particulars	For the year ended 31 March 2025	For the year ended 31 March 2024
Salaries and wages	3,601	3,055
Employee share based payment expenses, net	831	754
Contribution to provident and other funds	173	137
Gratuity (refer note 34)	74	50
Staff welfare expenses	208	165
	4,887	4,161
Less : Transfer to intangible assets under development	(763)	(469)
Total	4,124	3,692

Note :

- (a) During the year ended 31 March 2024, the board, in its meeting dated 31 March 2024, has approved the cancellation of MSOP 2022 including all options granted and also approved the payment of lump sum cash consideration, based on the fair value of the said options cancelled, in lieu of cancellation of all options under MSOP 2022. On cancellation of MSOP 2022, INR 596 million has been accounted immediately in the statement of profit and loss as an acceleration of vesting. On the date of such cancellation, the fair value of the options of INR 745 million settled in cash and is accounted as a deduction from other equity.

Note - 26 FINANCE COSTS

Particulars	For the year ended 31 March 2025	For the year ended 31 March 2024
Interest cost on financial liabilities at amortised cost:		
Interest on borrowings	756	579
Interest on lease liabilities	189	196
Interest on delayed payments to vendors registered under the MSMED Act	8	5
Interest on others	107	80
Exchange differences regarded as an adjustment to borrowing costs	12	7
Other borrowing costs	34	23
Total	1,106	890

Note - 27 DEPRECIATION AND AMORTISATION EXPENSE

Particulars	For the year ended 31 March 2025	For the year ended 31 March 2024
Depreciation of property, plant and equipment (refer note 2(a))	442	370
Depreciation of right-of-use assets (refer note 2(b))	302	288
Amortization of other intangible assets (refer note 2(d))	966	809
Total	1,710	1,467

Notes to the Financial Statements

for the year ended 31 March 2025

(Amount in millions of INR unless otherwise stated)

Note - 28 OTHER EXPENSES*

Particulars	For the year ended 31 March 2025	For the year ended 31 March 2024
Advertisement and marketing	1,446	907
Consumables	220	313
Freight and carriage outwards	336	213
Electricity charges	114	91
Insurance	45	33
Legal, professional and consultancy charges (refer note (a) below)	813	614
Warranty cost	602	429
Web server charges and subscriptions	285	278
Rent and maintenance	153	119
Repairs and maintenance		
- Plant & machinery	12	12
- Vehicles	7	1
- Others	48	50
Charging infrastructure maintenance charges	49	44
Communication charges	153	175
Software license fee	307	220
Travelling and conveyance	372	222
Recruitment / training expenses	45	38
Security charges	50	42
Loss on fair value measurement of financial liabilities (refer note (b) below)	-	224
Assets discarded	13	12
Foreign exchange loss	26	7
Allowance for doubtful advance and receivables	89	58
Sundry balances written off (refer note (c) below)	0	6
Rates and taxes	58	15
Payment to auditors		
- Statutory audit fee and others**	5	5
- Certification fees	1	3
- Reimbursement	1	0
Miscellaneous expenses	217	244
Total	5,467	4,375

*Total other expenses are net of capitalisation of 2024-25 : INR 352 million (2023-24 : INR 94 million)

** Above fees does not include INR 24 million for the year ended 31 March 2025 (for the year ended 31 March 2024: Nil) which are considered as share issue expenses under other current asset.

Notes:

- (a) Legal, professional and consultancy charges (net) includes INR Nil (2023-24 : INR 59 million) towards the share based payment arrangements entered into with advisors in earlier years.
- (b) Fair valuation of right to subscribe outstanding for the year ended 31 March, 2024.
- (c) Net of allowance for doubtful advance utilised of INR Nil (2023-24: INR 26 million)

Note - 29 EXCEPTIONAL ITEMS

Particulars	For the year ended 31 March 2025	For the year ended 31 March 2024
Refund of charger price (refer note (a) below)	-	1,578
Refund of FAME incentive for differential battery capacity (refer note (a) below)	-	168
Total	-	1,746

Notes to the Financial Statements

for the year ended 31 March 2025

(Amount in millions of INR unless otherwise stated)

Notes:

- (a) In response to a show cause notice ("SCN") dated 29 March 2023 from IFCI Limited on behalf of the Ministry of Heavy Industries ("MHI") in relation to certain matters under the FAME II and Phased Manufacturing Program ("PMP") guidelines, the Company vide its undertaking dated 23 May 2023, without prejudice agreed to voluntarily refund the price of the "Off board chargers" to all customers who purchased an off board charger as an accessory prior to 12 April 2023. Further, the Company has also voluntarily agreed to pay differential incentive amount claimed based on installed capacity against usable capacity.

During the year ended 31st March 2024, the Company has recorded an expense of INR 1,578 Million towards refund of "Off board chargers related liability" and INR 168 Million towards adjustment of incentive for differential battery capacity (including interest). As at 31 March 2025, the Company has refunded an amount of INR 1,473 million (31 March 2024: INR 1,467 million) to the customers for liability towards "Off-board chargers". Against the outstanding liability of INR 105 million as at 31 March 2025, a deposit is maintained in a bank account managed by IFCI Limited, which will be refunded back to the Company on actual payment of charger refund to customers and on submission of relevant documents of such refund. Further, the Company has paid an amount of INR 168 Million to MHI towards adjustment of incentive for differential usable battery capacity.

Note - 30 IMPAIRMENT TESTING OF TANGIBLE AND INTANGIBLE ASSETS INCLUDING INTANGIBLES ASSETS UNDER DEVELOPMENT

The Company does its impairment evaluation on an annual basis and based on such evaluation, the estimated recoverable amount of the Cash Generating Unit (CGU) exceeded its carrying amount. For the purpose of impairment testing, tangible assets, intangible assets (Product Design & Development) and intangible assets under development are allocated to the CGU. For this, the Company as a whole is considered as CGU.

The recoverable amount of the above CGU has been determined based on 'value in use' model, where in the value of cash generating unit is determined as a sum of the net present value of the projected post tax cash flows for a period of 5 years and terminal value. The terminal value of cash generating unit is arrived at by extrapolating cash flows of latest forecasted year to perpetuity using a constant long-term growth rate.

Determination of value in use involves significant estimates and assumptions that affect the reporting CGU's expected future cash flows. The Company has performed sensitivity analysis for all key assumptions and concluded that it is unlikely to cause the carrying amount of the CGU exceed its estimated recoverable amount. The key assumptions used for the calculations on an annual basis were as follows:

Particulars	As at 31 March 2025	As at 31 March 2024
Discount rate	18.30%	23.70%
Long-term growth rate	5.00%	5.00%

Note: The actual results of operations and cash flows could be different from the estimates.

Note - 31 EARNINGS PER SHARE

Particulars	As at 31 March 2025	As at 31 March 2024
Loss for the year attributable to owners of the Company	(8,123)	(10,597)
Weighted average number of equity shares outstanding during the year	25,19,24,661	22,39,49,224
Earnings/ (loss) per share basic and diluted (in INR) (face value of INR 1 each)	(32)	(47)

Note :

- (a) There are potential equity shares as on 31 March 2025 and 31 March 2024 in the form of stock options issued. As these are antidilutive, they are ignored in the calculation of diluted earnings per share and accordingly the diluted earnings per share is the same as basic earnings per share.

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(Amount in millions of INR unless otherwise stated)

- (b) The Company’s Basic and Diluted Earnings Per Share (EPS) have been adjusted retrospectively on issuance of 18,088 bonus CCPS in line with Ind AS 33 “Earnings Per Share”.
- (c) The Board of Directors of the Company in its meeting held on 18 June 2024 and shareholders of the Company in the Extraordinary General Meeting held on 21 June 2024 approved the issuance of bonus equity share of INR 1 each in the ratio of 260:1 and 224:1 for the Equity shares of INR 1 each and for the equity shares of INR 37 each respectively and also approved the sub-division of 3,530 equity shares of INR 37 each into 1,30,610 equity shares of INR 1 each. The number of shares used for the calculation of earnings per share, and the earnings per share (including that in the comparative year), have been adjusted for pursuant to Paragraph 64 of Ind AS 33 - “Earnings Per Share”, prescribed under Section 133 of the Companies Act, 2013.

Note - 32 TAX EXPENSE

(a) Effective tax rate

Particulars	For the year ended 31 March 2025	For the year ended 31 March 2024
Loss before tax	(8,123)	(10,597)
Tax @ 31.20%	(2,534)	(3,306)
Tax effect of :		
Expenses (allowed) / disallowed for tax	(14)	21
Deferred tax asset not recognised on account of absence of certainty on availability of future taxable profit	2,492	3,220
Others	56	65
Tax expense	-	-

(b) Un-recognised deferred tax assets and liabilities

Deferred tax assets and liabilities are attributable to the following:

Particulars	As at 31 March 2025	As at 31 March 2024
Deferred tax liabilities		
Property, plant and equipment	-	43
Right of use assets	462	464
	462	507
Deferred tax assets		
Property, plant and equipment	100	-
Carry forward business losses and unabsorbed depreciation	10,518	8,286
Lease liabilities	528	540
Provisions for employee benefits	210	180
Others	249	152
	11,605	9,158
Unrecognised deferred tax assets (net)	11,143	8,651

The Company has not recognised deferred tax asset of INR 11,143 million (31 March 2024: INR 8,651 million) generated mainly on account of carried forward loss (including unabsorbed depreciation) as there is no reasonable certainty that sufficient future taxable income will be available against which such deferred tax asset can be realised.

Notes to the Financial Statements

for the year ended 31 March 2025

(Amount in millions of INR unless otherwise stated)

Note - 33 OPERATING SEGMENTS

The Company primarily operates in the automotive segment. The automotive segment includes all activities related to development, design, manufacture, assembly and sale of vehicles, as well as sale of related parts and accessories. The board of directors of the Company, which has been identified as being the chief operating decision maker (CODM), evaluates the Company’s performance, allocates resources based on the analysis of the various performance indicators of the Company as a single unit.

Therefore, based on the guiding principles given in Ind AS 108 on ‘Operating Segments’, the Company’s business activity fall within a single operating segment, namely automotive segment.

Geographical information

Particulars	For the year ended 31 March 2025	For the year ended 31 March 2024
Revenue from contracts with customers		
India	22,406	17,474
Other countries	144	64
	22,550	17,538
Particulars	As at 31 March 2025	As at 31 March 2024
Non-current assets		
India	9,104	6,688
Other countries	-	-
	9,104	6,688

Information about major customers

No single customer accounted for more than 10% of the revenue as of 31 March 2025 (As of 31 March 2024, one individual customer having revenue of INR 1,832 million which was aggregating to 11% of total revenues).

Note - 34 EMPLOYEE BENEFIT PLANS

A. Contribution to provident fund (Defined contribution):

The Company makes contributions to provident fund which is a defined contribution plan and the Company has no obligation other than to make the specified contributions. During the year, the Company has charged INR 136 million (31 March 2024 : INR 115 million) to the statement of profit and loss towards defined contribution plans.

B. Gratuity (Defined benefit plan):

The Company provides for gratuity for employees in India as per the Gratuity Act, 1972. Employees who are in continuous service for a period of 5 years are eligible for gratuity. The amount of gratuity payable on retirement / termination / death / disablement is the employees last drawn basic salary per month computed proportionately for 15 days salary multiplied for the number of years of service. The Gratuity plan of the Company is unfunded.

Changes in the present value of obligation

Particulars	For the year ended 31 March 2025	For the year ended 31 March 2024
Present value of defined benefit obligation at the beginning of the year	172	103
Expenses recognised in statement of profit and loss		
Current service cost	62	43
Interest expense	12	7
Re-measurement or actuarial (gain) / loss arising from		
Demographic assumptions	8	7
Financial assumptions	30	2
Experience adjustments	8	17
Benefit payments	(14)	(7)
Present value of defined benefit obligation at the end of the year	278	172
Fair value of plan assets as at the end of the year	-	-
Net liability recognised in the Balance Sheet	278	172
Current portion of the above	17	17
Non current portion of the above	261	155

Notes to the Financial Statements

for the year ended 31 March 2025

(Amount in millions of INR unless otherwise stated)

Expense recognised in the statement of profit and loss

Particulars	For the year ended 31 March 2025	For the year ended 31 March 2024
Current service cost	62	43
Net interest expense	12	7
	74	50

Remeasurement effects recognised in other comprehensive income

Particulars	For the year ended 31 March 2025	For the year ended 31 March 2024
Actuarial gains and loss arising form changes in financial assumptions	30	2
Actuarial gains and loss arising form demographic assumptions	8	7
Actuarial gains and loss arising form experience adjustments	8	17
	46	26

The significant actuarial assumptions used for the purposes of the actuarial valuations were as follows:

Particulars	As at 31 March 2025	As at 31 March 2024
Discount rate	6.60%	7.30%
Salary escalation rate	12% until 5 years inclusive, then 10%	10.00%
Attrition rate	12.50%	15.00%
Mortality rate	Indian Assured Lives Mortality (2012-14) Ultimate table	

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

Particulars	For the year ended 31 March 2025	For the year ended 31 March 2024
Discount rate		
100 bps Increase	(22)	(11)
100 bps Decrease	25	13
Salary escalation rate		
100 bps Increase	16	10
100 bps Decrease	(16)	(9)
Attrition rate		
25% Increase	(14)	(9)
25% Decrease	15	11

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

The methods and types of assumptions used in preparing the sensitivity analyses did not change compared to previous year.

Notes to the Financial Statements

for the year ended 31 March 2025

(Amount in millions of INR unless otherwise stated)

Maturity profile of defined benefit obligation:

Particulars	As at 31 March 2025	As at 31 March 2024
Within 1 year	17	17
1-5 year	117	83
5-10 year	109	73
10 years and above	298	148
Weighted average duration	8.29 years	6.98 years

Note - 35 CONTINGENT LIABILITIES AND COMMITMENTS (to the extent not provided for):

Particulars	As at 31 March 2025	As at 31 March 2024
Contingent liabilities		
(a) Claims against the Company not acknowledged as debt (Custom Duties, GST, Income tax & other litigation) (refer note below)	612	9
Commitments		
(a) Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances)	398	406

Note : The Company received a preshow cause intimation notice dated 21 March 2024 and subsequently a show cause notice dated 16 April 2024 (“SCN”) from the Office of the Assistant Commissioner, Chennai under section 73 of the Central Goods and Services Tax Act, 2017 read with rules and regulations, made thereunder. The GST department had taken up the scrutiny in accordance with the above section and observed discrepancies in the input tax credit availed for the Fiscal year 2022-2023 and raised a demand of ₹598 million. Against this demand, the Company filed a reply dated 14 May 2024 explaining the fact that input tax credit has been availed in accordance with law and which was also reconciled with annual return and hence there was no discrepancy noticed. However, thereafter, an order was issued against the Company dated 04 November 2024 confirming the above stated demand. The Company has filed an application for rectification before the Assistant Commissioner, Nungambakkam, Tamil Nadu (the “AC”) of the order issued, on the grounds that the order has been passed without consideration of the submissions made. The Company does not foresee the demand materialising as the allegations made are merely on the manner of disclosures made by the Company in the Annual return filed for the said fiscal period. The matter is currently pending further adjudication.

Notes to the Financial Statements

for the year ended 31 March 2025

(Amount in millions of INR unless otherwise stated)

Note - 36 RELATED PARTY DISCLOSURES

List of related parties with whom transactions occurred during the year ended 31 March 2025 and 31 March 2024 and/or has an outstanding balance as of 31 March 2025 and 31 March 2024 and their relationship.

Party which has significant influence

- 1. Hero MotoCorp Limited

Party over which Hero MotoCorp Limited has significant influence

- 1. Hero FinCorp Limited

Key Managerial Personnels (KMPs)

- 1. Tarun Sanjay Mehta - Executive Director and Chief Executive Officer
- 2. Swapnil Babanlal Jain - Executive Director and Chief Technical Officer
- 3. Niranjana Kumar Gupta - Director
- 4. Pankaj Sood - Director
- 5. Ram Kuppuswamy - Director
- 6. Nilesh Shrivastava - Director
- 7. Puja Aggarwal - Company Secretary (w.e.f. 26 April 2023)
- 8. Deepak Jain - Chief Financial Officer (up to 31 March 2024)
- 9. Sohail Dilipkumar Parekh - Chief Financial Officer (w.e.f. 01 April 2024)
- 10. Kaushik Dutta - Director (w.e.f. 06 May 2024)
- 11. Neelam Dhawan - Director (w.e.f. 27 August 2024)
- 12. Sanjay Nayak - Director (w.e.f. 27 August 2024)

Entity in which KMP / Close member of KMP has significant influence

- 1. Mehta Family Trust
- 2. Tarun Swarna Family Trust
- 3. Swapnil Jain Family Trust
- 4. Jain Family Trust

Related party transactions:	For the year ended 31 March 2025	For the year ended 31 March 2024
Issue of compulsorily convertible preference shares (CCPS)#		
Hero MotoCorp Limited	-	5,000
Tarun Sanjay Mehta	433	-
Swapnil Babanlal Jain	433	-
Issue of equity shares on account of exercise of stock options (refer note 12.1.1(i)(a))		
Tarun Sanjay Mehta	107	-
Swapnil Babanlal Jain	107	-
Issue of bonus compulsorily convertible preference shares (refer note 16(i))		
Hero MotoCorp Limited	-	283
Settlement on account of exercise of stock options		
Tarun Sanjay Mehta	54	-
Swapnil Babanlal Jain	54	-
Issue of bonus equity shares (refer note 12.1.1(i)(b))		
Hero MotoCorp Limited	0	-
Tarun Sanjay Mehta	10	-
Swapnil Babanlal Jain	10	-
Mehta Family Trust	1	-
Tarun Swarna Family Trust	1	-
Swapnil Jain Family Trust	1	-
Jain Family Trust	1	-

Notes to the Financial Statements

for the year ended 31 March 2025

(Amount in millions of INR unless otherwise stated)

Related party transactions:	For the year ended 31 March 2025	For the year ended 31 March 2024
Repayment of term loan		
Hero FinCorp Limited	1,076	1,064
Interest on term loan*		
Hero FinCorp Limited	80	216
Finance charges on relinquishment of right to subscribe liability (refer note 16(ii))		
Hero FinCorp Limited	5	-
Deposit refunded by lender		
Hero FinCorp Limited	24	295
Interest subvention		
Hero FinCorp Limited	2	3
Revenue from charging infrastructure usage		
Hero MotoCorp Limited	14	0
Expense on charging infrastructure usage		
Hero MotoCorp Limited	7	1
Commission income		
Hero FinCorp Limited	0	1
Fair valuation impact/cancellation of right to subscribe liability		
Hero MotoCorp Limited	-	(84)
Hero FinCorp Limited	(25)	(12)
Sitting fee paid to Independent Directors		
Neelam Dhawan	1	-
Sanjay Nayak	1	-
Kaushik Dutta	2	-
Managerial remuneration paid to key managerial personnel		
Short-term employee benefits**	76	214
Share based payments	44	667

Balances outstanding with respect to related parties	As at 31 March 2025	As at 31 March 2024
Term loan		
Hero FinCorp Limited	-	1,076
Interest accrued on long term debts		
Hero FinCorp Limited	-	1
Deposit with lender		
Hero FinCorp Limited	-	24
Receivable towards income accounted		
Hero MotoCorp Limited	2	0
Hero FinCorp Limited	0	0
Payable towards expenses accounted		
Hero MotoCorp Limited	1	1

Notes to the Financial Statements

for the year ended 31 March 2025

(Amount in millions of INR unless otherwise stated)

Balances outstanding with respect to related parties	As at 31 March 2025	As at 31 March 2024
Liability towards key managerial personnel**		
Employee benefits	20	84
Share based payments	37	808
Liability towards right to subscribe		
Hero FinCorp Limited	-	25

#During the year ended 31 March 2025, the Company has converted CCPS into equity shares and as a result of which 9,676,314 equity shares, 9,676,314 equity shares and 113,745,626 equity shares have been allotted to Tarun Sanjay Mehta, Swapnil Babanlal Jain and Hero Motocorp Limited respectively.

*Excludes INR 6 millions during year ended 31 March 2025 (31 March 2024 : INR 16 millions) charged to statement of profit & loss on account of effective interest rate calculation as per Ind AS.

**The Actuarial Valuation Report of Gratuity and Compensated absence liabilities are taken for the entire Company without any bifurcation to any specific employee, hence it is not included in related party transactions.

Note: All related party transactions were entered at an arm's length basis and in the ordinary course of business.

Note - 37 FINANCIAL INSTRUMENTS - FAIR VALUE MEASUREMENT

i) The carrying value of financial assets by categories is as follows:

Particulars	As at 31 March 2025	As at 31 March 2024
Measured at fair value through statement of profit and loss (FVTPL)		
Investment in mutual funds	410	2,922
	410	2,922
Measured at amortised cost		
Trade receivables	118	16
Cash and cash equivalents	698	2,279
Other balances with banks	3,006	2,199
Loans	4	2
Other financial assets	1,685	1,323
	5,511	5,819

ii) The carrying value of financial liabilities by categories is as follows:

Particulars	As at 31 March 2025	As at 31 March 2024
Measured at fair value through statement of profit and loss (FVTPL)		
Stock appreciation rights	-	350
Right to subscribe	-	44
	-	394
Measured at amortised cost		
Borrowings	4,499	3,149
Lease liabilities	1,694	1,628
Trade payables	5,609	4,027
Other financial liability	573	1,057
	12,375	9,861

The management assessed that carrying value of cash and cash equivalent, other balances with banks, trade receivables, trade payables, other financial assets, other financial liability, lease liabilities and borrowings approximates their fair value largely due to short-term maturities of these instruments.

Notes to the Financial Statements

for the year ended 31 March 2025

(Amount in millions of INR unless otherwise stated)

iii) Fair value hierarchy

The section explains the judgement and estimates made in determining the fair value of the financial instruments that are:

- a) recognised and measured at fair value.
- b) measured at amortised cost and for which fair values are disclosed in the financial statement.

To provide an indication about the reliability of the inputs used in determining fair value, the Company has classified its financial instruments into three levels as mentioned under Indian accounting standards.

Level 1 - Quoted prices (unadjusted) in active markets for identical assets or liabilities. This category consists of quoted equity shares, quoted debt instruments and mutual fund investments. The fair values of investments in units of mutual funds are based on the Net Asset Value (NAV) as per the fund statement.

Level 2 - This level includes financial assets and liabilities, measured using inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices).

Level 3 - This level includes financial assets and liabilities measured using inputs that are not based on observable market data (unobservable inputs). Fair values are determined in whole or in part, using a valuation model based on assumptions that are neither supported by prices from observable current market transactions in the same instrument nor are they based on available market data.

There are certain financial assets and liabilities which are measured at fair value at the end of each reporting period. Following table gives information about how the fair values of these financial assets and liabilities are determined:

Particulars	Fair value as at 31 March 2025		
	Level 1	Level 2	Level 3
Financial assets and measured at fair values			
Investments	410	-	-
Particulars	Fair value as at 31 March 2024		
	Level 1	Level 2	Level 3
Financial assets and measured at fair values			
Investments	2,922	-	-
Financial liabilities and measured at fair values			
Stock appreciation rights	-	-	350
Right to subscribe	-	-	44

There were no transfers between level 1 and level 2 for recurring fair value measurements during the above year.

There were no significant inter-relationships between unobservable inputs that materially affect fair values.

Note - 38 FINANCIAL RISK MANAGEMENT FRAMEWORK

The Company's activities expose it to a variety of financial risks: credit risk, liquidity risk and market risk. In order to manage the aforementioned risks, the Company operates a risk management policy and a program that performs close monitoring of and responding to each risk factor. The Company is constantly evaluating micro and macro economic factors influencing the business including, economic, geo-political and other risks which may have a bearing on the business or operations. The Company is of the view that the impact of these risks would not have a material impact on the business in medium to long-term business plans. The Company continuously monitors these risks and other developments to identify significant uncertainties.

Notes to the Financial Statements

for the year ended 31 March 2025

(Amount in millions of INR unless otherwise stated)

A. CREDIT RISK

Credit risk arises when a counterparty defaults on its contractual obligations to pay resulting in financial loss to the Company. The Company has adopted a policy of dealing with creditworthy counterparties, as a means of mitigating the risk of financial loss from defaults. This information is supplied by independent rating agencies wherever available and if not available, the Company uses other publicly available financial information and its own trading records to rate its major customer. The Company’s exposure and credit ratings of its counterparties are continuously monitored and the aggregate value of transactions concluded is spread amongst approved counterparties. The Company usually collects advances from the customers and hence these risks would not have a material impact on the business.

Financial instruments that are subject to concentrations of credit risk, principally consist of balance with banks, investments in mutual funds, trade receivables and other financial assets. None of the financial instruments of the Company result in material concentrations of credit risks.

B. LIQUIDITY RISK

(i) Liquidity risk management

Ultimate responsibility for liquidity risk management rests with the board of directors, which has established an appropriate liquidity risk management framework for the management of the Company’s short, medium and long-term funding and liquidity management requirements. The Company manages liquidity risk by maintaining adequate reserves, banking facilities and reserve borrowing facilities, by continuously monitoring forecast and actual cash flows, and by matching the maturity profiles of financial assets and liabilities.

(ii) Maturities of financial liabilities

The following tables detail the Company’s remaining contractual maturity for its non-derivative financial liabilities with agreed repayment periods. The amount disclosed in the tables has been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Company can be required to pay. The contractual maturity is based on the earliest date on which the Company may be required to pay.

Particulars	Carrying value	Less than 1 Year	1-5 Years	5 years and above	Total
As at 31 March 2025					
Trade Payable	5,609	5,604	5	-	5,609
Borrowings	4,499	3,704	1,215	-	4,919
Lease liabilities	1,694	439	1,185	1,082	2,706
Other financial liabilities	573	573	-	-	573
	12,375	10,320	2,405	1,082	13,807
As at 31 March 2024					
Trade Payable	4,027	4,027	-	-	4,027
Borrowings	3,149	3,107	320	-	3,427
Lease liabilities	1,628	383	1,229	1,082	2,694
Other financial liabilities	1,451	1,451	-	-	1,451
	10,255	8,968	1,549	1,082	11,599

C. MARKET RISK

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: interest rate risk, currency risk and other price risk such as equity price risk. The objective of market risk management is to manage and control market risk exposures within acceptable parameters while optimising the return. All such transactions are carried out within the guidelines set by the Board of Directors and Risk Management Committee.

There has been no significant changes to the Company’s exposure to market risk or the methods in which they are managed or measured.

i. Interest Rate Risk

Interest rate risk is the risk that the future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company’s main interest rate risk arises from long-term borrowings and short-term borrowings with variable rates. The Company constantly monitors the credit markets and rebalances its financing strategies to achieve an optimal maturity profile and financing costs.

Notes to the Financial Statements

for the year ended 31 March 2025

(Amount in millions of INR unless otherwise stated)

Interest rate risk exposure

Particulars	As at 31 March 2025	As at 31 March 2024
Floating rate borrowings	918	1,165

Sensitivity analysis

A reasonably possible change of 100 basis points (bps) in interest rates at the reporting date would have increased / (decreased) equity and profit or loss by the amounts shown below. This analysis assumes that all other variables, in particular foreign currency exchange rates, remain constant.

Particulars	For the year ended 31 March 2025	For the year ended 31 March 2024
(Increase) or decrease in loss		
Interest rates – increase by 100 basis points (100 bps)	(9)	(12)
Interest rates – decrease by 100 basis points (100 bps)	9	12

ii. Currency Risk

The Company undertakes transactions denominated in foreign currencies; consequently, exposures to exchange rate fluctuations arise. The Company’s exposure to currency risk relates primarily to the Company’s operating activities and borrowings when transactions are denominated in a different currency from the Company’s functional currency.

Foreign currency sensitivity

The following table details the Company’s sensitivity to a 1% increase and decrease in the INR against the relevant foreign currencies. (+) / (-) 1% is the sensitivity rate used when reporting foreign currency risk internally to key management personnel and represents management’s assessment of the reasonably possible change in foreign exchange rates. The sensitivity analysis includes only outstanding foreign currency denominated monetary items and adjusts their translation at the reporting year end for a 1% change in foreign currency rates. A positive number below indicates an increase in loss, where the INR weakening (+) / (-) 1% against the relevant currency. For a 1% strengthening of the rupees against the relevant currency, there would be a comparable impact on the loss, and the balances below would be positive or negative.

Particulars	USD	EURO
As at 31 March 2025		
A. Exposure		
In foreign currency (absolute numbers)		
Trade payables	63,32,506	2,600
Trade receivable	5,46,570	-
Borrowings	53,54,250	-
In functional currency (INR in millions)		
Trade payables	542	0
Trade receivable	47	-
Borrowings	458	-
Increase or (decrease) in loss for the year ended 31 March 2025		
B. Sensitivity analysis		
1% Increase (in functional currency, INR in million)		
Trade payables	5	0
Trade receivable	(0)	-
Borrowings	5	-
1% Decrease (in functional currency, INR in million)		
Trade payables	(5)	(0)
Trade receivable	0	-
Borrowings	(5)	-

Notes to the Financial Statements

for the year ended 31 March 2025

(Amount in millions of INR unless otherwise stated)

Particulars	USD	EURO
As at 31 March 2024		
A. Exposure		
In foreign currency (absolute numbers)		
Trade payables	80,02,496	1,780
Borrowings	40,22,460	-
In functional currency (INR in millions)		
Trade payables	667	0
Borrowings	335	-
Increase or (decrease) in loss for the year ended 31 March 2024		
B. Sensitivity analysis		
1% Increase (in functional currency, INR in million)		
Trade payables	7	0
Borrowings	3	-
1% Decrease (in functional currency, INR in million)		
Trade payables	(7)	(0)
Borrowings	(3)	-

iii. Other price risk

The Company’s exposure to price risk arises for investment in mutual funds held by the Company. To manage its price risk arising from investments in mutual funds, the Company diversifies its portfolio.

Note - 39 CAPITAL MANAGEMENT

The Company’s capital management objectives are:

- to ensure the Company’s ability to continue as a going concern
- to provide an adequate return to shareholders by pricing products and services commensurately with the level of risk
- to augment requisite resources for future infrastructure requirements

For the purpose of debt to total equity ratio, debt considered is long-term borrowings (including current maturities), short-term borrowings and current and non-current lease liabilities. Total equity comprises of issued share capital, instrument entirely equity in nature and all other equity reserves.

The Company sets the amount of capital in proportion to its overall financing structure, i.e. equity and financial liabilities. The Company manages the capital structure and makes adjustments to it in the light of changes in economic conditions and the risk characteristics of the underlying assets.

Particulars	As at 31 March 2025	As at 31 March 2024
Total equity attributable to the equity shareholders	4,930	5,459
Total Equity (a)	4,930	5,459
Long term borrowings including current maturities	3,643	2,114
Short term borrowings	856	1,035
Lease liabilities	1,694	1,628
Total debt (b)	6,193	4,777
Debt to equity ratio (b)/(a)	1.26	0.88

Notes to the Financial Statements

for the year ended 31 March 2025

The following are analytical ratios for the year ended 31 March 2025 and 31 March 2024 :					(Amount in millions of INR unless otherwise stated)	
Ratio	Numerator	Denominator	31 March 2025	31 March 2024	% Variance	Reason for variance
Current ratio - (no. of times)	Current assets	Current liabilities	0.99	1.14	-13.16%	-
Debt-equity ratio - (no. of times)	Non-current borrowings (+) current borrowings (+) lease liability	Total equity	1.26	0.88	43.18%	Increase in debt-equity ratio mainly due to increase in borrowing during the year and reduction of total equity on account of losses for the year.
Debt service coverage ratio - (no. of times)	Profit/(loss) before depreciation & amortisation + finance costs + exceptional items and tax	Interest expenses + Principal repayments of long-term debt + payment of lease liabilities	(1.38)	(2.26)	-38.94%	Decrease is mainly on account of reduction in loss during the year, increase in repayment of lease liabilities and borrowings.
Return on equity ratio - (no. of times)	Loss for the year	Average Equity	(1.56)	(1.83)	-14.75%	-
Inventory turnover ratio - (no. of times)	Cost of goods sold	Average inventory	10.39	8.72	19.15%	-
Trade receivable turnover ratio - (no. of times)	Revenue from operations	Average trade receivables	336.56	1,252.71	-73.13%	Decrease in trade receivable turnover ratio is due to increase in average trade receivable during the year.
Trade Payable turnover ratio - (no. of times)	Total purchases & other expenses, other than non-cash expenses	Average accounts payable	5.15	4.71	9.34%	-
Net capital turnover ratio - (no. of times)	Revenue from operations	Average working capital (i.e. Current assets (-) Current liabilities)	33.00	7.94	315.62%	Increase in working capital turnover ratio is mainly due to decrease in average working capital on account of increase in short term borrowing during the year and increase in revenue from operations during the year.
Net profit/(loss) ratio (%)	Loss for the year	Revenue from operations	-36.02%	-60.42%	-40.38%	Mainly due to decrease in loss and increase in revenue from operation for the year.
Return on capital employed (%)	Earning before interest and tax	Capital employed (i.e. Tangible net worth + debt)	-80.11%	-118.69%	-32.51%	The improvement in return on capital employed is due to reduction in losses during the year.
Return on investment	Net gain on disposal / fair valuation of investments carried at fair value through profit & loss	Time weighted average investment	7.24%	7.58%	-4.49%	-

Note - 40 ADDITIONAL REGULATORY REQUIREMENT

The following are analytical ratios for the year ended 31 March 2025 and 31 March 2024 :

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for the year ended 31 March 2025

(Amount in millions of INR unless otherwise stated)

Note - 41

a. Details of the stock option plans of the Company

Areas	Employee stock option plan	Management stock option plan	Founders stock option plan
Exercise of options while in employment	Liquidity Events /Cash settlement / Buy back / Purchase by Investor / IPO	Exit Event or IPO	Prior to a Liquidity event
Resignation / Termination (other than due to Breach)	Allowed to carry vested options till liquidity event	Options Lapse	Allowed to carry vested options till liquidity event
Retirement	Allowed to carry vested options till liquidity event	Not defined	Not applicable
Death	Unvested options shall vest immediately and nominee allowed to carry vested options till liquidity event.	Allowed to carry vested options till exit event	Unvested options shall vest immediately and nominee allowed to carry vested options till liquidity event
Termination due to permanent incapacity	Unvested option shall be vested immediately and allowed to carry vested options till liquidity event.	Not defined	Unvested options shall vest immediately allowed to carry vested options till liquidity event.
Abandonment	Vested and unvested options shall be cancelled	Not defined	Options Lapse
Any other reasons	At the discretion of the Board	Options Lapse	At the discretion of the Board
Reconstruction	As defined in Liquidity event	As defined in Exit event	As defined in Liquidity event
Lapse	Cash settlement / Buy back / Purchase by Investor / IPO/ Abandonment	Resignation/ Termination due to breach	Termination due to breach
Lock in Period	Not applicable	Not defined	Not defined

The activity of the Plans are as follows:

Particulars	Shares arising out of Employee stock option plan (refer note 12.1.1(i)(b))		Management stock option plan (refer note (a) and (b) below)		Shares arising out of Founders stock option plan (refer note 12.1.1(i)(a&b))	
	As at 31 March 2025	As at 31 March 2024	As at 31 March 2025	As at 31 March 2024	As at 31 March 2025	As at 31 March 2024
Outstanding at the beginning of the year	46,579	38,835	-	46,598	3,476	3,476
Granted/adjustment	26,78,257	8,510	-	-	-	-
Increased consequent to issue of bonus shares (refer note 12.1.1(i)(b)))	1,39,78,777	-	-	-	9,03,760	-
Exercised	-	-	-	-	(9,07,236)	-
Cancelled	(1,72,301)	(766)	-	(46,598)	-	-
Cash settled	-	-	-	-	-	-
Outstanding at the end of the year	1,65,31,312	46,579	-	-	-	3,476
Exercisable at the end of the year	1,06,81,730	33,992	-	-	-	3,476
Weighted average remaining contractual life	2.54 years	2.40 years	-	-	-	-

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for the year ended 31 March 2025

(Amount in millions of INR unless otherwise stated)

The fair value for the above stock options on the date of grant using the Black Scholes Merton Model with the following assumptions

Particulars	Employee stock option plan		Management stock option plan (refer note (a) and (b) below)		Founders stock option plan	
	As at 31 March 2025	As at 31 March 2024	As at 31 March 2025	As at 31 March 2024	As at 31 March 2025	As at 31 March 2024
Weighted average share price (INR)	1 to 299*	1 to 78,008	-	-	-	48,926
Exercise Price (INR)	0.0038 to 1*	1	-	-	-	1
Expected Volatility	35%	35%	-	-	-	40%
Expected life of the Options	5-8 years	5-8 years	-	-	-	1.5 years
Expected Dividends (%)	0%	0%	-	-	-	0%
Risk free interest rate (%)	6.92% - 7.41%	6.86% - 7.11%	-	-	-	4.76%

* Include impact of issue of bonus share

Notes:

- (a) During the year ended 31 March 2024, the value of the share price is calculated as per Black Scholes method and number of units that are expected to vest is calculated using Monte Carlo simulation.
- (b) During the year ended 31 March 2024, the board, in its meeting dated 31 March 2024, has approved the cancellation of MSOP 2022 including all options granted and also approved the payment of lump sum cash consideration, based on the fair value of the said options cancelled, in lieu of cancellation of all options under MSOP 2022. On cancellation of MSOP 2022, INR 596 million has been accounted immediately in the statement of profit and loss for the year ended 31 March 2024 as an acceleration of vesting. On the date of such cancellation, the fair value of the options of INR 745 million settled in cash and is accounted as a deduction from other equity.
- (c) In addition to ESOP, MSOP and FSOP, the Company has issued 2,403 options during the year ended 31 March 2024 to be settled in equity under the share based payment arrangement entered with advisors in earlier years. The said options were cancelled during the year ended 31 March 2025.
- (d) In addition to above, the Board of Directors vide their resolution dated 09 July 2024 allotted 74,148 Series F – CCPS of face value of INR 1 each with a premium of INR 11,673 per share and the said CCPS accounted as share based payments considering the terms of the issue of Series F CCPS in accordance “IND AS 102-Share-based Payment” under the head other equity. Further, the Board of Directors vide their resolution dated 25 February 2025 approved the conversion of 74,148 Series F CCPS into 1,93,52,628 equity shares in the conversion ratio of 261:1 with the face value of INR 1 each ranking pari-passu with the existing equity shares of the Company. The conversion ratio of the CCPS into Equity Shares have been adjusted as per Bonus issuance.

Notes to the Financial Statements

for the year ended 31 March 2025

(Amount in millions of INR unless otherwise stated)

b. Details of the cash settled share based payment plans of the Company

Areas	Stock Appreciation Rights Plan 2020 ("Ather SARs 2020")	Founders stock option plan
Exercise of options while in employment	Cash Settlement on Liquidity Events	Prior to a Liquidity event
Resignation / Termination (other than due to Breach)	Allowed to carry vested SARs till liquidity event	Allowed to carry vested options till liquidity event
Retirement	Allowed to carry vested SARs till liquidity event	Not Applicable
Death	Unvested options shall vest immediately and nominee allowed to carry vested options till liquidity event	Unvested options shall vest immediately and nominee allowed to carry vested options till liquidity event
Termination due to permanent incapacity	Unvested options shall vest immediately and allowed to carry vested options till liquidity event	Unvested options shall vest immediately allowed to carry vested options till liquidity event.
Abandonment	Vested and unvested options shall be cancelled	Options Lapse
Any other reasons	At the discretion of the Committee	At the discretion of the Board
Reconstruction	As defined in Liquidity event	As defined in Liquidity event
Lapse	Resignation/ Termination due to breach	Termination due to breach
Lock in Period	Not applicable	Not defined

The activity of the Plans are as follows:

Particulars	Shares arising out of Ather SARs 2020		Shares arising out of Founders stock option plan	
	As at 31 March 2025	As at 31 March 2024	As at 31 March 2025	As at 31 March 2024
Outstanding at the beginning of the year	3,752	3,588	1,738	1,738
Increased consequent to issue of bonus shares (refer note 12.1.1(i)(b)))	9,75,520	-	4,51,880	-
Granted/adjustment	-	164	-	-
Settled / adjustment	(9,79,272)	-	(4,53,618)	-
Outstanding at the end of the year	-	3,752	-	1,738
Weighted average remaining contractual life	-	0.61 years	-	-

Notes :

- (a) The Board of Directors of our Company in its meeting held on 18 June 2024 and shareholders of our Company in the Extraordinary General Meeting held on 21 June 2024 approved the issuance of bonus equity share of INR 1 each in the ratio of 260:1 and 224:1 for the equity shares of INR 1 each and for the equity shares of INR 37 each respectively and also approved the sub-division of 3,530 equity shares of INR 37 each into 1,30,610 equity shares of INR 1 each. The conversion ratio of the Compulsory Convertible Preference Shares into Equity Shares and the employee stock options along with its price per option have been adjusted accordingly.
- (b) In addition to above, the Company has 164 options during the year ended 31 March 2024 to be settled in cash under the share based payment arrangement entered with advisors in earlier years. The said 164 options were cancelled during the year ended 31 March 2025.

Notes to the Financial Statements

for the year ended 31 March 2025

(Amount in millions of INR unless otherwise stated)

Note - 42

The financial statements are presented in INR in million. Those items which are required to be disclosed and which were not presented in the financial statement due to rounding off to the nearest INR in million are given below as applicable:

Balance Sheet	As at 31 March 2025	As at 31 March 2024
ASSETS		
NON CURRENT ASSETS		
Capital work-in-progress	-	2,58,232
EQUITY AND LIABILITIES		
EQUITY		
Equity share capital	-	2,41,640

Statement of Cash Flows	For the year ended 31 March 2025	For the year ended 31 March 2024
Adjustments under cash flow from operating activities		
Sundry balances written off	1,09,435	-
Gain on sale of property, plant and equipment, net	(1,89,010)	-
Cash flows from investing activities		
Proceeds from disposal of property, plant and equipment	3,60,595	-

Statement of Changes in Equity: A.Equity share capital

Particulars	Equity Shares of INR 1 each		Equity Shares of INR 37 each	
	No of Shares	Amount in INR	No of Shares	Amount in INR
As at 01 April 2023	1,11,030	1,11,030	3,530	1,30,610
Issue of equity share during the period	-	-	-	-
As at 31 March 2024	1,11,030	1,11,030	3,530	1,30,610
Issue of equity shares by sub-division of face value from INR 37 to INR 1 (refer note 12.1.1(i)(b))	1,30,610	1,30,610	(3,530)	(1,30,610)

Statement of Changes in Equity: B.Instruments entirely equity in nature - Compulsorily convertible preference shares (CCPS)

Particulars	Compulsorily convertible preferenceshares of INR 1 each	
	No of Shares	Amount in INR
As at 01 April 2023	74,732	74,732
Issue of compulsorily convertible preference share during the period	-	-
As at 31 March 2024	74,732	74,732
As at 01 April 2024	74,732	74,732
Issue of compulsorily convertible preference shares during the period(refer note 12.2.11 and 12.2.12)	-	-
As at 31 March 2025	74,732	74,732

Notes to the Financial Statements

for the year ended 31 March 2025

(Amount in millions of INR unless otherwise stated)

Statement of Changes in Equity: C. Other Equity

Particulars	Reserves and Surplus			Total
	Retained earnings	Securities Premium	Stock Options Outstanding Account	
Issue of bonus compulsorily convertible preference shares during the year (refer note 13(a) and note 16(i))	-	(1,80,880)	-	(1,80,880)

Note No. 2 (a)

PROPERTY, PLANT AND EQUIPMENT

Particulars	Electrical Equipment	Furniture and Fittings	Vehicles	Office Equipment
Gross Carrying Amount				
Disposals during the period 01 April 2024 to 31 March 2025	-	(3,44,667)	(70,500)	(3,71,329)
Accumulated depreciation and impairment				
Reversal of accumulated depreciation on disposal during the period 01 April 2023 to 31 March 2024	(1,84,582)	(3,86,066)	-	-
Reversal of accumulated depreciation on disposal during the period 01 April 2024 to 31 March 2025	-	(1,93,367)	(51,929)	(1,60,506)

Note No. 2 (c)

CAPITAL WORK-IN-PROGRESS

Particulars	As at 31 March 2025	As at 31 March 2024
Balance at the beginning of the year	2,75,938	
Balance at the end of the year		2,58,232

Capital work-in-progress (CWIP) ageing as at 31 March 2024

Particulars	Amount in CWIP for a period of				Total
	< 1 year	1-2 years	2-3 years	> 3 years	
Projects in progress	2,58,232	-	-	-	2,58,232
Total	2,58,232	-	-	-	2,58,232

Note No. 2 (e)

INTANGIBLE ASSETS UNDER DEVELOPMENT

Intangible Assets Under Development Ageing schedule as at 31 March 2025

Particulars	Amount in CWIP for a period of				Total
	< 1 year	1-2 years	2-3 years	> 3 years	
Projects in progress	-	-	52,813	-	52,813
Total	-	-	52,813	-	52,813

Notes to the Financial Statements

for the year ended 31 March 2025

(Amount in millions of INR unless otherwise stated)

Note - 3 OTHER FINANCIAL ASSETS

Particulars	As at 31 March 2025	As at 31 March 2024
Non-current		
Term deposits (with balance maturity of more than 12 months) *	-	57,000

Note - 5 INVENTORIES

Particulars	As at 31 March 2025	As at 31 March 2024
Work-in-progress	-	3,55,972

Note - 7 TRADE RECEIVABLES

Trade receivables ageing as at 31 March 2024

Particulars	Outstanding for the following periods from transaction date						Total
	Not due	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	
Undisputed							
- Considered good	-	-	4,66,172	-	-	-	4,66,172
Total	-	-	4,66,172	-	-	-	4,66,172

Note - 12 EQUITY SHARE CAPITAL AND INSTRUMENT ENTIRELY EQUITY IN NATURE

Particulars	As at 31 March 2025		As at 31 March 2024	
	No of Shares	Amount (INR)	No of Shares	Amount (INR)
Authorised Capital				
Equity Share Capital				
Equity Shares of INR 1 each	-	-	2,87,158	2,87,158
Equity shares of INR 37 each	-	-	3,530	1,30,610
Preference Share Capital				
Series A Compulsorily Convertible Preference Shares of INR 1 each	74,732	74,732	74,732	74,732
Series B1 Compulsorily Convertible Preference Shares of INR 10 each	29,347	2,93,470	29,347	2,93,470
Series C Compulsorily Convertible Preference Shares of INR 10 each	29,699	2,96,990	29,699	2,96,990
Series C1 Compulsorily Convertible Preference Shares of INR 10 each	20,688	2,06,880	20,688	2,06,880
Series F Compulsorily Convertible Preference Shares of INR 1 each	74,148	74,148	-	-

Notes to the Financial Statements

for the year ended 31 March 2025

(Amount in millions of INR unless otherwise stated)

Particulars	As at 31 March 2025		As at 31 March 2024	
	No of Shares	Amount (INR)	No of Shares	Amount (INR)
Issued, Subscribed and Paid up Share Capital				
Equity Share Capital				
Equity Shares of INR 1 each	-	-	1,11,030	1,11,030
Equity shares of INR 37 each	-	-	3,530	1,30,610
Preference Share Capital (instrument entirely equity in nature)				
Series A Compulsorily Convertible Preference Shares of INR 1 each	-	-	74,732	74,732
Series B1 Compulsorily Convertible Preference Shares of INR 10 each	-	-	29,347	2,93,470
Series C Compulsorily Convertible Preference Shares of INR 10 each	-	-	29,699	2,96,990
Series C1 Compulsorily Convertible Preference Shares of INR 10 each	-	-	20,688	2,06,880
Compulsorily Convertible Preference Shares of INR 10 each	-	-	18,088	1,80,880

12.1. Equity Share Capital

12.1.1 Equity Shares of INR 1 each Fully paid up.

(i) Reconciliation of shares outstanding at the beginning and at the end of reporting year

Particulars	As at 31 March 2025		As at 31 March 2024	
	No of Shares	Amount (INR)	No of Shares	Amount (INR)
Opening Balance	1,11,030	1,11,030	1,11,030	1,11,030
Add: Issue of equity shares by sub-division of face value from INR 37 to INR 1 (refer note (b) below)	1,30,610	1,30,610	-	-

12.1.2 Equity Shares of INR 37 each

(i) Reconciliation of shares outstanding at the beginning and at the end of reporting year

Particulars	As at 31 March 2025		As at 31 March 2024	
	No of Shares	Amount (INR)	No of Shares	Amount (INR)
Opening Balance	3,530	1,30,610	3,530	1,30,610
Less: Transfer to equity shares of INR 1 each post sub-division (refer note 12.1.1(i)(b))	(1,30,610)	(1,30,610)	-	-
Closing Balance	-	-	3,530	1,30,610

Notes to the Financial Statements

for the year ended 31 March 2025

(Amount in millions of INR unless otherwise stated)

12.2. Instrument entirely equity in nature

12.2.2 Series A Compulsorily Convertible Preference Shares of INR 1 each (CCPS)

(i) Reconciliation of shares outstanding at the beginning and at the end of reporting year

Particulars	As at 31 March 2025		As at 31 March 2024	
	No of Shares	Amount (INR)	No of Shares	Amount (INR)
Opening Balance	74,732	74,732	74,732	74,732
Less: Conversion of CCPS into Equity shares (refer note 12.2.12(ix) below)	(74,732)	(74,732)	-	-
Closing Balance	-	-	74,732	74,732

12.2.4 Series B1 Compulsorily Convertible Preference Shares of INR 10 each (CCPS)

(i) Reconciliation of shares outstanding at the beginning and at the end of reporting year

Particulars	As at 31 March 2025		As at 31 March 2024	
	No of Shares	Amount (INR)	No of Shares	Amount (INR)
Opening Balance	29,347	2,93,470	29,347	2,93,470
Less: Conversion of CCPS into Equity shares (refer note 12.2.12(ix) below)	(29,347)	(2,93,470)	-	-
Closing Balance	-	-	29,347	2,93,470

12.2.5 Series C Compulsorily Convertible Preference Shares of INR 10 each (CCPS)

(i) Reconciliation of shares outstanding at the beginning and at the end of reporting year

Particulars	As at 31 March 2025		As at 31 March 2024	
	No of Shares	Amount (INR)	No of Shares	Amount (INR)
Opening Balance	29,699	2,96,990	29,699	2,96,990
Less: Conversion of CCPS into Equity shares (refer note 12.2.12(ix) below)	(29,699)	(2,96,990)	-	-
Closing Balance	-	-	29,699	2,96,990

12.2.6 Series C1 Compulsorily Convertible Preference Shares of INR 10 each (CCPS)

(i) Reconciliation of shares outstanding at the beginning and at the end of reporting year

Particulars	As at 31 March 2025		As at 31 March 2024	
	No of Shares	Amount (INR)	No of Shares	Amount (INR)
Opening Balance	20,688	2,06,880	20,688	2,06,880
Less: Conversion of CCPS into Equity shares (refer note 12.2.12(ix) below)	(20,688)	(2,06,880)	-	-
Closing Balance	-	-	20,688	2,06,880

Notes to the Financial Statements

for the year ended 31 March 2025

(Amount in millions of INR unless otherwise stated)

12.2.11 Series F Compulsorily Convertible Preference Shares of INR 1 each (CCPS)

(i) Reconciliation of shares outstanding at the beginning and at the end of reporting year

Particulars	As at 31 March 2025		As at 31 March 2024	
	No of Shares	Amount (INR)	No of Shares	Amount (INR)
Opening Balance	-	-	-	-
Add: Issued during the year	74,148	74,148	-	-
Less: Conversion of Series F CCPS into Equity shares (refer note 12.2.12(vii))	(74,148)	(74,148)		
Closing Balance	-	-	-	-

12.2.12 Compulsorily Convertible Preference Shares of INR 10 each (CCPS)

(i) Reconciliation of shares outstanding at the beginning and at the end of reporting year

Particulars	As at 31 March 2025		As at 31 March 2024	
	No of Shares	Amount (INR)	No of Shares	Amount (INR)
Opening Balance* (refer note 12.2.12(ii) below)	18,088	1,80,880	-	-
Add: Issued during the year (Series G) (refer note 12.2.12(v) and (vi) below)	-	-	18,088	1,80,880
Closing Balance			18,088	1,80,880

Note - 13 OTHER EQUITY

Particulars	As at 31 March 2025	As at 31 March 2024
Add : Issue of bonus compulsorily convertible preference shares during the year (refer note (a) below and note 16(ii))	-	(1,80,880)

Note - 19 TRADE PAYABLES

(a)Trade Payables ageing as at period ended 31 March 2025

Particulars	Outstanding for the following periods from transaction date				
	Not due	Less than 1 year	1-2 Years	2-3 years	More than 3 years
Undisputed					
- MSME	-	-	-	6,131	-
- Others	-	-	-	-	2,49,990
Total				6,131	2,49,990

(b)Trade Payables ageing as at period ended 31 March 2024

Particulars	Outstanding for the following periods from transaction date				
	Not due	Less than 1 year	1-2 Years	2-3 years	More than 3 years
Undisputed					
- MSME					
- Others	-	-	2,50,427	-	-
Total	-	-	-	27,193	1,89,595
			2,50,427	27,193	1,89,595

Notes to the Financial Statements

for the year ended 31 March 2025

(Amount in millions of INR unless otherwise stated)

Note - 21 OTHER INCOME

Particulars	For the year ended 31 March 2025	For the year ended 31 March 2024
Gain on sale of property, plant and equipment, net	1,89,010	-

Note - 24 CHANGE IN INVENTORIES OF FINISHED GOODS, STOCK-IN-TRADE AND WORK-IN-PROGRESS

Particulars	For the year ended 31 March 2025	For the year ended 31 March 2024
Inventories at the beginning of the year		
- Work-in-Progress	3,55,792	-
Inventories at the end of the year		
- Work-in-Progress	-	3,55,792

Note - 28 OTHER EXPENSES

Particulars	For the year ended 31 March 2025	For the year ended 31 March 2024
Sundry balances written off (refer note (c))	1,09,435	-
Payment to auditors		
- Reimbursement	-	2,65,997

Note - 36 RELATED PARTY DISCLOSURES

Related party transactions:	For the year ended 31 March 2025	For the year ended 31 March 2024
Issue of bonus equity shares (refer note 12.1.1(i)(b))		
Hero MotoCorp Limited	2,85,480	-
Commission income		
Hero FinCorp Limited	9,673	-
Revenue from charging infrastructure usage		
Hero MotoCorp Limited	-	4,14,174

Balances outstanding with respect to related parties	For the year ended 31 March 2025	For the year ended 31 March 2024
Receivable towards income accounted		
Hero MotoCorp Limited		4,50,994
Hero FinCorp Limited	20,873	1,56,038

Notes to the Financial Statements

for the year ended 31 March 2025

(Amount in millions of INR unless otherwise stated)

Note - 38 FINANCIAL RISK MANAGEMENT FRAMEWORK

Foreign currency sensitivity

Particulars	USD	EURO
As at 31 March 2025		
A. Exposure		
In functional currency (INR in millions)		
Trade payables	-	2,40,044
B. Sensitivity analysis		
1% Increase (in functional currency, INR)		
Trade payables	-	2,400
Trade receivable	(4,67,762)	-
1% Decrease (in functional currency, INR)		
Trade payables	-	(2,400)
Trade receivable	4,67,762	-
As at 31 March 2024		
A. Exposure		
In functional currency (INR)		
Trade payables	-	1,60,567
B. Sensitivity analysis		
1% Increase (in functional currency, INR)		
Trade payables	-	1,606
1% Decrease (in functional currency, INR)		
Trade payables	-	(1,606)

Note 43

As of the balance sheet date, the Company has an aggregate sum of INR 1.69 million equivalent to USD 17,920.07 and EURO 1,700 (31 March 2024: INR 1 million equivalent to USD 7,321 and EURO 450) payable to overseas Companies towards import of goods and services which are outstanding beyond the prescribed time limit for payment as per the extant Foreign Exchange Management Act (FEMA) regulations.

Note 44: Events after reporting period:

Subsequent to the year ended 31 March 2025, the Company has completed Initial Public Offer (“IPO”) of 92,867,945 equity shares of face value of INR 1 each at an issue price of INR 321 per share, comprising of fresh issue of 81,816,199 shares, out of which 81,716,199 equity shares were issued at an offer price of INR 321 per equity share to all the allottees and 100,000 equity shares were issued at an offer price of INR 291 per equity share, after a discount of INR 30 per equity share to employees aggregating to INR 26,260 million and offer for sale of 11,051,746 equity shares by the selling shareholders aggregating to INR 3,548 million. Pursuant to the IPO, the equity shares of the Company were listed on the National Stock Exchange (“NSE”) and Bombay Stock Exchange (“BSE”) on 6 May 2025.

According to the management’s evaluation at events subsequent to the balance sheet date there were no significant adjusting events that occurred other than those disclosed/given effect to, in these financial statements as of 31 March 2025.

Note 45

There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

Notes to the Financial Statements

for the year ended 31 March 2025

(Amount in millions of INR unless otherwise stated)

Note 46 : Other statutory disclosures

- A.

The Company has not advanced or loaned or invested funds (either borrowed funds or share premium or any other sources or kinds of funds) to any other persons or entities, including foreign entities (Intermediaries) with the understanding (whether recorded in writing or otherwise) that the Intermediary shall;

i.

directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company (Ultimate Beneficiaries) or

ii.

provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries”
- B.

The Company has not received any funds from any persons or entities, including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Company shall;

i.

directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or

ii.

provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.”

Note 47

As at 31 March 2025, there are no proceedings initiated or pending against the Company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules made thereunder.

Note 48

The Company has not traded or invested in Crypto currency or Virtual Currency during the year ended 31 March 2025 and year ended 31 March 2024.

Note 49

The Company has not entered into any scheme of arrangement which has an accounting impact during the year ended 31 March 2025 and the year ended 31 March 2024.

Note 50

The Code on Social Security, 2020 (the Code) has been enacted, which would impact the contributions by the Company towards Provident Fund and Gratuity. The effective date from which the changes are applicable is yet to be notified. The Ministry of Labour and Employment (the Ministry) has released draft rules for the Code on 13 November 2020. The Company will complete its evaluation and will give appropriate impact in its financial statements in the period in which the Code becomes effective and the related rules are published.

Note 51

There is no income surrendered or disclosed as income during the year ended 31 March 2025 and year ended 31 March 2024 in the tax assessments under the Income Tax Act, 1961, that has not been recorded in the books of account.

For and on behalf of Board of Directors of
Ather Energy Limited (formerly known as Ather Energy Private Limited)

Tarun Sanjay Mehta
Executive Director and Chief Executive Officer
DIN: 06392463

Swapnil Babanlal Jain
Executive Director and Chief Technical Officer
DIN: 06682759

Sohil Dilipkumar Parekh
Chief Financial Officer

Puja Aggarwal
Company Secretary and Compliance Officer

Date: 12 May 2025
Place: Bengaluru



Registered Office Address

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Park, # 4/1, Bannerghatta Main Road,
Bengaluru 560 029, Karnataka, India.

Corporate Office Address

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