

INDEPENDENT AUDITOR'S REPORT

To the Members of VE Commercial Vehicles Limited

Report on the Audit of the Standalone Financial Statements

Opinion

We have audited the standalone financial statements of VE Commercial Vehicles Limited ("the Company"), which comprise the Balance sheet as at March 31, 2026, the Statement of Profit and Loss, including the statement of Other Comprehensive Income, the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and notes to the standalone financial statements, including a summary of material accounting policies and other explanatory information in which are included the returns for the year ended on that date audited by the branch auditor of the Company's branches located at Dubai, UAE.

In our opinion and to the best of our information and according to the explanations given to us and based on the consideration of reports of other auditor on separate financial statements and on the other financial information of the branch, the aforesaid standalone financial statements give the information required by the Companies Act, 2013, as amended ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2026, its profit including other comprehensive income, its cash flows and the changes in equity for the year ended on that date.

Basis for Opinion

We conducted our audit of the standalone financial statements in accordance with the Standards on Auditing (SAs), as specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the 'Auditor's Responsibilities for the Audit of the Standalone Financial Statements' section of our report. We are independent of the Company in accordance with the 'Code of Ethics' issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the standalone 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's report, but does not include the standalone financial statements and our auditor's report thereon.

Our opinion on the standalone financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the standalone financial statements, our responsibility is to read the other information and, in doing so, consider whether such other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibility of Management for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect

to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015 as amended. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

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

Auditor's Responsibilities for the Audit of the Standalone Financial Statements

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

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

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

branch to express an opinion on the standalone financial statements. For the branch included in the standalone financial statements, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

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

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

Other Matters

We did not audit the financial statements and other financial information of 1 branch included in the accompanying standalone financial statements of the Company whose financial statements and other financial information reflect total assets of Rs. 107.7 million as at March 31, 2026 and the total revenues of Rs. 157.0 million for the year ended on that date, as considered in the financial statements/information of this branch have been audited by the branch auditor whose report has been furnished to us, and our opinion in so far as it relates to the amounts and disclosures included in respect of branch, is based solely on the report of such branch auditor. Our opinion is not modified in respect of these matters.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the "Annexure 1" a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by Section 143(3) of the Act, we report, to the extent applicable, that:
 - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
 - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books and proper returns adequate for the purposes of our audit have been received from the branches not visited by us;
 - (c) The report on the accounts of the branch office of the Company audited under Section 143(8) of the Act by branch auditor has been sent to us and have been properly dealt with by us in preparing this report;
 - (d) The Balance Sheet, the Statement of Profit and Loss including the Statement of Other Comprehensive Income, the Cash Flow Statement and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account and with the returns received from the branches not visited by us;
 - (e) In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015, as amended;
 - (f) On the basis of the written representations received from the directors as on March 31, 2026 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2026 from being appointed as a director in terms of Section 164 (2) of the Act;
 - (g) With respect to the adequacy of the internal financial controls with reference to these standalone financial statements and the operating effectiveness of such controls, refer to our separate Report in "Annexure 2" to this report;

- (h) In our opinion, the managerial remuneration for the year ended March 31, 2026 has been paid / provided by the Company to its directors in accordance with the provisions of section 197 read with Schedule V to 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 standalone financial statements – Refer Note 40 to the standalone financial statements;
 - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;
 - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
 - iv.
 - a) The management has represented that, to the best of its knowledge and belief, as stated in note 51(i) to the standalone 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, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;
 - b) The management has represented that, to the best of its knowledge and belief, as stated in note 51(j) to the standalone 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, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and
 - c) Based on such 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 sub-clause (a) and (b) contain any material misstatement.
 - v. The final dividend paid by the Company during the year in respect of the same declared for the previous year is in accordance with section 123 of the Act to the extent it applies to payment of dividend.

As stated in note 18 to the standalone financial statements, the Board of Directors of the Company have proposed final dividend for the year which is subject to the approval of the members at the ensuing Annual General Meeting. The dividend declared is in accordance with section 123 of the Act to the extent it applies to declaration of dividend.
 - vi. Based on our examination, which included test checks, as stated in Note 52 to the financial statements, the Company has used two accounting software for maintaining its books of account which has a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the software. Further, during the course of our audit we did not come across any instance of audit trail feature being tampered with in respect of accounting software.

Additionally, the audit trail has been preserved by the Company as per the statutory requirements for record retention to the extent it was enabled and recorded in that year, as stated in Note 52 to the financial statements.

For **S.R. Batliboi & Co. LLP**

Chartered Accountants

ICAI Firm Registration Number: 301003E/E300005

per Sonika Loganey

Partner

Membership Number: 502220

UDIN:

Place of Signature: Gurugram

Date: May 18, 2026

Annexure 1 referred to in paragraph 1 under the heading “Report on other legal and regulatory requirements” of our report of even date

Re: VE Commercial Vehicles Limited (‘the Company’)

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 the Property, plant and equipment.
(B) The Company has maintained proper records showing full particulars of intangibles assets.
- b. All Property, plant and equipment were physically verified by the management in the year in accordance with a planned programme of verifying them once in three years, except for assets lying with third parties which have been confirmed by them during the year, which in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. No material discrepancies were noticed on such verification.
- c. The title deeds of immovable properties (other than properties where the Company is the lessee and the lease agreements are duly executed in favour of the lessee) disclosed in note 5 to the financial statements included in Property, plant and equipment are held in the name of the Company. Certain title deeds of the immovable Properties, in the nature of freehold land & buildings are not individually held in the name of the Company, as indicated in the below mentioned cases

Description of Property	Gross carrying value (in Rs. million)	Held in name of	Whether promoter, director or their relative or employee	Period held – indicate range, where appropriate	Reason for not being held in the name of Company*
Land and Building at Bhiwandi	71.2	Volvo Group India Private Limited	No	February 02, 2009	Pending registration in the name of the company.
Land and Building at Ahmedabad	0.4	Eicher Motors Limited	No	August 22, 2008	Pending registration in the name of the company.

- d. The Company has not revalued its Property, plant and equipment (including Right-of-use assets) or intangible assets during the year ended March 31, 2026.
- e. There are no proceedings initiated or are pending against the Company for holding any benami property under the Prohibition of Benami Property Transactions Act, 1988 and rules made thereunder.
- (ii) (a) Physical verification of inventory has been conducted at reasonable intervals during the year by management except for inventories lying with third parties. In our opinion, the coverage and procedure of such verification by the management is appropriate. Inventories lying with third parties have been confirmed by such third parties as at March 31, 2026. There were no discrepancies of 10% or more noticed, in the aggregate for each class of inventory.
- (b) As disclosed in note 51 to the financial statements, the Company has been sanctioned working capital limits in excess of Rs. five crores in aggregate from banks during the year on the basis of security of current assets of the Company. Based on the records examined by us in the normal course of audit of the financial statements, the quarterly returns/statements filed by the Company with such banks are in agreement with the unaudited books of accounts of the Company. The Company has not been sanctioned working capital limits from any financial institutions.

- (iii) (a) During the year the Company has provided loans, stood guarantee to companies and any other parties as follows:

	Guarantees	Security	Loans	Advances in nature of loans
Aggregate amount granted/ provided during the year		-	-	-
- Subsidiaries	346.3 million	-	-	-
- Joint Ventures	-	-	-	-
- Associates	-	-	-	-
- Others (Employees)	-	-	15.33 million	-
Balance outstanding as at balance sheet date in respect of above cases		-		-
- Subsidiaries	346.3 million	-	-	-
- Joint Ventures	-	-	-	-
- Associates	-	-	-	-
- Others (Employees)	-	-	63.7million	-

During the year the Company has not provided advances in the nature of loans and security to Companies, firms, Limited Liability Partnerships or any other parties.

(b) During the year the investments made, guarantees provided and the terms and conditions of the grant of all loans, investments and guarantees to companies and any other parties are not prejudicial to the Company's interest.

(c) The Company has granted loans during the year to other parties where the schedule of repayment of principal and payment of interest has been stipulated and the repayment or receipts are regular.

(d) There are no amounts of loans and advances in the nature of loans granted to companies, firms, limited liability partnerships or any other parties which are overdue for more than ninety days.

(e) There were no loans or advance in the nature of loan granted to companies, firms, Limited Liability Partnerships or any other parties which had fallen due during the year, that have been renewed or extended or fresh loans granted to settle the overdue of existing loans given to the same parties.

(f) 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 to companies, firms, Limited Liability Partnerships or any other parties. Accordingly, the requirement to report on clause 3(iii)(f) of the Order is not applicable to the Company.

- (iv) The Company has not advanced loans to directors / to a company in which the Director is interested or given security to which provisions of section 185 and 186 of the Companies Act, 2013 is applicable and hence not commented upon. Further, provisions of section 185 and 186 of the Companies Act 2013 in respect of loans and advances given, investments made and guarantees, given have been complied with by the Company.
- (v) The Company has neither accepted any deposits from the public nor accepted any amounts which are deemed to be deposits within the meaning of sections 73 to 76 of the Companies Act and the rules made thereunder, to the extent applicable. Accordingly, the requirement to report on clause 3(v) of the Order is not applicable to the Company.
- (vi) We have broadly reviewed the books of accounts maintained by the Company pursuant to the rules made by the Central Government for the maintenance of cost records under Section 148(1) of the Companies Act, 2013, related to the manufacture of Engines, and are of the opinion that prima facia, the specified

accounts and records have been made and maintained. We have not, however, made a detailed examination of the same.

- (vii) (a) The Company is regular in depositing with appropriate authorities undisputed statutory dues including provident fund, employees' state insurance, income-tax, goods and services tax, customs duty, cess and other statutory dues applicable to it. According to the information and explanations given to us, and based on audit procedures performed by us, no undisputed amounts payable in respect of these statutory dues were outstanding, at the year end, for a period of more than six months from the date they became payable. There are no undisputed statutory dues payable for sales-tax, Service tax, duty of excise and Value added tax.
- (b) The dues of goods and services tax, provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of custom, duty of excise, value added tax, cess, and other statutory dues have not been deposited on account of any dispute, are as follows:

Name of the statute	Forum where dispute is pending	Amount (Rs. in million)*	Amount paid under protest (Rs. in million)	Period to which the amount relates
Central Excise Act	Appellate Authority upto Commissioner's level	1.2	-	1991-92 to 1997-98
Central Excise Act	CESTAT	42.5	38.4	2000-01 to 2015-16
Sales Tax Act	Appellate Authority upto Commissioner's level	1,621.6	141.8	1995-96, 2004-05 to 2017-18
Sales Tax Act	Appellate Tribunal	85.2	24.1	1991-92 to 1994-95, 1998-99 to 2000-01, 2002-03, 2009-10, 2011-12, 2013-14 and 2014-15
Sales Tax Act	High Court	60.1	3.0	1995-96, 2000-01, 2005-06 & 2008-09 & 2009-10
Finance Act, 1994 (Service Tax)	CESTAT	10.2	-	2003-07 to 2007-08, 2009-10, 2011-12, 2012-13, 2014-17
	CESTAT _ GST	0.9	-	
GST Act, 2017	Appellate Authority upto Commissioner's level	3,122.4	150.3	2017-18 to 2019-20 and 2021-22
Income Tax Act, 1961	ITAT	144.5	-	2012-13 to 2013-14
Income Tax Act, 1961	Appellate Authority upto Commissioner's level	419.5	-	2017-18 to 2020-21
Income Tax Act, 1961	Dispute Resolution Panel	269.2	-	2017-18 to 2020-21
*Amount as per demand orders including interest and penalty wherever indicated in the order.				

There are no dues of provident fund, employees' state insurance, customs duty, value added tax, cess, and other statutory dues which have not been deposited on account of any dispute.

- (viii) The Company has not surrendered or disclosed any transaction, previously unrecorded in the books of account, in the tax assessments under the Income Tax Act, 1961 as income during the year. Accordingly, the requirement to report on clause 3(viii) of the Order is not applicable to the Company.
- (ix) (a) The Company has not defaulted in repayment of loans or other borrowings or in the payment of interest thereon to any lender.

- (b) The Company has not been declared willful defaulter by any bank or financial institution or government or any government authority.
- (c) The Company did not have any term loans outstanding during the year hence, the requirement to report on clause 3(ix)(c) of the Order is not applicable to the Company.
- (d) On an overall examination of the financial statements of the Company, no funds raised on short-term basis have been used for long-term purposes by the Company.
- (e) On an overall examination of the financial statements of the Company, the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries, or joint ventures. The Company does not have any associate.
- (f) The Company has not raised loans during the year on the pledge of securities held in its subsidiaries, or joint ventures. The Company does not have any associate. Hence, the requirement to report on clause 3(ix)(f) of the Order is not applicable to the Company.
- (x) (a) The Company has not raised any money during the year by way of initial public offer / further public offer (including debt instruments) hence, the requirement to report on clause 3(x)(a) of the Order is not applicable to the Company.
- (b) The Company has not made any preferential allotment or private placement of shares /fully or partially or optionally convertible debentures during the year under audit and hence, the requirement to report on clause 3(x)(b) of the Order is not applicable to the Company.
- (xi) (a) No fraud by the Company or no material fraud on the Company by the officers and employees of the Company has been noticed or reported during the year.
- (b) During the year, no report under sub-section (12) of section 143 of the Companies Act, 2013 has been filed by cost auditor/ secretarial auditor or by us in Form ADT – 4 as prescribed under Rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government.
- (c) We have taken into consideration the whistle blower complaints received by the Company during the year while determining the nature, timing and extent of audit procedures.
- (xii) The Company is not a Nidhi Company as per the provisions of the Companies Act, 2013. Therefore, the requirement to report on clause 3(xii)(a), clause 3(xii)(b) and clause 3(xii)(c) of the Order is not applicable to the Company.
- (xiii) Transactions with the related parties are in compliance with section 177 and 188 of Companies Act, 2013 where applicable and the details have been disclosed in the notes to the financial statements, as required by the applicable accounting standards.
- (xiv) (a) The Company has an internal audit system commensurate with the size and nature of its business.
- (b) The internal audit reports of the Company issued till the date of the audit report, for the period under audit have been considered by us.
- (xv) According to the information and explanation given by the management, The Company has not entered into any non-cash transactions with its directors or persons connected with its directors and hence requirement to report on clause 3(xv) of the Order is not applicable to the Company.
- (xvi) (a) According to the information and explanations given to us, the provisions of section 45-IA of the Reserve Bank of India Act, 1934 are not applicable to the Company.
- (b) The Company is not engaged in any Non-Banking Financial or Housing Finance activities. Accordingly, the requirement to report on clause 3(xvi)(b) of the Order is not applicable to the Company.

(c) The Company is not a Core Investment Company as defined in the regulations made by Reserve Bank of India. Accordingly, the requirement to report on clause 3(xvi) of the Order is not applicable to the Company.

(d) There is no Core Investment Company as a part of the Group, hence, the requirement to report on clause 3(xvi)(d) of the Order is not applicable to the Company.

- (xvii) According to the information and explanations given to us and on an overall examination of the balance sheet, the Company has not incurred cash losses in the current financial year. The Company has not incurred cash losses in the immediately preceding financial year.
- (xviii) There has been no resignation of the statutory auditors during the year and accordingly requirement to report on Clause 3(xviii) of the Order is not applicable to the Company.
- (xix) On the basis of the financial ratios disclosed in note 48 to the financial statements, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the financial statements, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.
- (xx) (a) In respect of other than ongoing projects, there are no unspent amounts that are required to be transferred to a fund specified in Schedule VII of the Companies Act (the Act), in compliance with second proviso to sub section 5 of section 135 of the Act. This matter has been disclosed in note 36 to the financial statements.
- (b) All amounts that are unspent under section (5) of section 135 of Companies Act, pursuant to any ongoing project, has been transferred to special account in compliance of with provisions of sub section (6) of section 135 of the said Act. This matter has been disclosed in note 36 to the financial statements.

For S. R. Batliboi & Co. LLP
Chartered Accountants
ICAI Firm Registration Number: 301003E/E300005

per Sonika Loganey
Partner
Membership Number: 502220
UDIN:
Place: Gurugram
Date: May 18, 2026

ANNEXURE 2 TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE STANDALONE FINANCIAL STATEMENTS OF VE COMMERCIAL VEHICLES LIMITED

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

We have audited the internal financial controls with reference to standalone financial statements of VE Commercial Vehicles Limited ("the Company") as of March 31, 2026 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's Management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India ("ICAI"). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the 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 these standalone financial statements based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing, as specified under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls, both issued by ICAI. 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 these standalone 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 these standalone financial statements and their operating effectiveness. Our audit of internal financial controls with reference to [standalone] financial statements included obtaining an understanding of internal financial controls with reference to these standalone financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's 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 these standalone financial statements.

Meaning of Internal Financial Controls With Reference to these Standalone Financial Statements

A company's internal financial controls with reference to standalone 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 controls with reference to standalone financial statements includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of 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 Standalone Financial Statements

Because of the inherent limitations of internal financial controls with reference to standalone financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to standalone financial statements to future periods are subject to the risk that the internal financial control with reference to standalone financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Company has, in all material respects, adequate internal financial controls with reference to standalone financial statements and such internal financial controls with reference to standalone financial statements were operating effectively as at March 31, 2026, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note issued by the ICAI.

For S.R. Batliboi & Co. LLP

Chartered Accountants

ICAI Firm Registration Number: 301003E/E300005

per Sonika Loganey

Partner

Membership Number: 502220

UDIN:

Place of Signature: Gurugram

Date: May 18, 2026

VE COMMERCIAL VEHICLES LIMITED
STANDALONE BALANCE SHEET AS AT MARCH 31, 2026

Particulars	Note	Rs. in million	
		As at March 31, 2026	As at March 31, 2025
ASSETS			
Non-current assets			
(a) Property, plant and equipment	5	30,857.2	27,490.7
(b) Capital work-in-progress	6	1,757.0	2,303.6
(c) Other Intangible assets	7	7,814.2	6,787.2
(d) Right-of-use assets	7A	3,922.0	3,059.4
(e) Intangible assets under development	8	3,464.6	3,678.8
(f) Financial assets			
(i) Investments in subsidiaries & joint ventures	9	564.1	564.1
(ii) Other Investments	10	1.4	1.4
(iii) Loans	12	34.2	37.1
(iv) Other financial assets	13	16,170.8	8,177.8
(g) Other non-current assets	14	1,226.6	1,667.8
Total non-current assets		65,812.1	53,762.9
Current assets			
(a) Inventories	15	30,423.1	30,110.4
(b) Financial assets			
(i) Trade receivables	11	38,532.2	30,920.8
(ii) Cash and cash equivalents	16	1,226.9	1,104.3
(iii) Bank balances other than (ii) above	17	5.7	-
(iv) Loans	12	29.5	32.7
(v) Other financial assets	13	30,292.7	27,926.5
(c) Other current assets	14	2,799.8	2,713.9
Total current assets		103,309.9	92,808.6
Total assets		169,122.0	146,571.5
EQUITY AND LIABILITIES			
EQUITY			
(a) Equity share capital	18	100.0	100.0
(b) Other equity	19	68,200.1	57,633.8
Total equity		68,300.1	57,733.8
LIABILITIES			
Non-current liabilities			
(a) Financial liabilities			
(i) Lease liabilities	20	2,229.3	1,642.4
(ii) Other financial liabilities	21	206.3	172.7
(b) Provisions	22	1,167.5	1,502.5
(c) Deferred tax liabilities (net)	23	2,999.0	3,013.4
Total non-current liabilities		6,602.1	6,331.0
Current liabilities			
(a) Financial liabilities			
(i) Borrowings	25	1,500.0	-
(ii) Lease liabilities	20	494.2	459.6
(iii) Trade payables			
- Total outstanding dues of micro enterprises and small enterprises	26	1,182.0	743.2
- Total outstanding dues of creditors other than micro enterprises and small enterprises	26	73,971.7	65,650.1
(iv) Other financial liabilities	21	3,675.9	2,734.4
(b) Other current liabilities	24	9,184.5	9,636.4
(c) Provisions	22	3,213.2	2,509.4
(d) Liabilities for current tax (net)	27	998.3	773.6
Total current liabilities		94,219.8	82,506.7
Total liabilities		100,821.9	88,837.7
Total equity and liabilities		169,122.0	146,571.5

See accompanying notes forming part of the standalone financial statements

1 to 54

As per our report of even date attached

For S.R.Batliloi & Co. LLP
Chartered Accountants
ICAI Firm Registration No.: 301003E/E300005

Praveen Kumar Jain
Company Secretary
M No. 3524

Ken Trolle
Chief Financial Officer

Per Sonika Loganey
Partner
Membership no.: 502220

For and on behalf of the Board of Directors of VE Commercial Vehicles Limited

Place : Gurugram
Date : May 18, 2026



Srinivas Balantrapu
Managing Director and
Chief Executive Officer
DIN: 11597236

Sofia Frandberg
Director
DIN: 06516556

Vinod Aggarwal
Chairman and
Director
DIN: 00038906

VE COMMERCIAL VEHICLES LIMITED
STANDALONE STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2026

		Rs. in million	
Particulars	Note	For the year ended March 31, 2026	For the year ended March 31, 2025
Income			
Revenue from operations	28	269,958.9	235,222.2
Other income	29	2,962.1	2,113.7
Total Income		272,921.0	237,335.9
Expenses			
Cost of raw materials and components consumed	30	175,663.9	151,197.3
Purchases of traded goods	31	26,758.9	35,332.2
Change in inventories of finished goods, work-in-progress and stock-in-trade	32	1,239.4	(7,344.7)
Employee benefits expenses	33	16,685.7	14,534.4
Depreciation and amortisation expenses	34	7,197.5	6,354.2
Finance costs	35	486.6	281.3
Other expenses	36	24,782.3	21,384.5
Total expenses		252,814.3	221,739.2
Profit before tax and exceptional items		20,106.7	15,596.7
Exceptional items- loss	50	588.0	-
Profit before tax		19,518.7	15,596.7
Tax expense			
Current tax	37	4,986.0	3,954.9
Deferred tax charge/(benefit)	37	(19.2)	(1,193.7)
Total tax expense		4,966.8	2,761.2
Profit for the year		14,551.9	12,835.5
Other comprehensive income/(expense)			
Items that will not be reclassified to profit or loss:-			
Re-measurement gains/(losses) on defined benefit plans		19.2	(39.2)
Income tax effect	37	(4.8)	9.9
Net other comprehensive income/(expense) not to be reclassified to profit or loss, net of tax		14.4	(29.3)
Total Comprehensive income for the year, net of tax		14,566.3	12,806.2
Earnings per share (of Rs.10 each) in Rs.			
Basic/ diluted	43	1,455.2	1,283.6

See accompanying notes forming part of the standalone financial statements 1 to 54

As per our report of even date attached

For S.R.Batliboi & Co. LLP

Chartered Accountants

ICAI Firm Registration No.: 301003E/E300005

Per Sonika Loganey

Partner

Membership no.: 502220

Praveen Kumar Jain

Company Secretary

M No. 3524

Ken Trolle

Chief Financial Officer

For and on behalf of the Board of Directors of VE Commercial Vehicles Limited

Place : Gurugram

Date: May 18, 2026



Srinivas Balantrapu
Managing Director and
Chief Executive Officer
DIN: 11597236

Sofia Frandberg
Director
DIN: 06516556

Vinod Aggarwal
Chairman and
Director
DIN: 00038906

VE COMMERCIAL VEHICLES LIMITED
STANDALONE STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED MARCH 31, 2026

A. Equity share capital

	Rs. in million	
	Number of Shares	Amount
Balance as at April 1, 2024	10,000,000	100.0
Changes in equity share capital during the year	-	-
Balance as at March 31, 2025	10,000,000	100.0
Changes in equity share capital during the year	-	-
Balance as at March 31, 2026	10,000,000	100.0

B. Other Equity

Financial year 2025-26

Particulars	Reserves and surplus			Total
	Securities premium	General reserve	Retained earnings	
Balance as at April 1, 2025	10,786.6	2,598.5	44,248.7	57,633.8
Profit for the year	-	-	14,551.9	14,551.9
Other comprehensive income	-	-	14.4	14.4
Dividend paid	-	-	(4,000.0)	(4,000.0)
Balance as at March 31, 2026	10,786.6	2,598.5	54,815.0	68,200.1

Financial year 2024-25

Particulars	Reserves and surplus			Total
	Securities premium	General reserve	Retained earnings	
Balance as at April 1, 2024	10,786.6	2,598.5	33,942.5	47,327.6
Profit for the year	-	-	12,835.5	12,835.5
Other comprehensive income	-	-	(29.3)	(29.3)
Dividend paid	-	-	(2,500.0)	(2,500.0)
Balance as at March 31, 2025	10,786.6	2,598.5	44,248.7	57,633.8

See accompanying notes forming part of the standalone financial statements

1 to 54

As per our report of even date attached

For S.R.Batliloi & Co. LLP

Chartered Accountants

ICAI Firm Registration No.: 301003E/E300005

Praveen Kumar Jain

Company Secretary

M No. 3524

Ken Trolle

Chief Financial Officer

For and on behalf of the Board of Directors of VE Commercial Vehicles Limited

Per Sonika Loganey

Partner

Membership no.: 502220

Place : Gurugram

Date : May 18, 2026

Srinivas Balantrapu

Managing Director and

Chief Executive Officer

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Sofia Frandberg

Director

DIN: 06516556

Vinod Aggarwal

Chairman and

Director

DIN: 00038906



VE COMMERCIAL VEHICLES LIMITED
STANDALONE STATEMENT OF CASH FLOW FOR THE YEAR ENDED MARCH 31, 2026

Particulars	Rs. in million	
	For the year ended March 31, 2026	For the year ended March 31, 2025
A. CASH FLOW FROM/(USED IN) OPERATING ACTIVITIES		
Profit before tax	19,518.7	15,596.7
Adjustments to reconcile profit before tax to net cash flows:		
Depreciation and amortisation expenses	7,197.5	6,354.2
Gain on sale of property, plant and equipment	-	(10.0)
Loss on sale/discard of property, plant and equipment and intangible assets	16.4	-
Interest income	(2,357.8)	(2,058.8)
Foreign exchange gains	(552.9)	(3.0)
Impairment on doubtful debts and advances	152.2	100.2
Finance costs	486.6	281.3
Operating profit before changes in working capital	24,460.7	20,260.6
Working capital adjustments:		
Adjustments for (increase) / decrease assets:		
Non-current		
Loans	2.9	(0.5)
Other financial assets	(137.8)	1,378.7
Other assets	(112.6)	(52.5)
Current		
Inventories	(312.7)	(7,658.6)
Trade receivables	(7,210.7)	(4,064.0)
Loans	3.2	(3.6)
Other financial assets	770.0	(483.0)
Other assets	(85.9)	(594.4)
Adjustments for increase / (decrease) in liabilities:		
Non-current		
Other financial liabilities	27.1	6.5
Provisions	(397.1)	(894.6)
Current		
Trade payables	8,760.4	10,069.4
Provisions	703.8	763.4
Other financial liabilities	359.0	306.1
Other liabilities	(451.9)	965.3
Cash generated from operating activities	26,378.4	19,998.8
Income taxes paid (net of refund)	(4,761.3)	(3,597.8)
Net cash flow from / (used in) operating activities (A)	21,617.1	16,401.0
B. CASH FLOW FROM/(USED IN) INVESTING ACTIVITIES		
Purchase of property, plant and equipment, capital work-in-progress, intangible assets and intangible assets under development (including capital advances and capital creditors)	(9,198.8)	(10,533.4)
Net proceeds from sale of property, plant and equipment	73.4	179.9
Investment in fixed deposits	(11,073.0)	(2,911.4)
Investment in equity shares of subsidiary companies	-	(99.1)
Interest received on fixed deposits	2,428.7	1,962.1
Net cash flow from / (used in) investing activities (B)	(17,769.7)	(11,401.9)
C. CASH FLOW FROM/(USED IN) FINANCING ACTIVITIES		
Proceeds from / (Repayment) of short term borrowings	1,500.0	(2,618.5)
Interest paid on borrowings	(202.6)	(29.2)
Payment of principal portion of lease liabilities	(825.7)	(560.7)
Interest paid on lease liabilities	(196.5)	(163.8)
Dividend paid to equity holders	(4,000.0)	(2,500.0)
Net cash flow from / (used in) financing activities (C)	(3,724.8)	(5,872.2)
Net increase/ (decrease) in cash and cash equivalents (A)+(B)+(C)	122.6	(873.1)
Cash and cash equivalents at the beginning of the year	1,104.3	1,977.4
Cash and cash equivalents at the end of the year	1,226.9	1,104.3



VE COMMERCIAL VEHICLES LIMITED
STANDALONE STATEMENT OF CASH FLOW FOR THE YEAR ENDED MARCH 31, 2026

Particulars	As at March 31, 2026	As at March 31, 2025
Components of cash and cash equivalents		
Cash on hand	5.1	5.8
Cheques/ drafts on hand	10.6	62.9
Balances with banks:		
In current accounts	1,211.2	1,035.6
Total cash and cash equivalents (refer note no. 16)	1,226.9	1,104.3
See accompanying notes forming part of the standalone financial statements	1 to 54	

As per our report of even date attached

For S.R.Batliloi & Co. LLP
Chartered Accountants
ICAI Firm Registration No.: 301003E/E300005

Per Sonika Loganey
Partner
Membership no.: 502220

Praveen Kumar Jain
Company Secretary

Ken Trolle
Chief financial Officer

For and on behalf of Board of Directors of VE Commercial Vehicles Limited

Place : Gurugram
Date : May 18, 2026

Srinivas Balantrapu
Managing Director and
Chief Executive Officer
DIN: 11597236

Sofia Frandberg
Director
DIN: 06516556

Vinod Aggarwal
Chairman and
Director
DIN: 00038906



VE Commercial Vehicles Limited**Notes forming part of the Standalone financial statements for the year ended March 31, 2026****1. General Information**

VE Commercial Vehicles Limited ("the Company") CIN: U74900DL2008PLC175032, is a public Company domiciled in India & incorporated under the provisions of the Companies Act, 1956 and governed by the Companies Act, 2013 ("Act"). The Company is engaged in the manufacture and sale of Commercial Vehicles, spare parts and related services. The Company is a leading commercial vehicles manufacturer and has a dominant presence in the domestic market.

The financial statements for the year ended March 31, 2026 have been approved by the Board of Directors of the company in their meeting held on May 18, 2026.

2. Statement of compliance and Basis of preparation**2.1 Statement of Compliance**

The financial statements have been prepared in accordance with Indian Accounting Standards ("Ind AS") as notified under the Companies (Indian Accounting Standards) Rules, 2015 read with Section 133 of the Act as amended from time to time and presentation requirements of Division II of Schedule III to the Act as applicable.

2.2 Basis of preparation

The financial statements have been prepared on the historical cost basis except for certain financial instruments that are measured at fair values 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.

2.3 Operating Cycle

Based on the nature of products/ activities of the Company and the normal time between acquisition of assets for processing and their realization in cash or cash equivalents, the Company has determined its operating cycle as 12 months for the purpose of classification of its assets and liabilities as current and non-current.

3. Summary of Material Accounting Policies**3.1 Revenue Recognition****Revenue from contract with customers**

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

Sale of Goods & Services

Revenue from sale of goods is recognized at the point in time when control of the goods is transferred to the customer at an amount that reflects the consideration to which the company expects to be entitled in exchange for those goods or services.

The Company considers whether there are other promises in the contract that are separate performance obligations to which a portion of the transaction price needs to be allocated (e.g., warranties, etc). In determining the transaction price for the sale of goods, the Company considers the effects of variable consideration, the existence of significant financing components, non-cash consideration, and consideration payable to the customer (if any).

In respect of the service contracts, revenue is recognized over a period of time when service would be rendered subject to the period till which such option is available with customer.

In case a customer pays consideration before the Company transfers goods or services to the customer, a contract liability is recognized when the payment is made or the payment is due (whichever is earlier). Contract liabilities are recognized as revenue when the Company performs under the contract.



Variable consideration

If the consideration in a contract includes a variable amount, the Company estimates the amount of consideration to which it will be entitled in exchange for transferring the goods to the customer. The variable consideration is estimated at contract inception and constrained until it is highly probable that a significant revenue reversal in the amount of cumulative revenue recognized will not occur when the associated uncertainty with the variable consideration is subsequently resolved.

Agency services

In contracts where the Company acts as an agent, the revenue is recorded at the net amount that the Company retains for its agency services.

Other Operating Revenues

Other operating revenues comprise of income from ancillary activities incidental to the operations of the Company and is recognised when the right to receive the income is established as per the terms of the contract.

Interest income

Interest income from a financial asset is recognized when it is probable that the economic benefits will flow to the Company and the amount of income can be measured reliably. Interest income is accrued on, time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.

3.2 Leases

The Company assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

Company as a lessee

The Company applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Company recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

(i) Right-of-use assets

The Company recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the lease term.

The right-of-use assets are also subject to impairment. Refer to the accounting policies in section 3.10 Impairment of tangible and intangible assets.

ii) Lease liabilities

At the commencement date of the lease, the Company recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Company and payments of penalties for terminating the lease, if the lease term reflects the Company exercising the option to terminate. Variable lease payments that do not depend on an index or a rate are recognised as expenses (unless they are incurred to produce inventories) in the period in which the event or condition that triggers the payment occurs.



In calculating the present value of lease payments, the Company uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

(iii) Short-term leases and leases of low-value assets

The Company applies the short-term lease recognition exemption to its short-term leases of machinery and equipment (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases of office equipment that are considered to be low value. Lease payments on short-term leases and leases of low-value assets are recognised as expense on a straight-line basis over the lease term.

3.3 Foreign currencies

In preparing the financial statements of the Company, transactions in currencies other than the Company's functional currency (foreign currencies) are recognised at the rates of exchange prevailing at the dates of the transactions. At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Exchange differences on monetary items are recognised in profit or loss in the period in which they arise.

Foreign currency derivatives are initially recognised at fair value at the date the derivative contracts are entered into and are subsequently re-measured to their fair value at the end of each reporting period. The resulting gain or loss is recognised in profit or loss immediately unless the derivative is designated and effective as a hedging instrument, in which event the timing of the recognition in profit or loss depends on the nature of the hedging relationship and the nature of the hedged item.

3.4 Borrowing costs

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

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

3.5 Government grants

Government grants are not recognised until there is reasonable assurance that the Company will comply with the conditions attaching to them and that the grants will be received.

Government grants are recognised in profit or loss on a systematic basis over the periods in which the Company recognises as expenses the related costs for which the grants are intended to compensate.

Where grant is related to an asset, it is recognised in the balance sheet by deduction from the carrying amount of the assets.

The carrying amount of the government grant receivable is recorded at the present value of their expected cash flows.

3.6 Employee benefits



Retirement benefit

Payments to defined contribution plans are recognised as an expense when employees have rendered service entitling them to the contributions.

For defined benefit plans, the cost of providing benefits is determined using the projected unit credit method, with actuarial valuations being carried out at the end of each annual reporting period. Re-measurement, comprising actuarial gains and losses and the return on plan assets (excluding net interest), is reflected immediately in the balance sheet with a charge or credit recognised in other comprehensive income in the period in which they occur. Re-measurement recognised in other comprehensive income is reflected immediately in retained earnings and is not reclassified to profit or loss. Net interest is calculated by applying the discount rate at the beginning of the period to the net defined benefit liability or asset.

Defined benefit costs are categorised as follows:

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

The Company presents the first two components of defined benefit costs in profit or loss in the line item 'Employee benefits expense'.

The retirement benefit obligation recognised in the balance sheet represents the actual deficit or surplus in the Company's defined benefit plans. Any surplus resulting from this calculation is limited to the present value of any economic benefits available in the form of refunds from the plan or reductions in future contributions to the plans.

Short-term and other long-term employee benefits

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

Liabilities recognised in respect of short-term employee benefits are measured at the undiscounted amount of the benefits expected to be paid in exchange for the related service.

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

3.7 Taxation

Income Tax expense represents the sum of tax currently payable and deferred tax.

Current income tax is measured at amounts expected to be paid to or recovered from taxation authorities. The tax rates applicable to compute the amount are as per the provisions of the Income Tax Act, 1961 that are enacted or substantively enacted, at the reporting date in India, and includes any adjustment to tax payable in respect of previous years. Current income tax expense is recognised in the statement of Profit and Loss except when relating to items in other comprehensive income or in equity which are recognised in correlation to the underlying transaction either in OCI or directly in equity.

Deferred tax is provided using the balance sheet method, on temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes. Deferred tax liabilities are recognised for all taxable temporary differences and 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 differences. The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are 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 realized 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 relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). Deferred tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity.

The Company offsets deferred tax assets and deferred tax liabilities if and only if it has a legally enforceable right to set off current tax assets and current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same taxation authority which intends either to settle current tax liabilities and assets on a net basis, or to realise the assets and settle the liabilities simultaneously, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered.

3.8 Property, plant and equipment

Property, plant and equipment (including furniture, fixtures, vehicles, etc.) held for use in the production or supply of goods or services, or for administrative purposes, are stated in the balance sheet at cost less accumulated depreciation and accumulated impairment losses. Cost of acquisition is inclusive of freight, duties, taxes and other incidental expenses. Freehold land is not depreciated.

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

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

Depreciation is charged on a pro-rata basis at the straight line method over estimated economic useful lives of its fixed assets generally in accordance with that provided in the Schedule II to the Act except certain class of assets as mentioned below wherein, the life of the said assets has been assessed based on technical advice, taking into account the nature of the asset, the estimated usage of the asset, the operating conditions of the asset, past history of replacement, anticipated technological changes, manufacturers warranties and maintenance support, etc.:

Fixed Asset	Estimated useful life as per Management	As per Schedule II
Factory buildings	10 to 30 years	30 years
Furniture and fittings	5 to 10 years	10 years
Plant and Machinery	5 to 15 years	15 years
Vehicles	4 to 8 years	8 years

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in profit or loss.



3.9 Intangible assets including Intangible assets under development

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. 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.

Internally-generated intangible assets - research and development expenditure

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

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

- the technical feasibility of completing the intangible asset so that it will be available for use or 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 profit or loss in the period in which it is incurred.

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

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

Useful lives of intangible assets

Intangible assets comprising of product design, prototypes, etc., either acquired or internally developed are amortised over a period of 6-10 years depending upon the estimated minimum useful life of the related products. Cost of software is amortised over a period of 5 years or less depending upon the estimated useful life of asset.

The amortisation period for intangible assets with finite useful lives are reviewed at least at each year-end. Changes in expected useful lives are treated as changes in accounting estimates.

3.10 Impairment of tangible and intangible assets

At the end of each reporting period, the Company reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Recoverable amount is the higher of fair value less costs of disposal and value in use.



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 for which the estimates of future cash flows have not been adjusted.

When it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs. When a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest Company of cash-generating units for which a reasonable and consistent allocation basis can be identified.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss. When an impairment loss subsequently reverses, the carrying amount of the asset (or a cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss.

3.11 Investment in Subsidiaries

Investments in Subsidiaries are carried at cost less accumulated impairment losses, if any. Where an indication of impairment exists, the carrying amount of the investment is assessed and written down immediately to its recoverable amount. On disposal of investments in Subsidiaries, the difference between net disposal proceeds and the carrying amounts are recognised in the statement of profit and loss.

3.12 Inventories

Inventories are stated at the lower of cost and net realisable value. Costs are determined on the following basis:

- Raw materials, components, stores and spares and loose tools: cost includes cost of purchase including import duties and other taxes (other than eligible credits under CENVAT/GST scheme) and other costs incurred in bringing the inventories to their present location and condition. Cost is determined on a moving weighted average basis.
- Finished goods and work in progress: cost includes cost of direct materials and labour and a proportion of manufacturing overheads based on systematic allocation basis. Cost is determined on a moving weighted average basis.
- Traded goods: cost includes cost of purchase including taxes and duties (ie; ineligible credits) and other costs incurred in bringing the inventories to their present location and condition. Cost is determined on weighted average basis.

Net realisable value represents the estimated selling price in the ordinary course of business less estimated costs of completion and estimated costs necessary to make the sale. Cost of obsolete and slow-moving inventories are adequately provided for.

3.13 Provisions

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that the Company will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. When 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).



Warranties

The estimated liability for product warranties is recorded when products are sold. These estimates are established using historical information on the nature, frequency and average cost of warranty claims and management estimates regarding possible future incidence based on corrective actions on product failures. The timing of outflows will vary as and when warranty claim will arise. When the effect of time value of money is material, provisions are determined by discounting the expected future cash flows using a pre-tax rate that reflects current market assessment of the time value of money and the risk specific to the liability.

3.14 Financial instruments

Financial assets and financial liabilities are recognised when the Company becomes a party to the contractual provisions of the instruments.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.

3.15 Financial assets

All recognised financial assets are subsequently measured in their entirety at either amortised cost or fair value, depending on the classification of the financial assets

3.15.1 Classification of financial assets

Debt instruments that meet the following conditions are subsequently measured at amortised cost (except for debt instruments that are designated as at fair value through profit or loss on initial recognition):

- the asset is held within a business model whose objective is to hold assets in order to collect contractual cash flows; and
- the contractual terms of the instrument give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Debt instruments that meet the following conditions are subsequently measured at fair value through other comprehensive income ("FVTOCI") (except for debt instruments that are designated as at fair value through profit or loss on initial recognition):

- the asset is held within a business model whose objective is achieved both by collecting contractual cash flows and selling financial assets; and
- the contractual terms of the instrument give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Interest income is recognised in profit or loss for FVTOCI debt instruments.

For the impairment policy on debt instruments at FVTOCI, refer 3.15.4

All other financial assets are subsequently measured at fair value.

3.15.2 Effective interest method

The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future



cash receipts (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the debt instrument, or, where appropriate, a shorter period, to the net carrying amount on initial recognition.

Income is recognised on an effective interest basis for debt instruments other than those financial assets classified as at FVTPL. Interest income is recognised in profit or loss and is included in the "Other income" line item.

3.15.3 Financial assets at fair value through profit or loss (FVTPL)

Investments in equity instruments are classified as at FVTPL, unless the Company irrevocably elects on initial recognition to present subsequent changes in fair value in other comprehensive income for investments in equity instruments which are not held for trading.

Debt instruments that do not meet the amortised cost criteria or FVTOCI criteria are measured at FVTPL. In addition, debt instruments that meet the amortised cost criteria or the FVTOCI criteria but are designated as at FVTPL are measured at FVTPL.

A financial asset that meets the amortised cost criteria or debt instruments that meet the FVTOCI criteria may be designated as at FVTPL upon initial recognition if such designation eliminates or significantly reduces a measurement or recognition inconsistency that would arise from measuring assets or liabilities or recognising the gains and losses on them on different bases. The Company has not designated any debt instrument as at FVTPL.

Financial assets at FVTPL are measured at fair value at the end of each reporting period, with any gains or losses arising on re-measurement recognised in profit or loss. The net gain or loss recognised in profit or loss incorporates any dividend or interest earned on the financial asset and is included in the 'Other income' line item. Dividend on financial assets at FVTPL is recognised when the company's right to receive the dividends is established, it is probable that the economic benefits associated with the dividend will flow to the entity, the dividend does not represent a recovery of part of cost of the investment and the amount of dividend can be measured reliably.

3.15.4 Impairment of financial assets

The Company applies the expected credit loss model for recognising impairment loss on financial assets measured at amortised cost, debt instruments at FVTOCI, trade receivables, other contractual rights to receive cash or other financial asset, and financial guarantees not designated as at FVTPL.

The Company measures the loss allowance for a financial instrument at an amount equal to the lifetime expected credit losses if the credit risk on that financial instrument has increase significantly since initial recognition.

Further, for the purpose of measuring lifetime expected credit loss allowance for trade receivables, the Company has used a practical expedient as permitted under Ind AS 109. This expected credit loss allowance is computed based on historical credit loss experience and adjustments for forward looking information.

Derecognition of financial assets

The Company derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party.



3.16 Financial liabilities and equity instruments

Classification as debt or equity

Debt and equity instruments issued by Company are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities.

Financial liabilities

Financial liabilities that are not held-for-trading and are not designated as at FVTPL are measured at amortised cost at the end of subsequent accounting periods. The carrying amounts of financial liabilities that are subsequently measured at amortised cost are determined based on the effective interest method. Interest expense that is not capitalised as part of costs of an asset is included in the 'Finance costs' Line item.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability.

All financial liabilities are subsequently measured at amortised cost using the effective interest method or at FVTPL.

Derecognition of financial liabilities

The Company derecognises financial liabilities when, and only when, the Company's obligations are discharged, cancelled or have expired.

3.17 Cash flow statement

Cash flows are reported using the indirect method, whereby profit / (loss) before extraordinary items and tax is adjusted for the effects of 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.

3.18 Cash and Cash Equivalents

Cash and cash equivalent in the balance sheet comprise cash on hand, cheques/drafts on hand, balance with banks in current accounts (net of outstanding bank overdrafts) and short-term deposits with an original maturity of three months or less, that are readily convertible to a known amount of cash and subject to an insignificant risk of changes in value.

3.19 Earnings per share

Basic earnings per share is calculated by dividing the net profit or loss attributable to equity holders of the company by the weighted average number of equity shares outstanding during the year.

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



4.0 Critical accounting judgements and key sources of estimation uncertainty

In the application of the Company accounting policies, which are described in note 3, the management of the Company are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

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

The following are the areas of estimation uncertainty and critical judgements that the management has made in the process of applying the Company's accounting policies and that have the most significant effect on the amounts recognised in the financial statements.

4.1 Recoverability of intangible assets and intangible assets under development

During the year, the Company assessed the recoverability of the intangible assets and intangible assets under development.

Capitalisation of cost in intangible assets and intangible assets under development is based on management's process of identifying and capitalizing the development expenditure and impairment testing with specific focus on the accounting principles of capitalization of expenditure on internally generated intangible assets as per INDAS 38 such as technical feasibility of the project, intention and ability to complete the intangible asset, ability to use or sell the assets, generation of future economic benefits and ability to measure the cost reliably. This situation is closely monitored, and adjustments made in future periods if future market activity indicates that such adjustments are appropriate.

4.2 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.

4.3 Provision 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 financial statements. Loss Contingencies 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. Gain contingencies are not recognized until the contingency has been resolved and amounts are received or receivable.

4.4 Useful lives of tangible and intangible assets

Management reviews the useful lives of its tangible and intangible assets at each reporting. As at March 31, 2026 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.



VE COMMERCIAL VEHICLES LIMITED
NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2026

5. Property, plant and equipment

Rs. in million						
Particulars	Freehold Land*	Buildings*	Plant, Machinery and equipment	Furniture and Fixtures	Office equipment**	Vehicles
Cost						
At April 01, 2024	565.9	9,264.7	40,073.2	1,013.5	2,195.1	1,719.6
Additions	-	1,115.5	4,177.0	216.3	282.6	795.5
Disposals	-	7.8	323.3	39.9	72.6	231.9
At March 31, 2025	565.9	10,372.4	43,926.9	1,189.9	2,405.1	2,283.2
Additions	35.7	1,033.3	6,196.0	207.7	333.6	399.6
Disposals	-	1.0	186.1	41.6	42.9	193.0
At March 31, 2026	601.6	11,404.7	49,936.8	1,356.0	2,695.8	2,489.8
Accumulated depreciation						
At April 01, 2024	-	2,341.6	24,200.9	673.2	1,645.2	869.6
Charge for the year	-	374.7	3,014.4	91.0	238.7	309.0
Disposals	-	1.6	273.4	32.4	71.9	126.3
At March 31, 2025	-	2,714.7	26,941.9	731.8	1,812.0	1,052.3
Charge for the year	-	421.9	3,567.8	106.1	281.5	373.9
Disposals	-	0.7	178.9	30.3	42.2	124.3
At March 31, 2026	-	3,135.9	30,330.8	807.6	2,051.3	1,301.9
Carrying amount						
At March 31, 2025	565.9	7,657.7	16,985.0	458.1	593.1	1,230.9
At March 31, 2026	601.6	8,268.8	19,606.0	548.4	644.5	1,187.9

On transition to Ind AS (i.e., 1 April 2015), the Company has elected to continue with the carrying value of all Property, plant and equipment measured as per the previous GAAP and use that carrying value as the deemed cost of Property, plant and equipment.

* Title deeds for lands and buildings at Ahmedabad and Bhiwandi are pending for mutation in favor of the Company having carrying value of Rs 71.6 million (Rs 35.8 million as at March 31, 2025). The title deeds for Ahmedabad are held in the name of Eicher Motors Limited since August 22, 2008 and for Bhiwandi is held in the name of Vevo Group India Private Limited since February 02, 2009. The company is in the process of getting these properties registered in its name.

** Includes IT equipments



VE COMMERCIAL VEHICLES LIMITED

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2026

6. Capital work-in-progress (Cost)

Particulars	Rs. in million	
	As at March 31, 2026	As at March 31, 2025
Opening balance	2,303.6	1,627.2
Additions*	7,488.1	7,297.2
Less: Capitalised during the year	8,034.7	6,620.8
Closing Balance	1,757.0	2,303.6

*including other direct expenditure amounting Rs 84.6 million (March 31, 2025 Nil) (refer below)

Particulars	Rs. in million	
	As at March 31, 2026	As at March 31, 2025
Payments to and provisions for employees Salaries, wages, bonus etc.	76.5	-
Contribution to provident and other funds	0.9	-
Legal and professional charges	1.9	-
Development expenses	5.3	-
Balance brought forward from previous year	84.6	-
Less: Capitalised during the year	84.6	-
	84.6	-

**Capital work-in progress ageing schedule
As at March 31, 2026**

Particulars	Amount in Capital work-in progress for a period of				Rs. in million
	Less than 1 year	1 -2 years	2 -3 years	More than 3 years	
Projects in progress	1,678.1	44.4	17.1	17.3	1,757.0
Projects temporarily suspended	-	-	-	-	-
Total	1,678.1	44.4	17.1	17.3	1,757.0

There are no projects whose completion is overdue or has exceeded its cost compared to its original plan as at March 31, 2026

As at March 31, 2025

Particulars	Amount in Capital work-in progress for a period of				Rs. in million
	Less than 1 year	1 -2 years	2 -3 years	More than 3 years	
Projects in progress	1,986.5	283.1	16.5	17.5	2,303.6
Projects temporarily suspended	-	-	-	-	-
Total	1,986.5	283.1	16.5	17.5	2,303.6

There are no projects whose completion is overdue or has exceeded its cost compared to its original plan as at March 31, 2025



VE COMMERCIAL VEHICLES LIMITED
NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2026

7. Intangible assets

Particulars	Rs. in million		
	Product design, prototype etc.	Software	Total
Cost			
At April 01, 2024	16,945.8	2,246.7	19,192.5
Additions	1,022.0	260.6	1,282.6
Disposals	-	0.2	0.2
At March 31, 2025	17,967.8	2,507.1	20,474.9
Additions	2,663.7	226.6	2,890.3
Disposals	2.1	43.3	45.4
At March 31, 2026	20,629.4	2,690.4	23,319.8
Accumulated amortisation			
At April 01, 2024	10,101.5	1,788.7	11,890.2
Charge for the year	1,617.7	180.0	1,797.7
Disposals	-	0.2	0.2
At March 31, 2025	11,719.2	1,968.5	13,687.7
Charge for the year	1,652.6	209.1	1,861.7
Disposals	0.7	43.1	43.8
At March 31, 2026	13,371.1	2,134.5	15,505.6
Carrying amount			
At March 31, 2025	6,248.6	538.6	6,787.2
At March 31, 2026	7,258.3	555.9	7,814.2



VE COMMERCIAL VEHICLES LIMITED
NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2026

7A Right-of-use-assets	Rs. in million		
	Particulars	Land	Building
	Cost		Total
	At April 01, 2024	1,576.0	2,354.7
	Additions	67.0	865.7
	Disposals	21.1	631.0
	At March 31, 2025	1,621.9	2,589.4
	Additions	607.6	889.1
	Disposals	-	207.3
	At March 31, 2026	2,229.5	3,271.2
	Accumulated depreciation		
	At April 01, 2024	216.8	1,052.3
	Charge for the year	54.1	474.6
	Disposals	21.1	624.8
	At March 31, 2025	249.8	902.1
	Charge for the year	87.5	497.1
	Disposals	-	157.8
	At March 31, 2026	337.3	1,241.4
	Carrying amount		
	At March 31, 2025	1,372.1	1,687.3
	At March 31, 2026	1,892.2	2,029.8



VE COMMERCIAL VEHICLES LIMITED
NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2026

Set out below are the carrying amounts of lease liabilities and the movements during the year:

Particulars	Rs. in million	
	As at March 31, 2026	As at March 31, 2025
Opening lease liabilities		
Lease liability on additions	2,102.0	1,736.2
Less : Derecognised leases	1,496.7	932.7
Add : Accretion of interest	49.5	6.1
Less : Payments	196.5	163.8
	1,022.2	724.5
Closing lease liabilities		
Current lease liabilities (note no.20)	2,723.5	2,102.0
Non-current lease liabilities (note no.20)	494.2	459.6
	2,229.3	1,642.4
The maturity analysis of lease liabilities are disclosed in Note 49		
The effective interest rate for lease liabilities is in range of 7- 8%, with maturity between 2026-2124		
The following are the amounts recognised in statement of profit and loss:		
Depreciation expense of right-of-use assets	584.6	528.7
Interest expense on lease liabilities	196.5	163.8
Expense relating to short-term leases/low-value assets (included in other expenses)	342.6	279.5
Total amount recognised in statement of profit and loss	1,123.7	972.0



VE COMMERCIAL VEHICLES LIMITED

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2026

8. Intangible assets under development

Particulars	Rs. in million	
	As at March 31, 2026	As at March 31, 2025
Opening balance	3,678.8	2,313.1
Additions	2,597.5	2,490.8
Less: Capitalised during the year	2,811.7	1,125.1
Closing Balance	3,464.6	3,678.8

Intangible assets under development ageing schedule

As at March 31, 2026

Particulars	Amount in Intangible assets under development for a period of				Total
	Less than 1 year	1 -2 years	2 -3 years	More than 3 years	
Projects in progress	1,852.4	1,069.9	466.2	76.2	3,464.6
Projects temporarily suspended	-	-	-	-	-
Total	1,852.4	1,069.9	466.2	76.2	3,464.6

There are no projects whose completion is overdue or has exceeded its cost compared to its original plan as at March 31, 2026

As at March 31, 2025

Particulars	Amount in Intangible assets under development for a period of				Total
	Less than 1 year	1 -2 years	2 -3 years	More than 3 years	
Projects in progress	1,903.5	1,270.0	416.4	89.0	3,678.8
Projects temporarily suspended	-	-	-	-	-
Total	1,903.5	1,270.0	416.4	89.0	3,678.8

There are no projects whose completion is overdue or has exceeded its cost compared to its original plan as at March 31, 2025



9. Investments in subsidiaries & joint ventures

Particulars	Rs. in million	
	As at March 31, 2026	As at March 31, 2025
Non-current		
Unquoted investment (at cost) in equity shares of:		
Subsidiary companies		
12,681,697 (previous year 12,681,697) equity shares of 10 LKR each fully paid up of VECV Lanka (Private) Limited, Sri Lanka	54.3	54.3
310 (previous year 310) equity shares of VECV South Africa (Pty) Limited (no face value)	115.0	115.0
35,000,000 (previous year 35,000,000) equity shares of Rs 10 each fully paid up of VE Electro-mobility Limited	350.0	350.0
255,000 (previous year 255,000) equity shares of Rs 10 each fully paid up of VE Connected Solutions Private Limited*	2.5	2.5
179,982 (previous year 179,982) equity shares of IDR 100,000 each fully paid up of PT VECV Automotive Indonesia**	96.6	96.6
	<u>618.4</u>	<u>618.4</u>
Less: Impairment provision for investment in equity shares of VECV Lanka (Private) Limited, Sri Lanka	(54.3)	(54.3)
	<u>564.1</u>	<u>564.1</u>
Joint venture company***		
25,000 (previous year 25,000) equity shares of Rs. 10 each fully paid up of Eicher Group Foundation (License under Section 8(1) of the Companies Act, 2013)	-	-
Total	<u>564.1</u>	<u>564.1</u>

Particulars	Rs. in million	
	As at March 31, 2026	As at March 31, 2025
Aggregate value of unquoted investments	618.4	618.4
Aggregate amount of impairment in value of investments	54.3	54.3

* VE Connected Solutions Private Limited is subsidiary of the company with stake of 51% and was invested on 8th July 2024.

** PT VECV Automotive Indonesia is subsidiary of the company with stake of 99.99% and was incorporated on 25th October 2024.

*** Cost of investment is stated at Rs. Nil as the same cannot be distributed to the members in the event of liquidation, actual cost of investment of Rs 0.25 million has been charged to the Statement of Profit and Loss in the earlier year.

10. Other Investments

Particulars	Rs. in million	
	As at March 31, 2026	As at March 31, 2025
Non-current		
Investment in equity instruments		
Unquoted investment at fair value through profit or loss (FVTPL) in:		
145,000 (previous year 145,000) equity shares of Rs. 10 each fully paid up of Pithampur Auto Cluster Ltd.	1.4	1.4
Total	<u>1.4</u>	<u>1.4</u>

Particulars	Rs. in million	
	As at March 31, 2026	As at March 31, 2025
Aggregate carrying value of unquoted investments	1.4	1.4

Category wise other investments- as per IND AS 109 Classification

Particulars	Rs. in million	
	As at March 31, 2026	As at March 31, 2025
Financial assets carried at fair value through profit or loss (FVTPL)		
Investment in Pithampur Auto Cluster Ltd.	1.4	1.4



11. Trade receivables

Particulars	Rs. in million	
	As at March 31, 2026	As at March 31, 2025
Trade receivables		
Secured, considered good	71.0	50.6
Unsecured, considered good	38,461.2	30,870.3
Trade Receivables - credit impaired	544.2	429.0
	<u>39,076.4</u>	<u>31,349.8</u>
Impairment Allowance (allowance for bad and doubtful debts)		
Trade Receivables - credit impaired	(544.2)	(429.0)
Total Trade receivables	<u>38,532.2</u>	<u>30,920.8</u>

No trade or other receivable are due from directors or other officers of the company either severally or jointly with any other person. Nor any trade or other receivable are due from firms or private companies respectively in which any director is a partner, a director or a member.

Trade receivables are non-interest bearing and are generally on terms of 10 to 90 days.

Trade receivables also include receivables from related parties- Refer note 46

For details of assets given as security against borrowings- Refer note 51(a).

These financial assets are carried at amortised cost.

Trade receivables ageing schedule

As at March 31, 2026

Particulars	Not due	Outstanding for following periods from due date of payment					Total
		Less than 6 months	6 months - 1 year	1 - 2 years	2 - 3 years	More than 3 years	
Undisputed - considered good	34,242.1	3,852.1	318.6	98.2	6.0	15.2	38,532.2
Undisputed - which have significant increase in credit risk	-	-	-	-	-	-	-
Undisputed - credit impaired	-	40.0	-	1.8	7.4	106.7	155.9
Disputed - considered good	-	-	-	-	-	-	-
Disputed - which have significant increase in credit risk	-	-	-	-	-	-	-
Disputed - credit impaired	-	35.0	38.7	100.0	32.1	182.5	388.3
Total	34,242.1	3,927.1	357.3	200.0	45.5	304.4	39,076.4

As at March 31, 2025

Particulars	Not due	Outstanding for following periods from due date of payment					Total
		Less than 6 months	6 months - 1 year	1 - 2 years	2 - 3 years	More than 3 years	
Undisputed - considered good	27,252.8	3,389.3	101.7	47.1	39.8	90.1	30,920.8
Undisputed - which have significant increase in credit risk	-	-	-	-	-	-	-
Undisputed - credit impaired	-	-	-	23.7	9.8	113.3	146.9
Disputed - considered good	-	-	-	-	-	-	-
Disputed - which have significant increase in credit risk	-	-	-	-	-	-	-
Disputed - credit impaired	-	-	24.5	80.1	37.8	139.7	282.1
Total	27,252.8	3,389.3	126.2	150.9	87.3	343.2	31,349.8

12. Loans

Particulars	Rs. in million	
	As at March 31, 2026	As at March 31, 2025
Non - current		
Unsecured, considered good		
Loans to employees	34.2	37.1
Total	<u>34.2</u>	<u>37.1</u>
Current		
Unsecured, considered good		
Loans to employees	29.5	32.7
Total	<u>29.5</u>	<u>32.7</u>

Note :- These financial assets are carried at amortised cost.

The Company does not have any loans or advances in the nature of loans granted to promoters, directors, KMPs and the related parties (as defined under the Companies Act, 2013), either severally or jointly with any other person that are repayable on demand or without specifying any terms or period of repayment.



13. Other financial assets

Particulars	Rs. in million	
	As at March 31, 2026	As at March 31, 2025
Non - current		
Unsecured, considered good		
Fixed deposits*	15,877.8	8,017.6
Security deposit**	124.0	101.6
Interest accrued on fixed deposits	169.0	53.6
Total	16,170.8	8,172.8

*Includes fixed deposits of Rs. 2,915.0 million (March 31, 2025 Rs. 2,627.4 million) pledged against bank overdraft limits and Rs. 43.0 million (March 31, 2025 Rs. 40.2 million) pledged against bank guarantees.

Current

Unsecured, considered good unless otherwise stated	27,907.0	24,694.2
Fixed deposits		
Security deposit**	252.3	231.9
Considered good	5.0	5.0
Considered doubtful	257.3	236.9
Less: impairment for doubtful security deposits	5.0	5.0
	252.3	231.9
Interest accrued on fixed deposits	621.5	807.8
Industrial promotion subsidy receivable	1,239.5	2,139.4
Other receivables		
Considered good	272.4	53.2
Considered doubtful	1.1	1.1
	273.5	54.3
Less: impairment for doubtful other receivables	1.1	1.1
	272.4	53.2
Total	30,292.7	27,926.5

** This also include security deposits with Eicher Goodearth Private Limited (related party)- Refer note 46

Note :- These financial assets are carried at amortised cost.

14. Other assets

Particulars	Rs. in million	
	As at March 31, 2026	As at March 31, 2025
Non - current		
Unsecured, considered good unless otherwise stated		
Capital advances	773.0	1,326.8
Balance with government authorities		
Considered good	391.8	275.1
Considered doubtful	5.0	5.0
	396.8	280.1
Less: impairment for doubtful balances	5.0	5.0
	391.8	275.1
Prepayment security deposits and loan to employees	61.8	65.9
Total	1,226.6	1,667.8
Current		
Unsecured, considered good unless otherwise stated		
Advance to supplier	1,049.5	1,301.8
Prepaid expense	162.6	137.0
Balance with government authorities		
Considered good	1,572.4	1,256.8
Considered doubtful	2.0	2.0
	1,574.4	1,258.8
Less: impairment for doubtful balances	2.0	2.0
	1,572.4	1,256.8
Advances to employees	-	1.3
Prepayment security deposits and loan to employees	15.3	17.0
Total	2,799.8	2,713.9



15. Inventories
(At lower of cost or net realisable value)

Particulars	Rs. in million	
	As at March 31, 2026	As at March 31, 2025
Raw materials and components (includes goods in transit of Rs. 902.1 million (March 31, 2025 Rs. 707.9 million))	7,191.1	5,752.5
Work in progress	1,590.0	1,774.4
Finished goods (includes goods in transit of Rs. 58.3 million (March 31, 2025 Rs. 86.1 million))	16,872.1	13,304.9
Stock in trade (includes goods in transit of Rs. 50.0 million (March 31, 2025 Rs. 66.5 million))	3,677.1	8,299.3
Stores and spares	721.5	644.7
Loose tools	371.3	334.6
Total	30,423.1	30,110.4

Cost of Inventories are net off provision (slow moving/ non moving) of Rs. 1,448.3 million (March 31, 2025 Rs. 1,297.2 million)
For details of assets given as security against borrowings- Refer note 51(a)
The mode of valuation of inventories has been stated in note 3,12.

16. Cash and cash equivalents

Particulars	Rs. in million	
	As at March 31, 2026	As at March 31, 2025
Cash on hand	5.1	5.8
Cheques, drafts on hand*	10.6	62.9
Balances with banks		
On current accounts**	1,211.2	1,035.6
Total	1,226.9	1,104.3

* includes remittance in transit of Nil (March 31, 2025 Rs. 56.2 million)

Changes in liabilities arising from financing activities

Particulars	April 1, 2025	Net Cash Flows	Others* March 31, 2026	
Obligation under lease	2,102.0	(1,022.2)	1,643.7	2,723.5
Borrowings	-	1,500.0	-	1,500.0
Total liabilities from financing activities	2,102.0	477.8	1,643.7	4,223.5

Changes in liabilities arising from financing activities

Particulars	April 1, 2024	Net Cash Flows	Others* March 31, 2025	
Obligation under lease	1,736.2	(724.5)	1,090.3	2,102.0
Borrowings	2,618.5	(2,618.5)	-	-
Total liabilities from financing activities	4,354.7	(3,343.0)	1,090.3	2,102.0

* Others comprise of lease additions, interest cost and other adjustments in lease

Changes in assets arising from non cash investing activities

Particulars	April 1, 2025	Net Cash Flows	Others* March 31, 2026	
Right-of-use assets (net)	3,059.4	-	862.6	3,922.0
Total liabilities from financing activities	3,059.4	-	862.6	3,922.0

Changes in assets arising from non cash investing activities

Particulars	April 1, 2024	Net Cash Flows	Others* March 31, 2025	
Right-of-use assets (net)	2,661.6	-	397.8	3,059.4
Total liabilities from financing activities	2,661.6	-	397.8	3,059.4

* Others comprise of additions, depreciation and other adjustments

17. Other bank balance

Particulars	Rs. in million	
	As at March 31, 2026	As at March 31, 2025
Unspent CSR accounts*	5.7	-
Total	5.7	-

*There are restrictions in the balances in Unspent CSR accounts.



18. Equity share capital

Particulars	Rs. in million	
	As at March 31, 2026	As at March 31, 2025
Authorised		
10,000,000 (previous year 10,000,000) equity shares of Rs. 10 each	100.0	100.0
Total	100.0	100.0
Issued, subscribed and fully paid up		
10,000,000 (previous year 10,000,000) equity shares of Rs. 10 each	100.0	100.0
Total	100.0	100.0

The Company has only one class of equity shares having a par value of Rs. 10 per share. Each holder of equity shares is entitled to one vote per share held. 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.

In respect of the year ended March 31, 2026, the directors proposed that a dividend of Rs. _____ per share (March 31, 2025 Rs. 400 per share) be paid on fully paid equity shares. This equity dividend is subject to approval by shareholders at the annual general meeting and has not been included as a liability in these financial statements. The proposed equity dividend is payable to all holders of fully paid equity shares. The total estimated equity dividend to be paid is Rs. _____ million (March 31, 2025 Rs. 4,000 million).

There are no bonus shares or buy back of shares during the year.

(i) Reconciliation of issued, subscribed and fully paid up equity shares :

Particulars	No. of Shares	Amount (Rs. in million)
Balance at April 1, 2024	10,000,000	100.0
Movement during the year	-	-
Balance at March 31, 2025	10,000,000	100.0
Movement during the year	-	-
Balance at March 31, 2026	10,000,000	100.0

(ii) Details of shareholders holding more than 5% equity shares in the Company

Particulars	As at March 31, 2026		As at March 31, 2025		% change during the year
	Nos.	% holding in the class	Nos.	% holding in the class	
Eicher Motors Limited	5,440,000	54.40%	5,440,000	54.40%	-
Aktiebolaget Volvo (PUBL), Volvo, Sweden	3,469,700	34.70%	3,469,700	34.70%	-
Volvo Truck Corporation, Sweden (100% subsidiary of Aktiebolaget Volvo (PUBL), Volvo, Sweden)	1,090,300	10.90%	1,090,300	10.90%	-

Note:- Eicher Motors Limited and Aktiebolaget Volvo (PUBL), Volvo (including group companies) are co-venturers in the Company.

(iii) Details of shares held by promoters

As at March 31, 2026					
Particulars	No. of shares at the beginning of the year	Change during the year	No. of shares at the end of the year	% of Total Shares	% change during the year
Eicher Motors Limited (including its nominees)	5,440,000	-	5,440,000	54.40%	-
Aktiebolaget Volvo (PUBL), Volvo, Sweden	3,469,700	-	3,469,700	34.70%	-
Volvo Truck Corporation, Sweden (100% subsidiary of Aktiebolaget Volvo (PUBL), Volvo, Sweden)	1,090,300	-	1,090,300	10.90%	-

As at March 31, 2025					
Particulars	No. of shares at the beginning of the year	Change during the year	No. of shares at the end of the year	% of Total Shares	% change during the year
Eicher Motors Limited (including its nominees)	5,440,000	-	5,440,000	54.40%	-
Aktiebolaget Volvo (PUBL), Volvo, Sweden	3,469,700	-	3,469,700	34.70%	-
Volvo Truck Corporation, Sweden (100% subsidiary of Aktiebolaget Volvo (PUBL), Volvo, Sweden)	1,090,300	-	1,090,300	10.90%	-



VE COMMERCIAL VEHICLES LIMITED
NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2026
19. Other equity

Particulars	Rs. in million	
	As at March 31, 2026	As at March 31, 2025
(a) Securities premium	10,786.6	10,786.6
(b) General reserve	2,598.5	2,598.5
(c) Retained earnings	54,815.0	44,248.7
Total	68,200.1	57,633.8

Particulars	Rs. in million	
	As at March 31, 2026	As at March 31, 2025
(a) Securities premium		
Opening balance	10,786.6	10,786.6
Add/ (less): movement during the year	-	-
Closing balance	10,786.6	10,786.6

Securities premium account represent the premium received on issue of share capital of the company . The Company can utilise the same for the purpose of buy back of share or issue of bonus shares as decided by the Management.

Particulars	Rs. in million	
	As at March 31, 2026	As at March 31, 2025
(b) General reserve		
Opening balance	2,598.5	2,598.5
Add: Transferred from statement of profit and loss	-	-
Closing balance	2,598.5	2,598.5

The general reserve is used from time to time to transfer profits from retained earnings for appropriation purposes. As the general reserve is created by a transfer from one component of equity to another and is not an item of other comprehensive income, items included in the general reserve will not be reclassified subsequently to profit or loss.

Particulars	Rs. in million	
	As at March 31, 2026	As at March 31, 2025
(c) Retained earnings		
Opening balance	44,248.7	33,942.5
Add: Profit for the year	14,551.9	12,835.5
Add: Other comprehensive income:		
From remeasurement of defined benefit obligation net of income tax	14.4	(29.3)
Less: Final dividend (amount per share Rs. 400 (previous year Rs. 250)	(4,000.0)	(2,500.0)
Closing balance	54,815.0	44,248.7

Retained earnings are the profits/(loss) that the company has earned/incurred till date, less any transfers to general reserve, dividends or other distributions paid to shareholders. Retained earnings include re-measurement loss / (gain) on defined benefit plans, net of taxes that will not be reclassified to Statement of Profit and Loss.



20. Lease Liabilities

Particulars	Rs. in million	
	As at March 31, 2026	As at March 31, 2025
Non- Current	2,229.3	1,642.4
Current	494.2	459.6
Total	2,723.5	2,102.0

21. Other financial liabilities

Particulars	Rs. in million	
	As at March 31, 2026	As at March 31, 2025
Non- Current		
Capital creditors	71.4	71.1
Security deposits	134.9	101.6
Total	206.3	172.7
Current		
Capital creditors*	1,780.7	1,198.2
Bank overdraft	155.3	
Employees' dues	1,739.9	1,536.2
Total	3,675.9	2,734.4

* includes MSME capital creditors Rs 208.4 million (March 31, 2025 Rs. 197.2 million)

22. Provisions

Particulars	Rs. in million	
	As at March 31, 2026	As at March 31, 2025
Non-current		
Employees benefits (i)		
Compensated absences	887.0	884.6
Other employee benefits	121.4	92.6
Other provisions : Warranties (ii)	159.1	525.3
Total	1,167.5	1,502.5
Current		
Employees benefits (i)		
Compensated absences	54.9	49.0
Other employee benefits	29.7	293.3
Other provisions : Warranties (ii)	3,128.6	2,167.1
Total	3,213.2	2,509.4

(i) The provision for employee benefits includes earned leave, sick leave, vested long service reward and other long term incentives.

(ii) Movement in warranties provision

Particulars	Rs. in million	
	For the year ended March 31, 2026	For the year ended March 31, 2025
Opening balance	2,692.4	2,345.7
Arising during the year	4,385.8	3,808.8
Amount utilised during the year	(3,871.8)	(3,552.6)
Unwinding of discount	81.3	90.5
Closing balance	3,287.7	2,692.4

The provision for warranty claims represents the present value of the management's best estimate of the future economic benefits that will be required under the Company's obligations for warranties under local sale of goods legislation. The estimate has been made on the basis of historical warranty trends and expected future trends and may vary as a result of new materials, altered manufacturing processes or other events affecting product quality.

23. Deferred tax liabilities (net)

Particulars	Rs. in million	
	As at March 31, 2026	As at March 31, 2025
Deferred tax liabilities on		
Property, plant and equipment and intangible assets	3,801.0	3,692.3
Others	56.7	70.1
Sub-total (A)	3,857.7	3,762.4
Less: Deferred tax assets on		
Accrued expenses deductible on payment	49.4	39.2
Provision for leave encashment/compensated absences	220.1	218.0
Impairment for doubtful debts and other receivables	132.0	110.0
Deferred revenue on AMC	291.2	284.5
Others	166.0	97.3
Sub-total (B)	858.7	749.0
Deferred tax liabilities (net)	Total (A-B)	3,013.4



Movement in Deferred tax liabilities

For the year ended March 31, 2026

Rs. in million

Particulars	Opening balance	Recognised in profit and loss	Recognised in Other comprehensive income	Closing balance
Deferred tax liabilities on				
Property, plant and equipment and intangible assets	3,692.3	108.7	-	3,801.0
Others	70.1	(13.4)	-	56.7
Sub-total (A)	3,762.4	95.3	-	3,857.7
Less: Deferred tax assets on				
Accrued expenses deductible on payment	39.2	10.2	-	49.4
Provision for leave encashment/compensated absences	218.0	2.1	-	220.1
Remeasurement of defined benefit obligation	-	4.8	(4.8)	-
Impairment for doubtful debts and advances	110.0	22.0	-	132.0
Deferred revenue on AMC	284.5	6.7	-	291.2
Others	97.3	68.7	-	166.0
Sub-total (B)	749.0	114.5	(4.8)	858.7
Deferred tax liabilities (net)	Total (A-B)	(19.2)	4.8	2,999.0

For the year ended March 31, 2025

Rs. in million

Particulars	Opening balance	Recognised in profit and loss	Recognised in Other comprehensive income	Closing balance
Deferred tax liabilities on				
Property, plant and equipment and intangible assets	4,904.7	(1,212.4)	-	3,692.3
Others	98.4	(28.3)	-	70.1
Sub-total (A)	5,003.1	(1,240.7)	-	3,762.4
Less: Deferred tax assets on				
Accrued expenses deductible on payment	49.9	(10.7)	-	39.2
Provision for leave encashment/compensated absences	267.6	(49.6)	-	218.0
Remeasurement of defined benefit obligation	-	(9.9)	9.9	-
Impairment for doubtful debts and advances	117.8	(7.8)	-	110.0
Deferred revenue on AMC	266.9	17.6	-	284.5
Others	83.9	13.4	-	97.3
Sub-total (B)	786.1	(47.0)	9.9	749.0
Deferred tax liabilities (net)	Total (A-B)	(1,193.7)	(9.9)	3,013.4

24. Other liabilities

Particulars	As at March 31, 2026	As at March 31, 2025
Current		
Advances from customers (contract liabilities)	7,510.7	6,335.0
Statutory dues	1,487.0	3,230.7
Liabilities towards corporate social responsibility	186.8	70.7
Total	9,184.5	9,636.4

25. Borrowings

Particulars	As at March 31, 2026	As at March 31, 2025
Current		
Unsecured- at amortised cost		
Loan repayable on demand from banks	1,500.0	-
Short term loan	-	-
Total	1,500.0	-

For details of assets given as security against borrowings- Refer note 51(a).

26. Trade payables

Particulars	As at March 31, 2026	As at March 31, 2025
Current		
Total outstanding dues of micro enterprises and small enterprises	1,182.0	743.2
Total outstanding dues of creditors other than micro enterprises and small enterprises		
Acceptances	13,198.5	14,340.0
Other trade payables	60,773.2	51,310.1
	73,971.7	65,650.1
Total	75,153.7	66,393.3

Trade payables are non-interest bearing and are normally settled on 60-day terms.

Trade payables also include payables to related parties- Refer note 46

Refer note 41 for disclosures under Micro, Small and Medium Enterprises Development Act, 2006



VE COMMERCIAL VEHICLES LIMITED
NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2026

Trade payables ageing
As at March 31, 2026

Particulars	Not due*	Outstanding for following periods from due date of payment				Total
		Less than 1 yr.	1 -2 yrs.	2 -3 yrs.	More than 3 yrs.	
MSME**	1,151.0	29.9	-	0.1	0.4	1,181.4
Others*	72,974.4	893.3	-	56.9	46.4	73,971.0
Disputed dues - MSME	-	-	0.6	-	-	0.6
Disputed dues - Others	0.1	0.2	-	0.4	-	0.7
Total	74,125.5	923.4	0.6	57.4	46.8	75,153.7

* Not dues includes unbilled dues of Rs 25,625.4 million

** Dues are primarily in relation to vendor's GST compliances.

As at March 31, 2025

Particulars	Not due*	Outstanding for following periods from due date of payment				Total
		Less than 1 yr.	1 -2 yrs.	2 -3 yrs.	More than 3 yrs.	
MSME**	716.9	22.1	1.4	0.8	0.1	741.3
Others*	63,704.5	1,875.8	19.7	28.5	20.9	65,649.3
Disputed dues - MSME	0.3	1.6	0.0	0.0	-	1.9
Disputed dues - Others	-	0.3	0.3	0.2	0.0	0.9
Total	64,421.6	1,899.8	21.4	29.5	21.0	66,393.3

* Not dues includes unbilled dues of Rs 18,970.5 million

** Dues are primarily in relation to vendor's GST compliances.

27. Liabilities for current tax (net)

Particulars	Rs. in million	
	As at March 31, 2026	As at March 31, 2025
Provision for tax (net of advance tax)	998.3	773.6
Total	998.3	773.6



28. Revenue from operations

Particulars	Rs. in million	
	For the year ended March 31, 2026	For the year ended March 31, 2025
Revenue from operations		
Sale of products		
Manufactured goods	225,382.2	193,162.3
Stock-in-trade	36,792.2	35,339.3
Sale of services	2,147.1	1,614.4
Sub-total (A)	264,321.5	230,116.0
Other operating revenue		
Export benefits	657.2	571.9
Scrap sales	821.8	728.3
Income from maintenance contracts	2,647.5	2,289.4
Industrial promotion subsidy income	860.1	1,055.7
Income from other operating revenues	650.8	460.9
Sub-total (B)	5,637.4	5,106.2
Revenue from operations (net)	Total (A+B)	235,222.2

Particulars	Rs. in million	
	For the year ended March 31, 2026	For the year ended March 31, 2025
Details of products sold		
Manufactured goods		
Commercial vehicles	181,419.7	152,636.9
Engines and related components	15,667.9	14,820.2
Spare parts and other components	28,294.6	25,705.2
Total	225,382.2	193,162.3
Stock-in-trade		
Commercial vehicles	21,145.7	21,766.9
Spare parts and other components	15,646.5	13,572.4
Total	36,792.2	35,339.3
Details of services rendered		
Engineering services	71.6	64.1
Other allied services	2,075.5	1,550.3
Total	2,147.1	1,614.4
Reconciling the amount of revenue recognised in the statement of profit and loss with the contracted price		
Revenue as per contracted price	266,119.5	231,933.6
Adjustments:		
- Trade Discount & Incentives	1,798.0	1,817.6
Total	264,321.5	230,116.0

Contract Balances

Particulars	Rs. in million	
	As at March 31, 2026	As at March 31, 2025
Trade receivables	38,532.2	30,920.8
Advances from customers (contract liabilities)	7,510.7	6,335.0

Particulars	Rs. in million	
	For the year ended March 31, 2026	For the year ended March 31, 2025
Amount of Revenue recognised from:		
Amounts included in other liabilities (deferred revenue, contract liabilities, advance from customers) at the beginning of the year	2,902.1	2,548.0

29. Other income

Particulars	Rs. in million	
	For the year ended March 31, 2026	For the year ended March 31, 2025
a) Interest income on financial assets carried at amortised cost		
- Deposit with bank	2,284.7	1,848.4
- Others	73.1	210.4
Sub-total (A)	2,357.8	2,058.8
b) Other non-operating income		
Corporate service charges recovered	33.4	26.9
Other miscellaneous income	18.0	15.0
Sub-total (B)	51.4	41.9
c) Other gains and losses		
Exchange differences (net)	552.9	3.0
Profit on sale of property, plant and equipment (net)	-	10.0
Sub-total (C)	552.9	13.0
Total (A+B+C)	2,962.1	2,113.7



30. Cost of raw materials and components consumed

Particulars	Rs. in million	
	For the year ended March 31, 2026	For the year ended March 31, 2025
Inventory at the beginning of the year	5,752.5	5,502.5
Add: purchases during the year	180,731.4	155,315.3
	186,483.9	160,817.8
Less: inventory at the end of the year	7,191.1	5,752.5
Less: material cost of vehicles capitalised	105.8	183.3
	179,187.0	154,882.0
Less: sale of raw materials and components to suppliers on cost to cost basis	3,523.1	3,684.7
Net consumption	175,663.9	151,197.3

31. Purchases of traded goods

Particulars	Rs. in million	
	For the year ended March 31, 2026	For the year ended March 31, 2025
Commercial vehicles	16,289.5	25,895.6
Spare parts and other components	10,469.4	9,436.6
Total	26,758.9	35,332.2

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

Particulars	Rs. in million	
	For the year ended March 31, 2026	For the year ended March 31, 2025
Inventories at the end of the year		
Finished goods	16,872.1	13,304.9
Work-in-progress	1,590.0	1,774.4
Stock-in-trade	3,677.1	8,299.3
Sub-total (A)	22,139.2	23,378.6
Inventories at the beginning of the year		
Finished goods	13,304.9	11,505.5
Work-in-progress	1,774.4	1,374.9
Stock-in-trade	8,299.3	3,153.5
Sub-total (B)	23,378.6	16,033.9
Net change (B-A)	1,239.4	(7,344.7)

33. Employee benefits expenses

Particulars	Rs. in million	
	For the year ended March 31, 2026	For the year ended March 31, 2025
Salaries, wages, bonus etc.	14,776.7	12,864.6
Contribution to provident and other funds	477.0	421.2
Gratuity expenses (refer note 42)	139.3	149.5
Staff welfare expenses	1,292.7	1,099.1
Total	16,685.7	14,534.4

34. Depreciation and amortisation expenses

Particulars	Rs. in million	
	For the year ended March 31, 2026	For the year ended March 31, 2025
Depreciation of Property, plant and equipment (refer note 5)	4,751.2	4,027.8
Amortisation of Intangible assets (refer note 7)	1,861.7	1,797.7
Depreciation of Right-of-use assets (refer note 7A)	584.6	528.7
Total	7,197.5	6,354.2

35. Finance costs

Particulars	Rs. in million	
	For the year ended March 31, 2026	For the year ended March 31, 2025
Interest expense		
on borrowings	187.6	22.1
on security deposit	6.2	4.9
on income tax	15.0	-
Interest on lease liabilities	196.5	163.8
Unwinding of discount on provisions	81.3	90.5
Total	486.6	281.3



36. Other expenses

Particulars	Rs. in million	
	For the year ended March 31, 2026	For the year ended March 31, 2025
Stores and machinery spares consumed (including loose tools)	898.7	788.7
Loss on sale/discard of property, plant and equipment and intangible assets	16.4	-
Power and fuel	1,400.1	1,259.0
Insurance	304.7	224.0
Repairs and maintenance		
Buildings	358.3	325.4
Plant and equipment	758.5	649.2
Others	788.8	731.1
Rates and taxes	161.7	159.7
Advertisement	55.7	49.3
Freight and handling charges	5,584.8	4,834.7
Incentives	131.5	121.1
Warranty	4,385.8	3,808.8
Other selling and distribution expenses	2,403.3	1,819.6
Rent	342.6	279.5
Legal and professional charges #	271.1	273.5
Travelling and conveyance expenses	736.7	741.4
Development and testing expenses	553.3	442.1
Corporate social responsibility expenditure ##	246.9	153.7
Brand fees (refer note 46)	1,039.3	886.4
Impairment for doubtful debts and advances	152.2	100.2
Miscellaneous expenses	4,191.9	3,737.1
Total	24,782.3	21,384.5

Including payment to auditors as below:-

Particulars	Rs. in million	
	For the year ended March 31, 2026	For the year ended March 31, 2025
a) As Auditor		
- Audit fee	9.6	8.7
- Limited Review of unaudited financial results	3.0	2.7
b) In other capacity:		
- Other certification	0.1	0.4
c) Reimbursement of expenses	0.2	0.2

Details of CSR expenditure:

Particulars	Rs. in million	
	For the year ended March 31, 2026	For the year ended March 31, 2025
a) Gross amount required to be spent during the year	246.9	153.7
b) Amount approved by the Board to be spent during the year	246.9	153.7
c) Amount spent during the year ended on 31 March 2026:		
i) Construction/acquisition of any asset	-	-
ii) On purposes other than (i) above	60.2	60.2
d) Amount spent during the year ended on 31 March 2025:		
i) Construction/acquisition of any asset	-	-
ii) On purposes other than (i) above	83.2	83.2

e) Details related to spent / unspent obligations:

Particulars	Rs. in million	
	For the year ended March 31, 2026	For the year ended March 31, 2025
i) Contribution to Public Trust	-	-
ii) Contribution to Section 8 company*	50.4	79.0
iii) Unspent amount in relation to:		
- Ongoing project**	186.8	70.7
- Other than ongoing project	-	-
iv) Contribution to Others	9.8	4.2
	247.0	153.9

* represents contribution to Eicher Group foundation (License under Section 8(1) of the Companies Act, 2013) which is joint venture Company

** includes interest earned of Rs 0.1 million in FY 25-26 (previous year Rs 0.2 million)



Details of CSR spent for ongoing project and other than ongoing project in FY 25-26 pertaining to current year and earlier years-

In case of S. 135(6) (Ongoing Project)						
Opening Balance*		Amount required to be spent during the year	Amount spent during the year		Closing balance**	
With company	In Separate CSR Unspent A/c		From Company's bank a/c	From Separate CSR	With company	In Separate CSR
-	70.7	247.0	60.2	70.7	186.8	-

* Previous year closing balance with company transferred to separate unspent CSR account on April 25, 2025.

** Current year closing balance with company has been transferred to separate unspent CSR account on April 28, 2026

In case of S. 135(5) (Other than ongoing project)				
Opening balance	Amount deposited in Specified Fund of Sch. VII within 6 months	Amount required to be spent during the year	Amount spent during the year	Closing balance
-	-	-	-	-

Details of CSR spent for ongoing project and other than ongoing project in FY 24-25 pertaining to current year and earlier years-

In case of S. 135(6) (Ongoing Project)						
Opening Balance		Amount required to be spent during the year	Amount spent during the year		Closing balance	
With company	In Separate CSR Unspent A/c		From Company's bank	From Separate CSR	With company	In Separate CSR
-	9.4	152.4	81.7	9.4	70.7	-

In case of S. 135(5) (Other than ongoing project)				
Opening balance	Amount deposited in Specified Fund of Sch. VII within 6 months	Amount required to be spent during the year	Amount spent during the year	Closing balance
-	-	1.5	1.5	0.0

37. Income tax expense

Particulars	Rs. in million	
	For the year ended March 31, 2026	For the year ended March 31, 2025
Current tax	4,986.0	3,954.9
Deferred tax charge/(benefit)	(19.2)	(1,193.7)
Total Income tax recognised in the current year	4,966.8	2,761.2

The reconciliation of income tax expense calculated as per tax rates applicable to company with income tax expense is as follows:

Particulars	Rs. in million	
	For the year ended March 31, 2026	For the year ended March 31, 2025
Profit before tax	19,518.7	15,596.7
Income Tax expenses calculated at 25.168%	4,912.5	3,925.4
Effect of CSR expense	62.1	38.7
Impact of change in tax rate	-	(1,179.8)
Others	(7.8)	(23.1)
Income tax expense recognised in statement of profit and loss	4,966.8	2,761.2

Income tax expense recognised in other comprehensive income

Particulars	Rs. in million	
	For the year ended March 31, 2026	For the year ended March 31, 2025
Deferred tax charge/(benefit)		
Arising on income and expenses recognised in other comprehensive income:		
- Remeasurement of defined benefit obligation	4.8	(9.9)
Total Income tax expense recognised in other comprehensive income	4.8	(9.9)
Bifurcation of the income tax recognised in other comprehensive income into:-		
Items that will not be reclassified to profit or loss	4.8	(9.9)
	4.8	(9.9)



VE COMMERCIAL VEHICLES LIMITED
NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2026

38. Estimated amount of contracts remaining to be executed on capital account and not provided for Rs. 6,836.5 million (net of advance) (As at March 31, 2025 Rs. 5,052.2 million).
The Company has other commitments, for purchase/sales orders which are issued after considering requirements per operating cycle for purchase /sale of goods and services, employee's benefits including union agreement in normal course of business. The Company does not have any long term commitments or material non-cancellable contractual commitments/contracts, which might have material impact on the financial statements.

39. **Research and development expenses:**

Revenue expenditure on research and development incurred and expensed off during the year through the appropriate heads of account aggregate Rs. 3,120.3 million (previous year Rs. 2,854.0 million). The Capital expenditure incurred during the year for research and development purposes aggregate Rs. 2,833.8 million (previous year Rs. 2,819.8 million).

Capital expenditure	Rs. in million	
	For the year ended March 31, 2026	For the year ended March 31, 2025
Building - factory	75.4	9.0
Plant and office equipment	107.4	389.4
Furniture and fittings	25.6	34.6
Vehicles	20.5	26.1
Intangible assets	2,676.8	1,068.7
Capital work in progress including intangible assets under development and capital advances	(71.9)	1,292.0
Total	2,833.8	2,819.8

Revenue expenditure	Rs. in million	
	For the year ended March 31, 2026	For the year ended March 31, 2025
Employee cost	686.6	541.5
Development expenses	186.8	164.8
Depreciation and amortisation	1,914.1	1,859.6
Other expenses	332.8	288.1
Total	3,120.3	2,854.0

40. **Contingent liabilities not provided for:**

Particulars	Rs. in million	
	As at March 31, 2026	As at March 31, 2025
a) In respect of following:		
- Sales tax matters	1,738.1	1,755.4
- Excise duty matters	5.5	5.5
- GST matters	3,122.4	814.7
- Service tax matters	11.1	11.1
- Income tax matters	645.3	355.7
b) Claims against the Company not acknowledged as debts	21.4	19.2
c) Guarantees given		
- to a bank for credit facility granted to 100% subsidiary companies	346.2	178.7

All the above matters other than guarantees given are subject to legal proceedings in the ordinary course of business. The legal proceedings when ultimately concluded will not, in the opinion of management, have a material effect on the result of operations or the financial position of the Company.

41. **Disclosures required under Section 22 of the Micro, Small and Medium Enterprises Development Act, 2006**

Particulars	Rs. in million	
	As at March 31, 2026	As at March 31, 2025
(i) Principal amount remaining unpaid to any supplier as at the end of the accounting year.*	1,390.4	940.3
(ii) Interest due thereon remaining unpaid to any supplier as at the end of the accounting year.	-	-
(iii) The amount of interest paid along with the amounts of the payment made to the supplier beyond the appointed day.	-	-
(iv) The amount of interest due and payable for the year.	-	-
(v) The amount of interest accrued and remaining unpaid at the end of the accounting year.	-	-
(vi) The amount of further interest due and payable even in the succeeding year, until such date when the interest dues as above are actually paid.	-	-

* Include capital creditors of Rs. 208.4 million (previous year Rs. 197.2 million)



VE COMMERCIAL VEHICLES LIMITED
NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2026

42. Disclosures under Ind AS 19 (Employee Benefits)

The details of various employee benefits provided to employees are as under:

A. Defined contribution plans

Particulars	Rs. in million	
	For the year ended March 31, 2026	For the year ended March 31, 2025
a) Provident fund *	409.7	379.5
b) Superannuation fund	16.1	16.7
c) Employee State Insurance Corporation	15.6	12.4
d) National Pension scheme	50.3	38.2

*Includes Rs. 14.6 million (previous year Rs. 13.1 million) capitalised during the year in intangible assets under development.

Out of the total contribution made for employees' provident fund, Rs. 145.7 million (previous year Rs. 132.0 million) is made to Eicher Executive Provident Fund Trust, while the remaining contribution is made to government administered provident fund.

The total plan liabilities under the Eicher Executive Provident Fund Trust as at March 31, 2026 is Rs. 6,218.8 million as against the total plan assets of Rs. 6,145.3 million. The funds of the trust have been invested under various securities as prescribed under the rules of the trust. Total plan liabilities are still not final as government notification on rate of interest has still not been released.

B. Defined benefit plans:

In accordance with the Code on Social Security, 2020 (erstwhile, the Payment of Gratuity Act, 1972), the Company provides for gratuity, as defined benefit plan. The gratuity plan provides for a lump sum payment to the employees at the time of separation from the service on completion of vested year of employment i.e. five years. The liability of gratuity plan is provided based on actuarial valuation as at the end of each financial year based on which the Company contributes the ascertained liability to Insurance companies by whom the plan assets are maintained.

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

Investment Risk	The present value of the defined benefit plan liability (denominated in Indian Rupee) is calculated using a discount rate which is determined by reference to market yields at the end of the reporting period on government bonds. Currently for the plan, it has a relatively balanced mix of investments in government securities, and other debt instruments.
Interest Risk	A decrease in the bond interest rate will increase the plan liability; however, this will be partially offset by an increase in the return on the plan's debt investments.
Longevity Risk	The present value of the defined benefit plan liability is calculated by reference to the best estimate of the mortality of plan participants both during and after their employment. An increase in the life expectancy of the plan participants will increase the plan's liability.
Salary Risk	The present value of the defined benefit plan liability is calculated by reference to the future salaries of plan participants. As such, an increase in the salary of the plan participants will increase the plan's liability. The estimates of future salary increases, considered in the actuarial valuation, taken into account inflation, seniority, promotion and other relevant factors such as supply and demand in the employment market.

The most recent actuarial valuation of the plan assets and the present value of the defined benefit obligation were carried out as at March 31, 2026 by Mr. Charan Gupta, Fellow of the Institute of Actuaries of India. The present value of the defined benefit obligation, and the related current service cost, were measured using the projected unit credit method.

Principal assumptions:	Rs. in million	
	Gratuity - Funded	
	As at March 31, 2026	As at March 31, 2025
Discount rate	7.60%	7.04%
Future salary increase	7.35%	7.25%
Retirement age	58/59/60/61/62/64 years	58/59/60/61/62/64 years
Withdrawal rate	1-3%	1-3%
In service mortality	IALM (2012-14)	IALM (2012-14)

Amounts recognised in statement of profit and loss in respect of these defined benefit plans are as follows :-

Particulars	Rs. in million	
	Gratuity - Funded	
	For the year ended March 31, 2026	For the year ended March 31, 2025
Service cost		
Current service cost	555.8	135.8
Net interest expense	13.3	13.7
Component of defined benefit cost recognised in profit or loss	569.1	149.5
Employee benefits expenses (note no. 33)	139.3	149.5
Exceptional Items	429.8	-
Remeasurement on the net defined benefit liability:		
Actuarial (gains)/ losses arising from changes in financial assumptions	(66.6)	17.7
Actuarial (gains)/ losses arising from experience adjustments	47.3	21.5
Component of defined benefit cost recognised in Other comprehensive Income	(19.3)	39.2



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

Particulars	Rs. in million	
	Gratuity - Funded	
	As at March 31, 2026	As at March 31, 2025
Present Value of funded defined benefit obligation	2,369.4	1,803.9
Fair value of plan assets	2,369.4	1,803.9
Net liability arising from defined benefit obligation	-	-

Movements in the present value of the defined benefit obligation are as follows :-

Particulars	Rs. in million	
	Gratuity - Funded	
	For the year ended March 31, 2026	For the year ended March 31, 2025
Present value of obligation as at the beginning	1,803.9	1,597.0
Current service cost	555.8	135.8
Interest cost	127.0	114.2
Benefits paid	(127.4)	(102.9)
Net actuarial (gain) / loss recognised	10.1	59.8
Present value of obligation as at the end	2,369.4	1,803.9

Reconciliation of opening and closing balances of the present value of fund

Particulars	Rs. in million	
	Gratuity- Funded	
	For the year ended March 31, 2026	For the year ended March 31, 2025
Present Value of fund as at the beginning	1,803.9	1,597.0
Interest income	113.7	100.5
Contribution	549.8	188.7
Net actuarial (gain) / loss recognised	(29.4)	(20.6)
Benefits paid	(127.4)	(102.9)
Present value of fund as at the end @	2,369.4	1,803.9

@ Funds are managed by VECV Employees Group Gratuity Scheme.

The major categories of plan assets as percentage of total assets maintained with the approved insurance companies for VECV Trust are as follows:

Particulars	Rs. in million	
	As at March 31, 2026	As at March 31, 2025
Corporate Bonds categorised by issuers' credit rating		
AAA	215.3	124.2
AA	61.5	32.9
A	9.3	10.0
Corporate debt bonds (traditional plan)	955.9	675.4
Equity	112.7	70.6
Government securities / Treasury Bills	821.5	773.7
Money Market	123.6	86.8
Others	69.6	30.3
Total	2,369.4	1,803.9

Significant actuarial assumptions for the determination of the defined obligation are discount rate, expected salary increase, mortality, etc. The sensitivity analysis below have been determined based on reasonable possible changes of the respective assumptions occurring at the end of the reporting period, while holding all other assumptions constant.

- If the discount rate is 0.5 basis points higher (lower), the defined benefit obligation would decrease by Rs. 102.6 million (increase by Rs. 108.1 million) (as at March 31, 2025: Decrease by Rs. 78.5 million (increase by Rs. 84.8 million)).

- If the expected salary growth increases (decreases) by 0.5 basis points, the defined benefit obligation would increase by Rs. 107.8 million (decrease by Rs. 103.3 million) (as at March 31, 2025: increase by Rs. 84.3 million (decrease by Rs. 78.7 million)).

Sensitivities due to change in mortality rate and change in withdrawal rate are not material and hence impact of such change is not calculated.

Sensitivity Analysis

The sensitivity analysis presented above may not be representative of the actual change in the defined benefit obligation as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated.

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

There was no change in the methods and assumptions used in preparing the sensitivity analysis from prior years.

Asset-Liability Matching Study

There is no (deficit)/Surplus of liability and funds, hence asset liability matching study not performed.



Other disclosures

Maturity profile of defined benefit obligation

Particulars	Gratuity - Funded	
	As at March 31, 2026	As at March 31, 2025
Average duration of the defined benefit obligation (in years)	8.88 Years	8.75 Years

The estimated contribution during next year is Rs. 240.7 million (previous year Rs. 162.4 million) to the defined benefit plan.

43. Earnings per share

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
a) Profit after taxation, per statement of profit and loss (Rs. in million)	14,551.9	12,835.5
b) Weighted average number of equity shares (Nos.)	10,000,000	10,000,000
c) Earnings per share (in rupees): (face value-Rs. 10 per share)		
- Basic and Diluted [(a)/(b)]	1,455.2	1,283.6



44. Financial instruments

44.1 Capital Management

The Company manages its capital to ensure that the Company will be able to continue as going concern while maximising the return to stakeholders through efficient allocation of capital towards expansion of business, optimisation of working capital requirements and deployment of surplus funds into various investment options. The Company uses long-term debt, if any to meet its capital requirements.

The Company is not subject to any externally imposed capital requirements.

The management of the Company reviews the capital structure of the Company on regular basis. As part of this review, the management of the Company considers the cost of capital and the risks associated with the movement in the working capital.

The following table summarizes the capital of the Company:

Particulars	Rs. in million	
	As at March 31, 2026	As at March 31, 2025
Share capital	100.0	100.0
Other equity	68,200.1	57,633.8
	<u>68,300.1</u>	<u>57,733.8</u>

44.2 Categories of financial instruments

Carrying value of the financial instruments are as follows:-

Particulars	Rs. in million	
	As at March 31, 2026	As at March 31, 2025
Financial assets carried at fair value through profit and loss (FVTPL)		
Investment in equity instruments	1.4	1.4
Financial assets at amortised cost		
Non-current		
Loans	34.2	37.1
Other financial assets	16,170.8	8,172.8
Current		
Trade receivables	38,532.2	30,920.8
Cash and cash equivalents	1,226.9	1,104.3
Loans	29.5	32.7
Other financial assets	30,292.7	27,926.5
Financial liabilities at amortised cost		
Non-current		
Other financial liabilities	206.3	172.7
Current		
Borrowings	1,500.0	-
Trade payables	75,153.7	66,393.3
Other financial liabilities	3,675.9	2,734.4

44.3 Fair value measurements

This section provides additional information on balance sheet items that contain financial instruments:-

The following methods and assumptions were used to estimate the fair values :-

The following table categorise the financial instruments measured at fair value accompanied into Level 1 to Level 3, as described below.

Level 1: This level includes financial assets that are measured by reference to quoted prices (unadjusted) in active markets for identical assets or liabilities.

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.

Fair value of the Company's financial assets that are measured at fair value on a recurring basis:-

There are certain Company's financial assets 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 are determined:-

Particulars	Rs. in million	
	Fair value as at March 31, 2026 Level 3	March 31, 2025 Level 3
Financial assets at fair value through profit or loss		
Non-current		
Investments in equity instruments	1.4	1.4

Fair value of the Company's financial assets and financial liabilities that are not measured at fair value (but fair value disclosures are required)

The management considers that the carrying amounts of financial assets and financial liabilities recognised in the financial statements approximate their fair values.



Notes:

Fair value of cash and short-term deposits, trade and other short term receivables, trade payables, short-term borrowings, other financial liabilities and other financial instruments approximate their carrying amounts largely due to the short-term maturities of these instruments.

Investment in fixed deposits are carried at amortised cost and the fair value is estimated by discounting future cash flows using a discount rate equivalent to the risk free return, adjusted for any expected credit loss allowance.

Management uses its best judgment in estimating the fair value of its financial instruments. However, there are inherent limitations in any estimation technique. Therefore, for substantially all financial instruments, the fair value estimates presented above are not necessarily indicative of all the amounts that the Company could have realized or paid in sale transactions as of respective dates. As such, the fair value of the financial instruments subsequent to the respective reporting dates may be different from the amounts reported at each year end.

44.4 Financial risk management objectives and Policies

The Company's treasury function is managed by its Corporate Office Finance Department (COFD) which monitors and manages the financial risks relating to the operations of the Company. These risks include market risk (including currency risk), credit risk and liquidity risk.

The COFD evaluates and exercises independent control over the entire process of risk management. The treasury department recommends risk management objectives and policies, which are approved by Senior Management. The activities of this department includes management of cash resources, implementing strategies for foreign currency exposures and ensuring market risk limit and policies.

The Company does not enter into or trade financial instruments, including derivative financial instruments, for speculative purposes.

Market risk

Market risk is the risk of any loss in future earnings, in realisable fair values or in future cash flows that may result from a change in the price of a financial instrument. The Company's activities expose it primarily to the financial risks of changes in foreign currency exchange rates. Market risk exposures are measured using sensitivity analysis.

Foreign currency risk management

The Company undertakes transactions denominated in foreign currencies; consequently, exposures to exchange rate fluctuations arise.

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

Foreign currency exposure	As at March 31, 2026		As at March 31, 2025	
	Trade Receivables	Trade Payables	Trade Receivables	Trade Payables
USD	76.5	4.2	48.1	3.7
EURO	2.5	5.2	2.4	3.7
SEK	-	18.4	-	6.4
JPY	4.1	101.0	2.0	146.3
ZAR	58.0	2.3	55.5	0.9
Others	0.1	51.9	0.1	38.5

in million

Breakup and ageing of Foreign Currency Exposure Risk as at March 31, 2026:

Rs. in million

Particulars	Unhedged		Hedged through forward or derivative	Natural Hedge	
	<=1 year	>1 year	Total	<=1 year	> 1 year
FCY Receivables					
(i) Exports	7,154.3	1.4	-	678.5	8.9
Total (A)	7,154.3	1.4	-	678.5	8.9
FCY Payables					
(i) Imports	695.1	17.4	-	678.5	8.9
Total (B)	695.1	17.4	-	678.5	8.9

Foreign currency sensitivity

The following table details the Company's sensitivity to a 5% increase and decrease in the Rs. against the relevant foreign currencies. 5% 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 period end for a 5% change in foreign currency rates. A positive number below indicates an increase in profit or equity where the Rs. strengthens 5% against the relevant currency. For a 5% weakening of the Rs. against the relevant currency, there would be a comparable impact on the profit or equity, and the balances below would be negative.

Currency	As at March 31, 2026		As at March 31, 2025	
	5% increase	5% decrease	5% increase	5% decrease
Receivable				
USD	(362.0)	362.0	(206.0)	206.0
EURO	(13.7)	13.7	(11.0)	11.0
Others	(16.5)	16.5	(13.7)	13.7
Payable				
USD	19.9	(19.9)	15.8	(15.8)
EURO	28.1	(28.1)	17.3	(17.3)
SEK	9.1	(9.1)	2.7	(2.7)
JPY	3.0	(3.0)	4.2	(4.2)
Others	9.9	(9.9)	6.3	(6.3)
Impact on profit or loss as at the end of the reporting period	(322.2)	322.2	(184.5)	184.5
Impact on total equity as at the end of the reporting period	(241.1)	241.1	(138.1)	138.1

Rs. in million



In management's opinion, the sensitivity analysis is unrepresentative of the inherent foreign exchange risk because the exposure at the end of the reporting period does not reflect the exposure during the year/ in future years.

Credit risk management

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Company. The Company has adopted a policy of only dealing with creditworthy counterparties as a means of mitigating the risk of financial loss from defaults. Credit exposure is controlled by counterparty limits that are reviewed and approved by the management of the Company.

Financial instruments that are subject to concentrations of credit risk, principally consist of balance with banks, investments in fixed deposits, trade receivables, and other loans and advances. None of the financial instruments of the Company result in material concentrations of credit risks.

Balances with banks were not past due or impaired as at the year end. In other financial assets that are not past dues and not impaired, there were no indication of default in repayment as at the year end.

The Company has used a practical expedient by computing the expected loss allowance for financial assets based on historical credit loss experience and adjustments for forward looking information.

Movement in the expected credit loss allowance of financial assets

Particulars	Rs. in million	
	For the year ended March 31, 2026	For the year ended March 31, 2025
Balance at beginning of the year	435.1	334.9
Add: Provided during the year	152.2	100.2
Less: amounts written off	(37.0)	-
Balance at end of the year	550.3	435.1

The above does not include provision for diminution in the value of investment in subsidiary company.

Liquidity risk

Liquidity risk represents the inability of the Company to meet its financial obligations within stipulated time.

Maturity profile of financial liabilities:

The table below provides details regarding the remaining contractual maturities of financial liabilities at the reporting date.

Particulars	Rs. in million			
	As at March 31, 2026			
	Less than 1 year	1 Year-5 years	More than 5 years	Total
Non-current				
(i) Other financial liabilities	-	71.4	134.9	206.3
Current				
(i) Borrowings	1,500.0	-	-	1,500.0
(ii) Trade payables	75,153.7	-	-	75,153.7
(iii) Other financial liabilities	3,675.9	-	-	3,675.9

Particulars	Rs. in million			
	As at March 31, 2025			
	Less than 1 year	1 Year-5 years	More than 5 years	Total
Non-current				
(i) Other financial liabilities	-	71.1	101.6	172.7
Current				
(i) Trade payables	66,393.3	-	-	66,393.3
(ii) Other financial liabilities	2,734.4	-	-	2,734.4

The surplus funds with the Company and operational cash flows will be sufficient to dispose the financial liabilities with in the maturity period.



45. Segment Reporting Disclosure

The Company primarily operates in the automotive segment. The automotive segment includes all activities related to development, design, manufacture, assembly and sale of commercial 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, allocate resources based on the analysis of the various performance indicator of the Company as a single unit. Therefore, there is no reportable segment for the Company as per the requirement of IND AS 108 "Operating Segments".

Geographical information

The "Geographical Segments" comprises of domestic segment which includes sales to customers located in India and the overseas segment includes sales to customers located outside India.

Rs. in million			
Revenue from operations	Domestic	Overseas	Total
For the year ended March 31, 2026	240,342.0	29,616.9	269,958.9
For the year ended March 31, 2025	210,838.3	24,383.9	235,222.2

a) Domestic segment includes sales and services to customers located in India.

b) Overseas segment includes sales and services rendered to customers located outside India.

c) There are no material non-current assets located outside India.

d) The accounting policies adopted for segment reporting are in conformity with the accounting policies adopted for the Company. Revenue have been identified to segments on the basis of their relationship to the operating activities of the segment.

Information about major customers

No customer individually accounted for more than 10% of the revenue.



46. Related party disclosures under Ind AS 24

a. Related party disclosures

(i) Subsidiaries companies

VECV Lanka (Private) Limited	(VECV Lanka)
VECV South Africa (Pty.) Limited	(VECV South Africa)
VE Electro Mobility Limited	(VEEM)
VE Connected Solutions Private Limited	(VECS)
PT VECV Automotive Indonesia	(VECV Indonesia)

(ii) Investor in respect of which the Company is a joint venture

Eicher Motors Limited	(EML)
Aktiebolaget Volvo (PUBL), Volvo, Sweden	(AB Volvo)

(iii) Joint venture company

Eicher Group Foundation	(EGF)
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(iv) Entity under the control of co-venturer (AB Volvo)

AB Volvo Penta
AB Volvo Penta Germany
Mack Trucks Inc.
PT Volvo Indonesia
Renault Trucks
Renault Trucks Gare 89
Renault Trucks Gare G2
Renault Trucks Gare V1
Renault Trucks Gare X2
Renault Trucks Gare-30
Renault Trucks Limoges ECH STD
Renault Trucks SAS
Volvo Bus Corporation
Volvo Business Services AB
Volvo Bussar AB
Volvo CE Eskilstuna
Volvo CE India Private Ltd.
Volvo Construction Equipment AB
Volvo Construction Equipment China
Volvo Construction Equipment Technology China Co Ltd
Volvo do Brasil Veiculos Ltd
Volvo Equipamentos de Construcao
Volvo Financial Services India Private Limited
Volvo Group Belgium NV
Volvo Group Connected Solution AB
Volvo Group India Private Limited
Volvo Group Korea Co. Ltd.
Volvo Group Mexico SA de CV
Volvo Group Middle East FZE
Volvo Group North America
Volvo Group Singapore (Pte) Ltd.
Volvo Group Southern Africa (Pty) Ltd.
Volvo Information Technology AB
Volvo Lastvagnar AB
Volvo Logistics AB
Volvo Logistics Corporation
Volvo Malaysia Sdn. Bhd.
Volvo Merchandise AB
Volvo Parts AB
Volvo Parts Corporation
Volvo Penta Corporation
Volvo Powertrain AB
Volvo Powertrain Corporation
Volvo Technology AB
Volvo Truck Corporation

(v) Entity under the control of co-venturer (EML)

Eicher Polaris Private Limited	(EPPL)
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(vi) Entity under the control or significant influence of key management personnel and relatives of key management personnel

Eicher Goodearth Private Limited	(EGPL)
Eicher Goodearth India Private Limited	(EGIPL)
Goodearth Design Studio Private Limited	(GDSPL)
Shardul Amarchand Mangaldas & Co., Advocates and Solicitors	
Nicobar Design Studio Private Limited	(NDSPL)
Neera Aggarwal	Spouse of Vinod Aggarwal
Aastha Aggarwal	Daughter of Vinod Aggarwal

(vii) Other related parties

Eicher Executive Provident Fund	Post employment benefit plan
Eicher Tractors Executive Staff Superannuation Fund	Post employment benefit plan
VECV Employees Group Gratuity Scheme	Post employment benefit plan



(viii) Key management personnel

Executive director :

Vinod Aggarwal

Srinivas Balantrapu

Non-Executive directors :

Lila Poonawalla

Independent Directors :

Indee Mohan Singh

Padmaju Alaganandan

Other Key management personnel :

Praveen Kumar Jain

Ken Trolle

Managing director, Chief Executive Officer (upto March 31, 2026)

Managing director, Chief Executive Officer (w.e.f. April 1, 2026)

(upto March 29, 2026)

(w.e.f. April 1, 2026)

Company Secretary

Chief Financial Officer

b. Transactions with the above parties

Name of related party	Nature of transaction	Rs. in million	
		For the year ended March 31, 2026	For the year ended March 31, 2025
(i) Subsidiaries companies			
V E C V Lanka (Private) Limited	Sale of goods / services	484.9	18.6
	Guarantees given during the year	137.4	-
	Expenses reimbursed	2.9	3.0
	Incentives paid	-	2.8
VECV South Africa (Pty.) Limited	Sale of finished goods/services	1,175.9	434.3
	Incentives paid	49.3	59.4
	Expenses recovered	0.3	0.5
	Expenses reimbursed	30.6	40.5
VE Electro Mobility Limited	Sale of finished goods/services	1.2	176.0
	Sale of capital goods/services	-	2.0
	Purchase of capital goods/services	-	161.5
	Expenses reimbursed	39.8	31.7
	Purchase of goods/services	20.0	84.2
VE Connected Solutions Private Limited	Purchase of goods / services	909.8	330.2
	Expenses reimbursed	13.2	-
	Investment in share capital	-	2.6
PT VECV Automotive Indonesia	Investment in share capital	-	96.6
	Sale of finished goods/services	4.5	-
(ii) Investor in respect of which the Company is a joint venture			
Eicher Motors Limited	Sale of finished goods/services	2,968.1	2,503.7
	Dividend paid	2,176.0	1,360.0
	Corporate service charges recovered	33.4	26.9
	RSU expense*	221.7	98.0
* Share based payment transferred to EML pursuant to extension of RSU scheme of EML to certain employees of VECV			
Aktiebolaget Volvo (PUBL), Volvo, Sweden	Dividend paid	1,387.9	867.4
(iii) Joint venture company			
Eicher Group Foundation	Contribution for corporate social responsibility	121.9	88.2
	Others	0.1	-
(iv) Entity under the control of co-venturer (AB Volvo)			
Volvo do Brasil Veiculos Ltda	Sale of finished goods / services	1,924.0	2,504.0
Renault Trucks SAS	Sale of finished goods / services	4,095.2	4,509.2
	Purchase of goods / services	10.7	17.7
	Purchase of capital goods/services	54.9	37.5
Renault Trucks Gare G2	Sale of finished goods / services	0.1	0.4
Volvo Group India Private Ltd	Sale of finished goods/ services	889.6	435.4
	Expenses recovered	804.6	762.3
	Expenses reimbursed	21.6	34.4
	Purchase of goods / services	22,528.3	31,658.2
	Purchase of capital goods/services	17.0	9.5
	Incentives on parts sale	28.6	49.1
	Others	17.0	0.6
Volvo Powertrain Corporation	Sale of finished goods/ services	26.8	14.9
	Others	1.3	3.0
Volvo Bussar AB	Sale of finished goods/ services	102.1	43.7
	Expenses reimbursed	3.4	-
AB Volvo Penta	Sale of finished goods/ services	690.7	368.1
AB Volvo Penta Germany	Sale of finished goods/ services	1,166.7	692.2
Volvo Information Technology AB	Purchase of goods / services	26.8	27.2



VE COMMERCIAL VEHICLES LIMITED
NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2026

Name of related party	Nature of transaction	For the year ended March 31, 2026	For the year ended March 31, 2025
Volvo Technology AB	Sale of finished goods/ services	25.3	6.5
	Purchase of goods / services	14.1	20.6
	Purchase of capital goods/services	86.4	209.5
	Others	71.8	65.5
Volvo Construction Equipment AB	Sale of finished goods / services	137.5	112.1
	Purchase of goods / services	1.2	-
Volvo Truck Corporation	Sale of finished goods / services	497.0	354.4
	Purchase of goods / services	214.4	255.6
	Expenses recovered	442.3	1,122.7
	Expenses reimbursed	1.2	3.3
	Dividend	436.1	272.6
	Others	56.1	45.4
Renault Trucks Gare V1	Sale of finished goods/ services	5.8	3.0
Renault Trucks Gare 89	Sale of finished goods/ services	3.0	2.4
Volvo Bus Corporation	Sale of finished goods/ services	-	8.7
	Purchase of capital goods/services	1,635.6	1,417.2
	Expenses recovered	61.3	39.7
Volvo Parts Corporation	Sale of finished goods / services	5.4	7.3
	Purchase of goods / services	26.7	14.3
Volvo Penta Corporation	Sale of finished goods / services	0.1	0.0
Renault Trucks	Sale of finished goods/ services	178.0	163.5
Renault Trucks Gare X2	Sale of finished goods / services	0.1	0.1
PT Volvo Indonesia	Expenses reimbursed	3.5	1.0
Volvo CE India Private Limited	Sale of finished goods/ services	286.1	307.6
	Purchase of goods / services	-	2.8
	Expenses reimbursed	1.0	-
Volvo Group Southern Africa (Pty) Ltd	Sale of finished goods/ services	124.0	9.7
	Expenses reimbursed	12.5	13.9
Volvo Group Singapore (Pte) Ltd	Expenses reimbursed	2.6	5.5
Volvo Group Belgium NV	Sale of finished goods/ services	17.2	13.5
Volvo Lastvagnar AB	Sale of finished goods/ services	2,507.5	2,320.5
Volvo Financial Services India Pvt Ltd	Purchase of goods / services	-	0.0
	Sale of finished goods/ services	478.2	1,177.0
	Expenses reimbursed	0.0	-
	Expenses recovered	-	0.0
Volvo Merchandise AB	Expenses reimbursed	-	0.3
Volvo Logistics Corporation	Expenses Reimbursed	-	1.3
Mack Trucks Inc.	Sale of finished goods/ services	7.1	10.7
Volvo Group Korea Co. Ltd.	Sale of finished goods/ services	195.0	52.6
Volvo Group North America	Sale of finished goods / services	0.0	-
	Expenses Reimbursed	26.5	-
Volvo Construction Equipment China	Sale of finished goods/ services	353.1	124.9
Volvo Equipamentos de Construção	Sale of finished goods/ services	84.1	142.5
Volvo Malaysia Sdn. Bhd.	Expenses reimbursed	0.4	-
Volvo Construction Equipment Technology China Co Ltd	Sale of finished goods/ services	-	0.4



VE COMMERCIAL VEHICLES LIMITED
NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2026

Name of related party	Nature of transaction	For the year ended March 31, 2026	For the year ended March 31, 2025
(v) Entity under the control or significant influence of key management personnel and relatives of key management personnel			
Eicher Goodearth Private Limited	Expenses reimbursed	26.0	22.2
	Lease rent	129.0	120.5
	Purchase of capital goods/services	-	4.0
	Others	-	0.1
Eicher Goodearth India Private Limited	Brand fee	1,039.4	886.4
Goodearth Design Studio Private Limited	Purchase of goods/services	0.1	0.8
	Expenses reimbursed	2.4	-
Shardul Amarchand Mangaldas & Co., Advocates and Solicitors	Purchase of goods/services	0.3	5.8
Nicobar Design Studio Private Limited	Purchase of goods / services	0.0	-
	Expenses reimbursed	0.4	-
Neera Aggarwal	Rent paid	-	0.2
Aastha Agarwal	Rent paid	0.4	0.2
(vi) Other related parties			
Eicher Executive Provident Fund	Contribution made	145.7	132.0
Eicher Tractors Executive Staff Superannuation Fund	Contribution made	16.2	16.7
VECV Employees Group Gratuity Scheme	Contribution made to fund	549.8	188.7
	Benefits paid through fund	127.4	102.9
(vii) Key management personnel			
Vinod Aggarwal	Short- term benefits	152.7	122.0
	Post- employment benefits	5.1	5.9
	Other long- term benefits	(0.1)	0.7
		157.7	128.6
Ken Trolle	Short-term benefits	68.8	58.3
Praveen Kumar Jain	Short- term benefits	11.6	10.0
	Post- employment benefits	0.7	0.2
	Other long- term benefits	-	0.1
		12.3	10.3
Lila Poonawalla	Sitting fees and commission	2.9	2.6
	Expenses reimbursed	0.2	0.3
Inder Mohan Singh	Sitting fees and commission	3.0	2.7
	Expenses reimbursed	0.1	0.1
Balance outstanding at the year end			
Name of related party	Nature	As at March 31, 2026	As at March 31, 2025
(i) Subsidiaries companies			
V E C V Lanka (Private) Limited	- Payables	0.6	0.5
	- Receivables	60.5	18.5
	- Guarantees given	288.7	130.4
	- Investment (excluding provision for impairment)	54.3	54.3
VECV South Africa (Pty.) Limited	- Receivables	340.8	269.6
	- Payables	20.1	14.4
	- Guarantees given	57.5	48.2
	- Investment	115.0	115.0
VE Electro Mobility Limited	- Receivables	0.2	27.6
	- Payables	2.8	-
	- Investment	350.0	350.0
VE Connected Solutions Private Limited	- Receivables	12.4	-
	- Payables	45.0	17.6
	- Investment	2.6	2.6
PT VECV Automotive Indonesia	- Receivable	4.7	-
	- Payable	0.0	-
	- Investment	96.6	96.6



VE COMMERCIAL VEHICLES LIMITED
NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2026

Name of related party	Nature	As at March 31, 2026	As at March 31, 2025
(ii) Investor in respect of which the Company is a joint venture			
Eicher Motors Limited	- Receivables	511.1	524.6
	- Acceptances*	4,512.0	4,459.2
* Represents balance outstanding of bill discounting for VECV vendors. The balance at any point of time during the year was within the overall sanction limit of Rs. 5,500 million.			
(iii) Joint venture company			
Eicher Group Foundation	- Receivables	4.7	0.2
	- Payables	5.7	1.0
(iv) Entity under the control of joint venturer (AB Volvo)			
Volvo do Brasil Veiculos Ltda	- Receivables	457.4	370.5
Renault Trucks SAS	- Receivables	815.1	1,528.5
	- Payables	12.4	8.1
Renault Trucks Limoges ECH STD	- Payables	0.1	0.1
Volvo Group India Private Ltd	- Receivables	350.3	267.7
	- Payables	3,173.6	5,041.7
Volvo Powertrain Corporation	- Receivables	10.2	4.3
Volvo Bussar AB	- Payables	2.9	2.2
AB Volvo Penta	- Receivables	136.6	59.1
AB Volvo Penta Germany	- Receivables	219.0	146.8
Volvo Information Technology AB	- Payables	6.9	6.2
Volvo Technology AB	- Receivables	-	12.1
	- Payables	98.8	12.0
Volvo Parts corporation	- Receivables	2.8	4.8
	- Payables	21.5	8.8
Volvo Penta Corporation	- Receivables	-	0.0
Volvo Construction Equipment AB	- Receivables	36.2	42.5
Volvo Truck Corporation	- Receivables	178.7	199.7
	- Payables	47.4	48.0
Renault Trucks Gare V1	- Receivables	2.3	1.6
Renault Trucks Gare 89	- Receivables	0.9	0.9
Volvo Bus Corporation	- Receivables	6.9	19.6
	- Payables	97.3	38.5
Renault Trucks	- Receivables	61.2	65.3
PT Volvo Indonesia	- Payables	3.7	3.2
Volvo CE India Private Limited	- Receivables	75.7	97.5
	- Payables	3.4	4.8
Volvo Group Southern Africa (Pty) Ltd	- Receivables	33.7	1.3
	- Payables	2.2	1.3
Volvo Group Singapore (Pte) Ltd	- Payables	2.1	1.0
Volvo Group Belgium NV	- Receivables	4.7	3.7
Volvo Lastvagnar AB	- Receivables	306.1	254.9
Volvo Financial Services India Pvt Ltd	- Receivables	-	0.3
	- Payables	37.3	44.7
Volvo Logistics Corporation	- Payables	-	0.3
Mack Trucks Inc.	- Receivables	2.2	2.0
Renault Trucks Gare X2	- Receivables	0.1	0.1
Renault Trucks GARE G2	- Receivables	0.1	0.1
Volvo Group Korea Co. Ltd.	- Receivables	31.9	33.1
Volvo Construction Equipment China	- Receivables	71.6	21.9



VE COMMERCIAL VEHICLES LIMITED
NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2026

Name of related party	Nature	As at	As at
		March 31, 2026	March 31, 2025
Volvo Equipamentos de Construção	- Receivables	33.3	48.9
Volvo Group North America	- Receivables	0.0	-
(v) Entity under the control or significant influence of key management personnel and relatives of key management personnel			
Eicher Goodearth Private Limited	- Security Deposit Receivable	39.1	39.1
	- Payables	7.4	5.5
Goodearth Design Studio Private Limited	- Receivables	0.6	-
	- Payables	0.3	0.1
Nicobar Design Studio Private Limited	- Payable	0.1	-
Eicher Goodearth India Private Limited	- Payables	1,039.3	886.4

Notes to the related party transactions

The sales to and purchases from related parties are made on terms equivalent to those that prevail in arm's length transactions and in the ordinary course of business. Outstanding balances at the year end are unsecured and settlement occurs in cash.

For the year ended March 31, 2026, the company has not recorded any impairment of receivables relating to amounts owed by related parties (March 31, 2025: Nil).



47. Disclosures in respect of revenue from Customer :

A. Disaggregation of revenue from contracts with customers :

The Company derives revenue from the transfer of goods and services over time and at a point in time in the following major product lines and geographical regions:

For the year ended March 31, 2026

Segments	Sale of products and related services	Others	Rs. in million
			Total
Revenue by Geography			
Domestic	237,352.1	1,472.6	238,824.7
Overseas	29,616.9	-	29,616.9
Total revenue from contract with customers	266,969.0	1,472.6	268,441.6
Revenue by major product lines			
Sale of products	262,174.4	821.8	262,996.2
Product related services	4,794.6	650.8	5,445.4
Total revenue from contract with customers	266,969.0	1,472.6	268,441.6
Timing of revenue recognition			
At a point in time	264,321.5	1,472.6	265,794.1
Over time	2,647.5	-	2,647.5
Total revenue from contract with customers	266,969.0	1,472.6	268,441.6
Revenue			
External customer	266,969.0	1,472.6	268,441.6
Total revenue from contract with customers	266,969.0	1,472.6	268,441.6

For the year ended March 31, 2025

Segments	Sale of products and related services	Others	Rs. in million
			Total
Revenue by Geography			
Domestic	208,021.5	1,189.2	209,210.7
Overseas	24,383.9	-	24,383.9
Total revenue from contract with customers	232,405.4	1,189.2	233,594.6
Revenue by major product lines			
Sale of products	228,501.6	728.3	229,229.9
Product related services	3,903.8	460.9	4,364.7
Total revenue from contract with customers	232,405.4	1,189.2	233,594.6
Timing of revenue recognition			
At a point in time	230,116.0	1,189.2	231,305.2
Over time	2,289.4	-	2,289.4
Total revenue from contract with customers	232,405.4	1,189.2	233,594.6
Revenue			
External customer	232,405.4	1,189.2	233,594.6
Total revenue from contract with customers	232,405.4	1,189.2	233,594.6

B. The transaction price allocated to the remaining performance obligations (unsatisfied or partially unsatisfied) are as follows:

Particulars	(Rs. in million)	
	As at March 31, 2026	As at March 31, 2025
Within one year	7,510.7	6,335.0
More than one year	-	-



VE COMMERCIAL VEHICLES LIMITED
NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2026

48. Ratio analysis

Ratio	Numerator	Denominator	March 31, 2026	March 31, 2025	% change	Remarks
Current ratio	Current Assets	Current Liabilities	1.1	1.1	-2.52%	
Debt-Equity Ratio	Total Debt including lease liability	Shareholder's Equity	0.1	0.0	69.84%	Majorly on account of WCDL of 1500 million (short term) at year end (previous year Nil).
Debt Service Coverage ratio	Earnings for debt service = Net profit after taxes + Non-cash operating expenses	Debt service = Interest & Lease Payments + Principal Repayments	9.5	5.7	66.12%	Majorly on account of higher repayment of borrowings during the year.
Return on Equity ratio	Net Profits after taxes	Average Shareholder's Equity	23.1%	24.4%	-5.40%	
Inventory Turnover ratio	Cost of goods sold	Average Inventory	6.7	6.8	-1.31%	
Trade Receivable Turnover Ratio	Net credit sales = Gross credit sales - sales return	Average Trade Receivable	7.6	8.0	-4.28%	
Trade Payable Turnover Ratio	Cost of goods sold	Average Trade Payables	2.9	2.9	-1.46%	
Net Capital Turnover Ratio	Net credit sales = Gross credit sales - sales return	Working capital = Current assets - Current liabilities	27.3	29.3	-7.06%	
Net Profit ratio	Net Profit after tax	Net sales	5.5%	5.6%	-1.30%	
Return on Capital Employed	Earnings before interest and taxes	Capital Employed = Tangible Net Worth + Total Debt + Deferred Tax liability	32.0%	31.1%	3.12%	



49. The maturity analysis of contractual outflow of lease liabilities are disclosed below:

As at March 31, 2026					(Rs. in million)
Particulars	Less than 3 months	3 to 12 months	1 to 5 years	> 5 years	Total
Lease liabilities	176.8	503.5	1,629.4	2,518.2	4,827.9
Total	176.8	503.5	1,629.4	2,518.2	4,827.9
As at March 31, 2025					(Rs. in million)
Particulars	Less than 3 months	3 to 12 months	1 to 5 years	> 5 years	Total
Lease liabilities	154.5	456.5	1,319.1	1,798.2	3,728.3
Total	154.5	456.5	1,319.1	1,798.2	3,728.3

50. On 21 November 2025, the Government of India notified four Labour Codes, namely the Code on Wages, 2019, the Code on Social Security, 2020, the Industrial Relations Code, 2020 and the Occupational Safety, Health and Working Conditions Code, 2020 (collectively, the "Labour Codes"), consolidating 29 erstwhile labour laws. Subsequently, the Ministry of Labour & Employment issued draft Central Rules and FAQs to facilitate assessment of the financial implications arising from changes in the regulatory framework.

The Company has assessed and disclosed the incremental impact of these changes on the basis of the best information available, consistent with the guidance provided by the Institute of Chartered Accountants of India. Considering the materiality and regulatory-driven, non-recurring nature of this impact, the Company has presented such incremental impact as "Statutory impact of new Labour Codes" under "Exceptional Items" in the statement of profit and loss. The incremental impact consisting of employee's gratuity of Rs. 429.8 million and contractor's gratuity of Rs. 158.2 million primarily arises due to change in wage definition.

The Company continues to monitor the issuance and finalisation of Central and State Rules and further clarifications from the Government in respect of other aspects of the Labour Codes. Any additional impact arising from such developments will be assessed and appropriately accounted for in the Financial Statements as and when such rules are notified or clarifications are issued.

51. Other Statutory Information

- (a) The Company has sanctioned secured working capital limits amounting to Rs. 7,950 million from multiple banks as at March 31, 2026. The security offered is "First Pari-Passu charge by way of hypothecation of the company's entire stock of raw material, semifinished and finished goods, stores & spares, other moveable including book debts to secured lenders and fixed deposits wherever applicable". In addition, the company has sanctioned unsecured working capital limits of Rs.13,500 million as at that date (aggregate of sanctioned working capital limits is however restricted to Rs. 20,850 million). The quarterly returns/statements filed by the Company with such banks and financial institutions are in agreement with the books of accounts of the Company.
- (b) The Company has applied the borrowed funds for the specific purpose for which they were obtained.
- (c) The Company has not defaulted on loans payable and has not been declared as wilful defaulter.
- (d) The Company does not have any Benami property, where any proceeding has been initiated or pending against the Company for holding any Benami property under the Benami Transactions (Prohibition) Act, 1988 and rules made thereunder.
- (e) The Company has not revalued its Property, Plant & Equipments, Intangible Assets and Right to Use Assets during the year.
- (f) The Company does not have any transactions with companies struck off.
- (g) The Company does not have any charges or satisfaction which are yet to be registered with ROC beyond the statutory period.
- (h) The Company has not traded or invested in Crypto currency or Virtual Currency during the financial year.
- (i) The Company has not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) whether recorded in writing or otherwise, with the understanding that the Intermediary shall:
- directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company (Ultimate Beneficiaries) or
 - provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.
- (j) The Company has not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Company shall:
- 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.
- (k) The Company does not have any transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961).
- (l) The Company has not granted any loans and advances to promoters, directors, KMPs and other related parties (as defined under Companies Act 2012) during the year.
- (m) The Company has complied with the number of layers prescribed under clause (87) of section 2 of the Act read with Companies (Restriction on number of Layers) Rules, 2017.
- (n) The Ministry of Environment, Forest and Climate Change issued the Environment Protection (End-of-Life Vehicles) Rules, 2025 (ELV rules), effective from April 1, 2025. In accordance with ELV rules, Extended Producer Responsibility (EPR) obligations are imposed on producers (including "vehicles manufacturers") for the scrapping of End-of-Life Vehicles. The obligations (to be met even if the entity ceases operations) require acquiring EPR certificates generated by its own Registered Vehicle Scrapping Facility or by any entity having Registered Vehicles Scrapping Facility and registered with the Central Pollution Control Board via a Centralised Online Portal (Portal), for the applicable year's obligation. The implementation details and operational procedures of the ELV rules including the modalities of the pricing mechanism for the EPR certificates are yet to be notified. Consequently, the Company is currently unable to reliably estimate a range of possible outcomes and the potential impact of these rules. The Company will continue to assess the ability to measure its obligations pursuant to the ELV Rules, as and when the aforesaid details of implementation framework are available.
52. Pursuant to amendment by Ministry of Corporate Affairs (MCA) in the Companies (Accounts) Rules 2014, the Company has used two accounting softwares for maintaining its books of account which has a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the softwares. Also, there has not been any instance where audit trail feature has been tampered. Additionally, the audit trail of relevant prior years has been preserved by the Company as per the statutory requirements for record retention, to the extent it was enabled and recorded in the respective years.



53. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
54. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

As per our report of even date attached
For S.R.Batilboi & Co. LLP
Chartered Accountants
ICAI Firm Registration No.: 301003E/E300005

Per Sonika Loganey
Partner
Membership no.: 502220

Place : Gurugram
Date : May 18, 2026

Praveen Kumar Jain
Company Secretary
M No. 3524

Ken Trolle
Chief financial Officer

For and on behalf of the Board of Directors of VE Commercial Vehicles Limited

Srinivas Balantrapu
Managing Director and
Chief Executive Officer
DIN: 11597236

Sofia Frandberg
Director
DIN: 06516556

Vinod Aggarwal
Chairman and
Director
DIN: 00038906



INDEPENDENT AUDITOR'S REPORT

To the Members of VE Commercial Vehicles Limited

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the consolidated financial statements of VE Commercial Vehicles Limited (hereinafter referred to as “the Holding Company”), its subsidiaries (the Holding Company and its subsidiaries together referred to as “the Group”) comprising of the consolidated Balance sheet as at March 31, 2026, the consolidated Statement of Profit and Loss, including other comprehensive income, the consolidated Cash Flow Statement and the consolidated Statement of Changes in Equity for the year then ended, and notes to the consolidated financial statements, including a summary of material accounting policies and other explanatory information (hereinafter referred to as “the consolidated financial statements”).

In our opinion and to the best of our information and according to the explanations given to us and based on the consideration of reports of other auditors on separate financial statements and on the other financial information of the subsidiaries, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013, as amended (“the Act”) in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Group as at March 31, 2026, their consolidated profit including other comprehensive income, their consolidated cash flows and the consolidated statement of changes in equity for the year ended on that date.

Basis for Opinion

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

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

The Holding Company’s Board of Directors is responsible for the other information. The other information comprises the information included in the Director’s report, but does not include the consolidated financial statements and our auditor’s report thereon.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether such other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management for the Consolidated Financial Statements

The Holding Company’s Board of Directors is responsible for the preparation and presentation of these consolidated financial statements in terms of the requirements of the Act that give a true and fair view of the consolidated financial position, consolidated financial performance including other comprehensive income,

consolidated cash flows and consolidated statement of changes in equity of the Group in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended. The respective Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of their respective companies and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.

In preparing the consolidated financial statements, the respective Board of Directors of the companies included in the Group are responsible for assessing the ability of their respective companies to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Those respective Board of Directors of the companies included in the Group are also responsible for overseeing the financial reporting process of their respective companies.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

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

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

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group of which we are the independent auditors and whose financial information we have audited, to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of such entities included in the consolidated financial statements of which we are the independent auditors. For the other entities included in the consolidated financial statements, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

We communicate with those charged with governance of the Holding Company and such other entities included in the consolidated financial statements of which we are the independent auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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

Other Matters

- (a) We did not audit the financial statements and other financial information, in respect of four subsidiaries, whose financial statements include total assets of Rs. 1,239.4 million as at March 31, 2026, and total revenues of Rs. 3,232.8 million and net cash inflows of Rs. 18.0 million for the year ended on that date. Those financial statements and other financial information have been audited by other auditors, which financial statements, other financial information and auditor's reports have been furnished to us by the management. Our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries, and our report in terms of sub-sections (3) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiaries, joint ventures and joint operations and associates, is based solely on the reports of such other auditors.

Three subsidiaries are located outside India whose financial statements and other financial information have been prepared in accordance with accounting principles generally accepted in their respective countries and which have been audited by other auditors under generally accepted auditing standards applicable in their respective countries. The Holding Company's management has converted the financial statements of such subsidiaries located outside India from accounting principles generally accepted in their respective countries to accounting principles generally accepted in India. We have audited these conversion adjustments made by the Holding Company's management. Our opinion in so far as it relates to the balances and affairs of such subsidiaries located outside India is based on the report of other auditors and the conversion adjustments prepared by the management of the Holding Company and audited by us.

Our opinion above on the consolidated financial statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors and the financial statements and other financial information certified by the Management.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, based on our audit and on the consideration of report of the other auditors on separate financial statements and the other financial information of the subsidiary companies, incorporated in India and to the extent applicable, as noted in the 'Other Matter' paragraph we give in the "Annexure 1" a statement on the matters specified in paragraph 3(xxi) of the Order.
2. As required by Section 143(3) of the Act, based on our audit and on the consideration of report of the other auditors on separate financial statements and the other financial information of subsidiaries, as noted in the 'other matter' paragraph we report, to the extent applicable, that:

- (a) We/the other auditors whose report we have relied upon have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements;
- (b) In our opinion, proper books of accounts as required by law relating to preparation of the aforesaid consolidation of the consolidated financial statements have been kept so far as it appears from our examination of those books and reports of the other auditors;
- (c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss including the Statement of Other Comprehensive Income, the Consolidated Cash Flow Statement and Consolidated Statement of Changes in Equity dealt with by this Report are in agreement with the books of account maintained for the purpose of preparation of the consolidated financial statements;
- (d) In our opinion, the aforesaid consolidated financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015, as amended;
- (e) On the basis of the written representations received from the directors of the Holding Company as on March 31, 2026 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors who are appointed under Section 139 of the Act, of its subsidiary companies, none of the directors of the Group's companies, incorporated in India, is disqualified as on March 31, 2026 from being appointed as a director in terms of Section 164 (2) of the Act;
- (f) With respect to the adequacy of the internal financial controls with reference to consolidated financial statements of the Holding Company and its subsidiary companies, and the operating effectiveness of such controls, based on our audit and on the consideration of report of the other auditors on separate financial statements and the other financial information of such subsidiary companies, incorporated in India and to the extent applicable, as noted in the 'Other Matter' paragraph, refer to our separate Report in "Annexure 2" to this report;
- (g) In our opinion and based on the consideration of reports of other statutory auditors of the subsidiaries, incorporated in India, the managerial remuneration for the year ended March 31, 2026 has been paid / provided by the Holding Company and its subsidiaries incorporated in India to their directors in accordance with the provisions of section 197 read with Schedule V to the Act;
- (h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended, in our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the report of the other auditors on separate financial statements as also the other financial information of the subsidiaries, as noted in the 'Other matter' paragraph:
 - i. The consolidated financial statements disclose the impact of pending litigations on its consolidated financial position of the Group in its consolidated financial statements – Refer Note 40 to the consolidated financial statements;
 - ii. The Group did not have any material foreseeable losses in long-term contracts including derivative contracts during the year ended March 31, 2026;
 - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Holding Company, its subsidiaries, incorporated in India during the year ended March 31, 2026;
 - iv. a) The respective managements of the Holding Company and its subsidiaries which are companies incorporated in India whose financial statements have been audited under the Act have represented to us and the other auditors of such subsidiaries respectively that, to the best of its knowledge and belief as stated in note 51(i) to the Consolidated 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 Holding Company or any of such subsidiaries, to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the respective

Holding Company or any of such subsidiaries (“Ultimate Beneficiaries”) or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

- b) The respective managements of the Holding Company and its subsidiaries which are companies incorporated in India whose financial statements have been audited under the Act have represented to us and the other auditors of such subsidiaries respectively that, to the best of its knowledge and belief as stated in note 51(j) to the Consolidated financial statements, no funds have been received by the respective Holding Company or any of such subsidiaries, from any person(s) or entity(ies), including foreign entities (“Funding Parties”), with the understanding, whether recorded in writing or otherwise, that the Holding Company or any of such subsidiaries shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (“Ultimate Beneficiaries”) or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and
- c) Based on the audit procedures that have been considered reasonable and appropriate in the circumstances performed by us and that performed by the auditors of the subsidiaries which are companies incorporated in India whose financial statements have been audited under the Act, nothing has come to our or other auditor’s notice that has caused us or the other auditors to believe that the representations under sub-clause (a) and (b) contain any material mis-statement.
- v) The final dividend paid by the Holding Company during the year in respect of the same declared for the previous year is in accordance with section 123 of the Act to the extent it applies to payment of dividend.

As stated in note 18 to the consolidated financial statements, the respective Board of Directors of the Holding Company have proposed final dividend for the year which is subject to the approval of the members of the respective companies at the respective ensuing Annual General Meeting. The dividend declared is in accordance with section 123 of the Act to the extent it applies to declaration of dividend]

- vi) Based on our examination which included test checks, as stated in Note 54 to the consolidated financial statements, the Holding Company and its subsidiaries incorporated in India have used two accounting software for maintaining its books of account which has a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the software. Further, during the course of our audit we did not come across any instance of audit trail feature being tampered with in respect of accounting software.

Additionally, the audit trail has been preserved by the Company as per the statutory requirements for record retention to the extent it was enabled and recorded in that year, as stated in Note 54 to the consolidated financial statements.

For **S.R. Batliboi & Co. LLP**
Chartered Accountants
ICAI Firm Registration Number: 301003E/E300005

per Sonika Loganey
Partner
Membership Number: 502220

UDIN:

Place of Signature: Gurugram
Date: May 18, 2026

Annexure 1 referred to in paragraph 1 under the heading “Report on other legal and regulatory requirements” of our report of even date

Re: VE Commercial Vehicles Limited (‘the Holding Company’)

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

- xxi. There are no qualifications or adverse remarks by the respective auditors in the Companies (Auditors Report) Order (CARO) reports of the companies included in the consolidated financial statements. Accordingly, the requirement to report on clause 3(xxi) of the Order is not applicable to the Holding Company.

For S.R. Batliboi & Co. LLP

Chartered Accountants

ICAI Firm Registration Number: 301003E/E300005

per Sonika Loganey

Partner

Membership Number: 502220

UDIN:

Place of Signature: Gurugram

Date: May 18, 2026

ANNEXURE 2 TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE CONSOLIDATED FINANCIAL STATEMENTS OF VE COMMERCIAL VEHICLES LIMITED

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

In conjunction with our audit of the consolidated financial statements of VE Commercial Vehicles Limited (hereinafter referred to as the "Holding Company") as of and for the year ended March 31, 2026, we have audited the internal financial controls with reference to consolidated financial statements of the Holding Company and its subsidiaries (the Holding Company and its subsidiaries together referred to as "the Group"), which are companies incorporated in India, as of that date.

Management's Responsibility for Internal Financial Controls

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

Auditor's Responsibility

Our responsibility is to express an opinion on the Holding Company's internal financial controls with reference to consolidated financial statements based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing, specified under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls, both, issued by ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to consolidated financial statements 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 consolidated financial statements and their operating effectiveness. Our audit of internal financial controls with reference to consolidated financial statements included obtaining an understanding of internal financial controls with reference to consolidated financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's 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 and the audit evidence obtained by the other auditors in terms of their reports referred to in the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls with reference to consolidated financial statements.

Meaning of Internal Financial Controls With Reference to Consolidated Financial Statements

A company's internal financial control with reference to consolidated financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control with reference to consolidated financial statements includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of 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 Consolidated Financial Statements

Because of the inherent limitations of internal financial controls with reference to consolidated financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to consolidated financial statements to future periods are subject to the risk that the internal financial controls with reference to consolidated financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Group, which are companies incorporated in India, have, maintained in all material respects, adequate internal financial controls with reference to consolidated financial statements and such internal financial controls with reference to consolidated financial statements were operating effectively as at March 31, 2026, based on the internal control over financial reporting criteria established by the Holding Company considering the essential components of internal control stated in the Guidance Note issued by the ICAI.

Other Matters

Our report under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls with reference to consolidated financial statements of the Holding Company, in so far as it relates to 1 subsidiary, which are companies incorporated in India, is based on the corresponding reports of the auditors of such subsidiary incorporated in India.

For **S.R. Batliboi & Co. LLP**

Chartered Accountants

ICAI Firm Registration Number: 301003E/E300005

per Sonika Loganey

Partner

Membership Number: 502220

UDIN:

Place of Signature: Gurugram

Date: May 18, 2026

VE COMMERCIAL VEHICLES LIMITED
CONSOLIDATED BALANCE SHEET AS AT MARCH 31, 2026

Particulars	Note	Rs. in million	
		As at March 31, 2026	As at March 31, 2025
ASSETS			
Non-current assets			
(a) Property, plant and equipment	5	31,100.2	27,815.7
(b) Capital work-in-progress	6	1,757.3	2,302.8
(c) Other Intangible assets	7	7,814.2	6,787.2
(d) Right-of-use assets	7A	3,928.4	3,064.6
(e) Intangible assets under development	8	3,464.6	3,678.8
(f) Financial assets			
(i) Investments in subsidiaries & joint ventures	9	-	-
(ii) Investments	10	1.4	1.4
(iii) Loans	12	34.2	37.1
(iv) Other financial assets	13	16,172.0	8,175.5
(g) Other non-current assets	14	1,226.6	1,668.1
Total non-current assets		65,498.9	53,531.2
Current assets			
(a) Inventories	15	30,845.2	30,341.3
(b) Financial assets			
(i) Trade receivables	11	38,564.2	30,817.4
(ii) Cash and cash equivalents	16	1,413.7	1,272.3
(iii) Bank balances other than (ii) above	17	127.7	-
(iv) Loans	12	29.5	32.7
(v) Other financial assets	13	30,327.4	27,935.3
(c) Other current assets	14	2,813.8	2,730.0
Total current assets		104,121.5	93,129.0
Total assets		169,620.4	146,660.2
EQUITY AND LIABILITIES			
EQUITY			
(a) Equity share capital	18	100.0	100.0
(b) Other equity	19	68,325.9	57,631.6
Equity attributable to holders of the parent/holding		68,425.9	57,731.6
Non-controlling Interests		22.3	6.2
		68,448.2	57,737.8
LIABILITIES			
Non-current liabilities			
(a) Financial liabilities			
(ii) Lease liabilities	20	2,232.7	1,644.5
(iii) Other financial liabilities	21	208.6	174.7
(b) Provisions	22	1,167.5	1,502.5
(c) Deferred tax liabilities (net)	23	3,012.3	3,014.9
(d) Other non-current liabilities	24	1.6	1.8
Total non-current liabilities		6,622.7	6,338.4
Current liabilities			
(a) Financial liabilities			
(i) Borrowings	25	1,599.1	-
(ii) Lease liabilities	20	497.4	462.9
(iii) Trade payables			
- Total outstanding dues of micro enterprises and small enterprises	26	1,182.0	743.2
- Total outstanding dues of creditors other than micro enterprises and small enterprises	26	74,164.1	65,720.4
(iv) Other financial liabilities	21	3,687.7	2,734.2
(b) Other current liabilities	24	9,203.0	9,645.0
(c) Provisions	22	3,214.2	2,509.5
(d) Liabilities for current tax (net)	27	1,002.0	768.8
Total current liabilities		94,549.5	82,584.0
Total liabilities		101,172.2	88,922.4
Total equity and liabilities		169,620.4	146,660.2

See accompanying notes forming part of the consolidated financial statements

1 to 56

As per our report of even date attached

For S.R.Badliboi & Co. LLP

Chartered Accountants

ICAI Firm Registration No.: 301003E/E300005

Praveen Kumar Jain
 Company Secretary
 M No. 3524

Ken Trolle
 Chief financial Officer

Per Sonika Loganey

Partner

Membership no.: 502220

For and on behalf of the Board of Directors of VE Commercial Vehicles Limited

Place : Gurugram

Date : May 18, 2026



Srinivas Balantrapu
 Managing Director and
 Chief Executive Officer
 DIN: 11597236

Sofia Frandberg
 Director
 DIN: 06516556

Vinod Aggarwal
 Chairman and
 Director
 DIN: 00038906

VE COMMERCIAL VEHICLES LIMITED
CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2026

Particulars	Note	Rs. in million	
		For the year ended March 31, 2026	For the year ended March 31, 2025
Income			
Revenue from operations	28	270,766.1	235,482.4
Other income	29	2,980.8	2,134.7
Total Income		273,746.9	237,617.1
Expenses			
Cost of raw materials and components consumed	30	175,580.5	150,975.5
Purchases of traded goods	31	27,328.0	35,471.7
Change in inventories of finished goods, work-in-progress and stock-in-trade	32	1,026.8	(7,309.8)
Employee benefits expenses	33	16,823.7	14,625.7
Depreciation and amortisation expenses	34	7,239.6	6,432.7
Finance costs	35	490.1	285.8
Other expenses	36	24,994.9	21,491.1
Total expenses		253,483.6	221,972.7
Profit before tax and exceptional items		20,263.3	15,644.4
Exceptional items	50	588.0	-
Profit before tax		19,675.3	15,644.4
Tax expense			
Current tax	37	5,025.6	3,963.6
Deferred tax charge/(benefit)	37	(15.9)	(1,183.3)
Total tax expense		5,009.7	2,780.3
Profit for the year		14,665.6	12,864.1
Other comprehensive income/(expense)			
Items that will not be reclassified to profit or loss:-			
Re-measurement losses on defined benefit plans		19.2	(39.2)
Income tax effect	37	(4.8)	9.9
Net other comprehensive income/ (expense) not to be reclassified to profit or loss, net of tax		14.4	(29.3)
Items that may be reclassified to profit or loss:-			
Exchange differences in translating the financial statements of foreign operations		38.9	5.2
Income tax effect	37	(8.5)	(2.5)
		30.4	2.7
Net other comprehensive income/(expense) not to be reclassified to profit or loss, net of tax		44.8	(26.6)
Total Comprehensive income for the year, net of tax		14,710.4	12,837.5
Profit for the year attributable to:			
Equity holders of the parent/holding		14,649.5	12,860.1
Non-controlling interests		16.1	4.0
Other comprehensive income/(expense), net of tax attributable to:			
Equity holders of the parent/holding		44.8	(26.6)
Non-controlling interests		-	-
Total Comprehensive income for the year, net of tax attributable to:			
Equity holders of the parent/holding		14,694.3	12,833.5
Non-controlling interests		16.1	4.0
Earnings per share (of Rs.10 each) in Rs.			
Basic/ diluted	42	1,466.56	1,286.41

See accompanying notes forming part of the consolidated financial statements

1 to 56

As per our report of even date attached

For S.R.Batliboi & Co. LLP

Chartered Accountants

ICAI Firm Registration No.: 301003E/E300005

Praveen Kumar Jain

Company Secretary

M No. 3524

Ken Trolle

Chief financial Officer

Per Sonika Loganey

Partner

Membership no.: 502220

Place : Gurugram

Date : May 18, 2026

For and on behalf of the Board of Directors of VE Commercial Vehicles Limited

Srinivas Balantrapu

Managing Director and

Chief Executive Officer

DIN: 11597236

Sofia Frandberg

Director

DIN: 06516556

Vinod Aggarwal

Chairman and

Director

DIN: 00038906



VE COMMERCIAL VEHICLES LIMITED
CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED MARCH 31, 2026

A. Equity share capital

Balance as at April 1, 2024
Changes in equity share capital during the year
Balance as at March 31, 2025
Changes in equity share capital during the year
Balance as at March 31, 2026

Number of Shares	Rs. in million
	Amount
10,000,000	100.0
-	-
10,000,000	100.0
-	-
10,000,000	100.0

B. Other Equity
Financial year 2025-26

Particulars	Reserves and Surplus			Foreign currency translation reserve	Non-Controlling Interest	Total
	Securities premium	General reserve	Retained Earning			
Balance as at April 1, 2025	10,786.6	2,598.5	44,255.2	(8.7)	6.2	57,637.8
Profit for the year	-	-	14,649.5	-	16.1	14,665.6
Other comprehensive income	-	-	14.4	-	-	14.4
Acquisition of non-controlling interest (note no. 52)	-	-	-	-	-	-
Exchange differences in translating the financial statements of foreign operations	-	-	-	30.4	-	30.4
Dividends paid	-	-	(4,000.0)	-	-	(4,000.0)
Balance as at March 31, 2026	10,786.6	2,598.5	54,919.1	21.7	22.3	68,348.2

Financial year 2024-25

Particulars	Reserves and Surplus			Foreign currency translation reserve	Non-Controlling Interest	Total
	Securities premium	General reserve	Retained Earning			
Balance as at April 1, 2024	10,786.6	2,598.5	33,924.4	(11.4)	-	47,298.1
Profit for the year	-	-	12,860.1	-	4.0	12,864.1
Other comprehensive income	-	-	(29.3)	-	-	(29.3)
Acquisition of non-controlling interest (note no. 52)	-	-	-	-	2.2	2.2
Exchange differences in translating the financial statements of foreign operations	-	-	-	2.7	-	2.7
Dividends paid	-	-	(2,500.0)	-	-	(2,500.0)
Balance as at March 31, 2025	10,786.6	2,598.5	44,255.2	(8.7)	6.2	57,637.8

See accompanying notes forming part of the consolidated financial statements

1 to 56

As per our report of even date attached

For S.R.Batliboi & Co. LLP

Chartered Accountants

ICAI Firm Registration No.: 301003E/E300005

Praveen Kumar Jain
Company Secretary
M No. 3524

Ken Trolle
Chief financial Officer

Per Sonika Loganey

Partner

Membership no.: 502220

For and on behalf of the Board of Directors of VE Commercial Vehicles Limited

Place : Gurugram

Date : May 18, 2026

Srinivas Balantrapu
Managing Director and
Chief Executive Officer
DIN: 11597236

Sofia Frandberg
Director
DIN: 06516556

Vinod Aggarwal
Chairman and
Director
DIN: 00038906



VE COMMERCIAL VEHICLES LIMITED
CONSOLIDATED STATEMENT OF CASH FLOW FOR THE YEAR ENDED MARCH 31, 2026

Particulars	Rs. in million	
	For the year ended March 31, 2026	For the year ended March 31, 2025
A. CASH FLOW FROM/(USED IN) OPERATING ACTIVITIES		
Profit before tax	19,675.3	15,644.4
Adjustments to reconcile profit before tax to net cash flows:		
Depreciation and amortisation expenses	7,239.6	6,432.7
Gain on sale of property, plant and equipment	(3.3)	(25.0)
Exchange differences in translating the financial statements of foreign operations	38.9	5.2
Interest income	(2,367.1)	(2,060.4)
Foreign exchange gains	(559.0)	(4.7)
Impairment on doubtful debts	152.2	100.2
Finance costs	490.1	285.8
Operating profit before changes in working capital	24,666.7	20,378.2
Working capital adjustments:		
Adjustments for (increase) / decrease assets:		
Non-current		
Loans	2.9	(0.5)
Other financial assets	(136.3)	1,378.0
Other assets	(112.5)	(30.7)
Current		
Inventories	(503.9)	(7,641.5)
Trade receivables	(7,340.0)	(4,452.2)
Loans	3.2	(3.6)
Other financial assets	776.1	(490.7)
Other assets	(83.8)	(567.1)
Adjustments for increase / (decrease) in liabilities:		
Non-current		
Other financial liabilities	27.4	6.7
Provisions	(397.1)	(894.6)
Other liabilities	(0.2)	0.9
Current		
Trade payables	8,882.5	10,122.9
Provisions	704.7	763.4
Other financial liabilities	369.0	297.9
Other liabilities	(442.0)	969.9
Cash generated from operating activities	26,416.7	19,837.0
Income taxes paid (net of refund)	(4,792.4)	(3,610.3)
Net cash flow from / (used in) operating activities (A)	21,624.3	16,226.7
B. CASH FLOW FROM/(USED IN) INVESTING ACTIVITIES		
Purchase of property, plant and equipment, capital work-in-progress, intangible assets and intangible assets under development (including capital advances and capital creditors)	(9,604.3)	(10,269.8)
Net proceeds from sale of property, plant and equipment	541.9	183.2
Investment/Redemption in fixed deposits	(11,225.0)	(2,906.6)
Investment/Redemption in Government Securities	-	-
Acquisition of a subsidiary, net of cash acquired	-	4.5
Interest received (finance income)	2,436.0	1,963.8
Net cash flow from / (used in) investing activities (B)	(17,851.4)	(11,024.9)
C. CASH FLOW FROM/(USED IN) FINANCING ACTIVITIES		
Proceeds from / (Repayment) of short term borrowings	1,599.1	(2,687.3)
Interest paid on borrowings	(205.9)	(33.4)
Payment of principal portion of lease liabilities	(828.0)	(563.5)
Interest on lease liabilities paid	(196.7)	(164.2)
Acquisition of non-controlling interests	-	(2.2)
Dividends paid to equity holders	(4,000.0)	(2,500.0)
Net cash flow from / (used in) financing activities (C)	(3,631.5)	(5,950.6)



VE COMMERCIAL VEHICLES LIMITED
CONSOLIDATED STATEMENT OF CASH FLOW FOR THE YEAR ENDED MARCH 31, 2026

Net increase/ (decrease) in cash and cash equivalents (A)+(B)+(C)

Cash and cash equivalents at the beginning of the year

Cash and cash equivalents at the end of the year

141.4

1,272.3

1,413.7

(748.8)

2,021.1

1,272.3

Particulars	As at March 31, 2026	As at March 31, 2025
Components of cash and cash equivalents		
Cash on hand	5.1	5.8
Cheques/ drafts on hand	10.6	62.9
Balances with banks:		
In current accounts	1,365.1	1,173.6
In deposit accounts	32.9	30.0
Total cash and cash equivalents (refer note no. 16)	1,413.7	1,272.3

See accompanying notes forming part of the consolidated financial statements

1 to 56

As per our report of even date attached

For S.R.Batliboi & Co. LLP

Chartered Accountants

ICAI Firm Registration No.: 301003E/E300005

Per Sonika Loganey

Partner

Membership no.: 502220

Praveen Kumar Jain

Company Secretary

M No. 3524

Ken Trolle

Chief financial Officer

For and on behalf of the Board of Directors of VE Commercial Vehicles Limited

Place : Gurugram

Date : May 18, 2026

Srinivas Balantrapu
Managing Director and
Chief Executive Officer
DIN: 11597236

Sofia Frandberg
Director
DIN: 06516556

Vinod Aggarwal
Chairman and
Director
DIN: 00038906



VE Commercial Vehicles Limited**Notes forming part of the Consolidated financial statements for the year ended March 31, 2026****1. General Information**

VE Commercial Vehicles Limited ("the Company") CIN: U71900DL2008PLC175032, is a public Company domiciled in India & incorporated under the provisions of the Companies Act, 1956 and governed by the Companies Act, 2013 ("Act"). The Company is engaged in the manufacture and sale of Commercial Vehicles, spare parts and related services. The Company is a leading commercial vehicles manufacturer and has a dominant presence in the domestic market.

The financial statements for the year ended March 31, 2026 have been approved by the Board of Directors of the company in their meeting held on May 18, 2026.

2. Statement of compliance and Basis of preparation**2.1 Statement of Compliance**

The financial statements have been prepared in accordance with Indian Accounting Standards ("Ind AS") as notified under the Companies (Indian Accounting Standards) Rules, 2015 read with Section 133 of the Act, as amended from time to time and presentation requirements of Division II of Schedule III to the Act as applicable.

2.2 Basis of preparation

The financial statements have been prepared on the historical cost basis except for certain financial instruments that are measured at fair values 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.

2.3 Operating Cycle

Based on the nature of products/ activities of the Company and the normal time between acquisition of assets for processing and their realization in cash or cash equivalents, the Company has determined its operating cycle as 12 months for the purpose of classification of its assets and liabilities as current and non-current.

3. Summary of Material Accounting Policies**3.1 Basis of Consolidation**

The consolidated financial statements incorporate the consolidated financial statements of the Company and entities controlled by the Company and its subsidiaries. Control is achieved when the Company:

- has power over the investee;
- is exposed, or has rights, to variable return from its involvement with the investee; and
- has the ability to use its power to affect its returns.

3.1.1 Principles of consolidation

The consolidated financial statements have been prepared on the following basis:

- (i) The consolidated financial statements of the subsidiary companies used in the consolidation are drawn upto the same reporting date as of the Company i.e. year ended March 31, 2026.
- (ii) The consolidated financial statements of the Company and its subsidiary companies have been combined on a line-by-line basis by adding together like items of assets, liabilities, income and expenses. The intragroup balances and intra-group transactions and unrealised profits have been fully eliminated.



3.1.2 The following subsidiary companies are considered in the consolidated financial statements:

Name of the subsidiary Company	Country of Incorporation	Voting power held as at March 31, 2026	Voting power held as at March 31, 2025
V E C V Lanka (Private) Limited (VECV Lanka)	Sri Lanka	100%	100%
VECV South Africa (Pty) Limited (VECV South Africa)	South Africa	100%	100%
VE Electro Mobility Limited	India	100%	100%
VE Connected Solutions Private Limited	India	51%	51%
PT VECV Automotive Indonesia	Indonesia	99.99%	99.99%

3.2 Revenue Recognition**Revenue from contract with customers**

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

Sale of Goods & Services

Revenue from sale of goods is recognized at the point in time when control of the goods is transferred to the customer at an amount that reflects the consideration to which the company expects to be entitled in exchange for those goods or services.

The Company considers whether there are other promises in the contract that are separate performance obligations to which a portion of the transaction price needs to be allocated (e.g., warranties, etc). In determining the transaction price for the sale of goods, the Company considers the effects of variable consideration, the existence of significant financing components, non-cash consideration, and consideration payable to the customer (if any).

In respect of the service contracts, revenue is recognized over a period of time when service would be rendered subject to the period till which such option is available with customer.

In case a customer pays consideration before the Company transfers goods or services to the customer, a contract liability is recognized when the payment is made or the payment is due (whichever is earlier). Contract liabilities are recognized as revenue when the Company performs under the contract.

Variable consideration

If the consideration in a contract includes a variable amount, the Company estimates the amount of consideration to which it will be entitled in exchange for transferring the goods to the customer. The variable consideration is estimated at contract inception and constrained until it is highly probable that a significant revenue reversal in the amount of cumulative revenue recognized will not occur when the associated uncertainty with the variable consideration is subsequently resolved.

Agency services

In contracts where the Company acts as an agent, the revenue is recorded at the net amount that the Company retains for its agency services.



Other Operating Revenues

Other operating revenues comprise of income from ancillary activities incidental to the operations of the Company and is recognised when the right to receive the income is established as per the terms of the contract.

Interest income

Interest income from a financial asset is recognized when it is probable that the economic benefits will flow to the Company and the amount of income can be measured reliably. Interest income is accrued on, time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.

3.3 Leases

The Group assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

Group as a lessee

The Group applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Group recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

(i) Right-of-use assets

The Group recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any re-measurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the lease term.

The right-of-use assets are also subject to impairment. Refer to the accounting policies in section 3.11 Impairment of tangible and intangible assets.

ii) Lease liabilities

At the commencement date of the lease, the Group recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Group and payments of penalties for terminating the lease, if the lease term reflects the Group exercising the option to terminate. Variable lease payments that do not depend on an index or a rate are recognised as expenses (unless they are incurred to produce inventories) in the period in which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Group uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is re-measured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

(iii) Short-term leases and leases of low-value assets

The Group applies the short-term lease recognition exemption to its short-term leases of machinery and equipment (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases of office equipment that are considered to be low value. Lease payments on short-term leases and leases of low-value assets are



recognised as expense on a straight-line basis over the lease term.

3.4 Foreign currencies

In preparing the financial statements of the Group, transactions in currencies other than the Group's functional currency (foreign currencies) are recognised at the rates of exchange prevailing at the dates of the transactions. At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated

Exchange differences on monetary items are recognised in profit or loss in the period in which they arise.

Foreign currency derivatives are initially recognised at fair value at the date the derivative contracts are entered into and are subsequently re-measured to their fair value at the end of each reporting period. The resulting gain or loss is recognised in profit or loss immediately unless the derivative is designated and effective as a hedging instrument, in which event the timing of the recognition in profit or loss depends on the nature of the hedging relationship and the nature of the hedged item.

3.5 Borrowing costs

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

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

3.6 Government grants

Government grants are not recognised until there is reasonable assurance that the Company will comply with the conditions attaching to them and that the grants will be received.

Government grants are recognised in profit or loss on a systematic basis over the periods in which the Company recognises as expenses the related costs for which the grants are intended to compensate.

Where grant is related to an asset, it is recognised in the balance sheet by deduction from the carrying amount of the assets.

The carrying amount of the government grant receivable is recorded at the present value of their expected cash flows.

3.7 Employee benefits

Retirement benefit

Payments to defined contribution plans are recognised as an expense when employees have rendered service entitling them to the contributions.

For defined benefit plans, the cost of providing benefits is determined using the projected unit credit method, with actuarial valuations being carried out at the end of each annual reporting period. Re-measurement, comprising actuarial gains and losses and the return on plan assets (excluding net interest), is reflected immediately in the balance sheet with a charge or credit recognised in other comprehensive income in the period in which they occur. Re-measurement recognised in other comprehensive income is reflected immediately in retained earnings and is not reclassified to profit or loss. Net interest is calculated by applying the discount rate at the beginning of the period to the net defined benefit liability or asset.



Defined benefit costs are categorised as follows:

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

The Group presents the first two components of defined benefit costs in profit or loss in the line item 'Employee benefits expense'.

The retirement benefit obligation recognised in the balance sheet represents the actual deficit or surplus in the Group's defined benefit plans. Any surplus resulting from this calculation is limited to the present value of any economic benefits available in the form of refunds from the plan or reductions in future contributions to the plans.

Short-term and other long-term employee benefits

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

Liabilities recognised in respect of short-term employee benefits are measured at the undiscounted amount of the benefits expected to be paid in exchange for the related service.

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

3.8 Taxation

Income Tax expense represents the sum of tax currently payable and deferred tax.

Current income tax is measured at amounts expected to be paid to or recovered from taxation authorities. The tax rates applicable to compute the amount are as per the provisions of the Income Tax Act, 1961 that are enacted or substantively enacted, at the reporting date in India, and includes any adjustment to tax payable in respect of previous years. Current income tax expense is recognised in the statement of Profit and Loss except when relating to items in other comprehensive income or in equity which are recognised in correlation to the underlying transaction either in OCI or directly in equity.

Deferred tax is provided using the balance sheet method, on temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes. Deferred tax liabilities are recognised for all taxable temporary differences and 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 differences. The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are 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 realized 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 relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). Deferred tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity.

The Company offsets deferred tax assets and deferred tax liabilities if and only if it has a legally enforceable right to set off current tax assets and current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same taxation authority which intends either to settle current tax liabilities



and assets on a net basis, or to realise the assets and settle the liabilities simultaneously, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered.

3.9 Property, plant and equipment

Property, plant and equipment (including furniture, fixtures, vehicles, etc.) held for use in the production or supply of goods or services, or for administrative purposes, are stated in the balance sheet at cost less accumulated depreciation and accumulated impairment losses. Cost of acquisition is inclusive of freight, duties, taxes and other incidental expenses. Freehold land is not depreciated.

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

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

Depreciation is charged on a pro-rata basis at the straight line method over estimated economic useful lives of its fixed assets generally in accordance with that provided in the Schedule II to the Act except certain class of assets as mentioned below wherein, the life of the said assets has been assessed based on technical advice, taking into account the nature of the asset, the estimated usage of the asset, the operating conditions of the asset, past history of replacement, anticipated technological changes, manufacturers warranties and maintenance support, etc.:

Fixed Asset	Estimated useful life as per Management	As per Schedule II
Factory buildings	10 to 30 years	30 years
Furniture and fittings	5 to 10 years	10 years
Plant and Machinery	5 to 15 years	15 years
Vehicles	4 to 8 years	8 years

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in profit or loss.

3.10 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. 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.



Internally-generated intangible assets - research and development expenditure

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

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

- the technical feasibility of completing the intangible asset So that it will be available for use or 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 profit or loss in the period in which it is incurred.

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

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

Useful lives of intangible assets

Intangible assets comprising of product design, prototypes, etc., either acquired or internally developed are amortised over a period of 6-10 years depending upon the estimated minimum useful life of the related products. Cost of software is amortised over a period of 5 years or less depending upon the estimated useful life of asset. The useful lives of intangible assets are given below:

The amortisation period for intangible assets with finite useful lives are reviewed at least at each year-end. Changes in expected useful lives are treated as changes in accounting estimates.

3.11 Impairment of tangible and intangible assets

At the end of each reporting period, the Group reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Recoverable amount is the higher of fair value less costs of disposal and value in use.

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 for which the estimates of future cash flows have not been adjusted.

When it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash- generating unit to which the asset belongs. When a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating units, or



otherwise they are allocated to the smallest Group of cash-generating units for which a reasonable and consistent allocation basis can be identified.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss. When an impairment loss subsequently reverses, the carrying amount of the asset (or a cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss.

3.12 Inventories

Inventories are stated at the lower of cost and net realisable value. Costs are determined on the following basis:

- Raw materials, components, stores and spares and loose tools: cost includes cost of purchase including import duties and other taxes (other than eligible credits under CENVAT/GST scheme) and other costs incurred in bringing the inventories to their present location and condition. Cost is determined on a moving weighted average basis.
- Finished goods and work in progress: cost includes cost of direct materials and labour and a proportion of manufacturing overheads based on systematic allocation basis. Cost is determined on a moving weighted average basis.
- Traded goods: cost includes cost of purchase including taxes and duties (i.e., ineligible credits) and other costs incurred in bringing the inventories to their present location and condition. Cost is determined on weighted average basis.

Net realisable value represents the estimated selling price in the ordinary course of business less estimated costs of completion and estimated costs necessary to make the sale. Cost of obsolete and slow-moving inventories are adequately provided for.

3.13 Provisions

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that the Group will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. When 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).

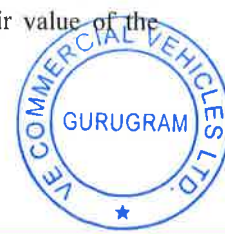
Warranties

The estimated liability for product warranties is recorded when products are sold. These estimates are established using historical information on the nature, frequency and average cost of warranty claims and management estimates regarding possible future incidence based on corrective actions on product failures. The timing of outflows will vary as and when warranty claim will arise. When the effect of time value of money is material, provisions are determined by discounting the expected future cash flows using a pre-tax rate that reflects current market assessment of the time value of money and the risk specific to the liability.

3.14 Financial instruments

Financial assets and financial liabilities are recognised when the Group becomes a party to the contractual provisions of the instruments.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the



financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.

3.15 Financial assets

All recognised financial assets are subsequently measured in their entirety at either amortised cost or fair value, depending on the classification of the financial assets

3.15.1 Classification of financial assets

Debt instruments that meet the following conditions are subsequently measured at amortised cost (except for debt instruments that are designated as at fair value through profit or loss on initial recognition):

- the asset is held within a business model whose objective is to hold assets in order to collect contractual cash flows; and
- the contractual terms of the instrument give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Debt instruments that meet the following conditions are subsequently measured at fair value through other comprehensive income ("FVTOCI") (except for debt instruments that are designated as at fair value through profit or loss on initial recognition):

- the asset is held within a business model whose objective is achieved both by collecting contractual cash flows and selling financial assets; and
- the contractual terms of the instrument give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Interest income is recognised in profit or loss for FVTOCI debt instruments.

For the impairment policy on debt instruments at FVTOCI, refer 3.15.4

All other financial assets are subsequently measured at fair value.

3.15.2 Effective interest method

The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the debt instrument, or, where appropriate, a shorter period, to the net carrying amount on initial recognition.

Income is recognised on an effective interest basis for debt instruments other than those financial assets classified as at FVTPL. Interest income is recognised in profit or loss and is included in the "Other income" line item.

3.15.3 Financial assets at fair value through profit or loss (FVTPL)

Investments in equity instruments are classified as at FVTPL, unless the Company irrevocably elects on initial recognition to present subsequent changes in fair value in other comprehensive income for investments in equity instruments which are not held for trading.

Debt instruments that do not meet the amortised cost criteria or FVTOCI criteria are measured at FVTPL. In addition, debt instruments that meet the amortised cost criteria or the FVTOCI criteria but are designated as at FVTPL are measured at FVTPL.

A financial asset that meets the amortised cost criteria or debt instruments that meet the FVTOCI criteria may be designated as at FVTPL upon initial recognition if such designation eliminates or significantly reduces a measurement or recognition inconsistency that would arise from measuring assets or liabilities or recognising



the gains and losses on them on different bases. The Company has not designated any debt instrument as at FVTPL.

Financial assets at FVTPL are measured at fair value at the end of each reporting period, with any gains or losses arising on re-measurement recognised in profit or loss. The net gain or loss recognised in profit or loss incorporates any dividend or interest earned on the financial asset and is included in the 'Other income' line item. Dividend on financial assets at FVTPL is recognised when the company's right to receive the dividends is established, it is probable that the economic benefits associated with the dividend will flow to the entity, the dividend does not represent a recovery of part of cost of the investment and the amount of dividend can be measured reliably.

3.15.4 Impairment of financial assets

The Company applies the expected credit loss model for recognising impairment loss on financial assets measured at amortised cost, debt instruments at FVTOCI, trade receivables, other contractual rights to receive cash or other financial asset, and financial guarantees not designated as at FVTPL.

The Company measures the loss allowance for a financial instrument at an amount equal to the lifetime expected credit losses if the credit risk on that financial instrument has increase significantly since initial recognition.

Further, for the purpose of measuring lifetime expected credit loss allowance for trade receivables, the Company has used a practical expedient as permitted under Ind AS 109. This expected credit loss allowance is computed based on historical credit loss experience and adjustments for forward looking information.

Derecognition of financial assets

The Group derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party.

3.16 Financial liabilities and equity instruments

Classification as debt or equity

Debt and equity instruments issued by Group are classified as either financial liabilities or as' equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities.

Financial liabilities

Financial liabilities that are not held-for-trading and are not designated as at FVTPL are measured at amortised cost at the end of subsequent accounting periods. The carrying amounts of financial liabilities that are subsequently measured at amortised cost are determined based on the effective interest method. Interest expense that is not capitalised as part of costs of an asset is included in the 'Finance costs' Line item.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability.

All financial liabilities are subsequently measured at amortised cost using the effective interest method or at FVTPL.



Derecognition of financial liabilities

The Group derecognises financial liabilities when, and only when, the Group's obligations are discharged, cancelled or have expired.

3.17 Cash flow statement

Cash flows are reported using the indirect method, whereby profit / (loss) before extraordinary items and tax is adjusted for the effects of 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.

3.18 Cash and Cash Equivalents

Cash and cash equivalent in the balance sheet comprise cash on hand, cheques/drafts on hand, balance with banks in current accounts (net of outstanding bank overdrafts) and short-term deposits with an original maturity of three months or less, that are readily convertible to a known amount of cash and subject to an insignificant risk of changes in value.

3.19 Earnings per share

Basic earnings per share is calculated by dividing the net profit or loss attributable to equity holders of the company by the weighted average number of equity shares outstanding during the year.

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

4.0 Critical accounting judgements and key sources of estimation uncertainty

In the application of the Group accounting policies, which are described in note 3, the management of the Group are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

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

The following are the areas of estimation uncertainty and critical judgements that the management has made in the process of applying the Group's accounting policies and that have the most significant effect on the amounts recognised in the financial statements: -

4.1 Recoverability of intangible assets and intangible assets under development

During the year, the Company assessed the recoverability of the intangible assets and intangible assets under development.

Capitalisation of cost in intangible assets and intangible assets under development is based on management's process of identifying and capitalizing the development expenditure and impairment testing with specific focus on the accounting principles of capitalization of expenditure on internally generated intangible assets as per INDAS 38 such as technical feasibility of the project, intention and ability to complete the intangible asset, ability to use or sell the assets, generation of future economic benefits and ability to measure the cost reliably. This situation is closely monitored, and adjustments made in future periods if future market activity indicates that such adjustments are appropriate.



4.2 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.

4.3 Provision 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 financial statements. Loss Contingencies 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. Gain contingencies are not recognized until the contingency has been resolved and amounts are received or receivable.

4.4 Useful lives of tangible and intangible assets

Management reviews the useful lives of its tangible and intangible assets at each reporting. As at March 31, 2026 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.



VE COMMERCIAL VEHICLES LIMITED

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2026

5 Property, plant and equipment

Particulars	Rs. in million					
	Freehold Land*	Buildings*	Plant, Machinery and equipment	Furniture and Fixtures	Office equipment**	Vehicles
Cost						Total
At April 01, 2024	565.9	9,265.1	40,117.0	1,024.6	2,149.2	2,064.1
Additions	-	1,115.5	4,190.4	216.4	285.1	1,250.5
Disposals	-	7.8	327.8	39.9	72.6	675.8
At March 31, 2025	565.9	10,372.8	43,979.6	1,201.1	2,361.7	2,638.8
Additions	35.7	1,033.3	6,196.1	208.9	373.1	401.5
Disposals	-	1.0	232.4	41.6	42.9	242.2
At March 31, 2026	601.6	11,405.1	49,943.3	1,368.4	2,691.9	2,798.2
						68,808.5
Accumulated depreciation						
At April 01, 2024	-	2,341.7	24,244.4	681.6	1,598.4	920.6
Charge for the year	-	374.7	3,015.2	92.0	237.7	383.2
Disposals	-	1.6	273.4	32.4	72.0	205.9
At March 31, 2025	-	2,714.8	26,986.2	741.2	1,764.1	1,097.9
Charge for the year	-	421.9	3,568.6	106.6	281.8	411.7
Disposals	-	0.7	179.2	30.3	42.9	133.4
At March 31, 2026	-	3,136.0	30,375.6	817.5	2,003.0	1,376.2
						37,708.3
Carrying amount						
At March 31, 2025	565.9	7,658.0	16,993.4	459.9	597.6	1,540.9
At March 31, 2026	601.6	8,269.1	19,567.7	550.9	688.9	1,422.0
						31,100.2

On transition to Ind AS (i.e., 1 April 2015), the Company has elected to continue with the carrying value of all Property, plant and equipment measured as per the previous GAAP and use that carrying value as the deemed cost of Property, plant and equipment.

* Title deeds for lands and buildings at Ahmedabad and Bhiwandi are pending for mutation in favor of the Company having carrying value of Rs 71.6 million (Rs 35.8 million as at March 31, 2025). The title deeds for Ahmedabad are held in the name of Eicher Motors Limited since August 22, 2008 and for Bhiwandi is held in the name of Volvo Group India Private Limited since February 02, 2009. The company is in the process of getting these properties registered in its name.

Note:- Cost of vehicles capitalised include cost of batteries purchased.

** Includes IT equipments



VE COMMERCIAL VEHICLES LIMITED
NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2026

6 Capital work-in-progress (Cost)

Particulars	Rs. in million	
	As at March 31, 2026	As at March 31, 2025
Opening balance	2,302.8	1,995.2
Additions*	7,489.2	7,408.9
Less: Capitalized during the year	8,034.7	7,101.3
Closing balance	1,757.3	2,302.8

*including other direct expenditure amounting Rs 84.6 million (March 31, 2025 Nil) (refer below)

Other direct expenditure

Particulars	Rs. in million	
	As at March 31, 2026	As at March 31, 2025
Payments to and provisions for employees		
Salaries, wages, bonus etc.	76.5	-
Contribution to provident and other funds	0.9	-
Legal and professional charges	1.9	-
Development expenses	5.3	-
Insurance	-	3.6
Miscellaneous expenses	-	0.8
	84.6	4.4
Add: Balance brought forward from previous year	-	-
	84.6	4.4
Less: Capitalised during the year	-	4.4
	84.6	-

Capital work-in progress ageing schedule
As at March 31, 2026

Particulars	Amount in Capital work-in progress for a period of			
	Less than 1 year	1 -2 years	2 -3 years	More than 3 years
Projects in progress	1,678.4	44.4	17.1	17.3
Projects temporarily suspended	-	-	-	-
Total	1,678.4	44.4	17.1	17.3

There are no projects whose completion is overdue or has exceeded its cost compared to its original plan as at March 31, 2026



VE COMMERCIAL VEHICLES LIMITED
NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2026

As at March 31, 2025

Particulars	Amount in Capital work-in progress for a period of				Rs. in million
	Less than 1 year	1 -2 years	2 -3 years	More than 3 years	
Projects in progress	1,985.7	283.1	16.5	17.5	2,302.8
Projects temporarily suspended	-	-	-	-	-
Total	1,985.7	283.1	16.5	17.5	2,302.8

There are no projects whose completion is overdue or has exceeded its cost compared to its original plan as at March 31, 2025

7 Intangible assets

Particulars	Product design, prototype etc.	Software	Goodwill	Total	Rs. in million
Cost					
At April 01, 2024	16,945.9	2,260.3	110.6	19,316.8	
Additions	1,022.0	260.6	-	1,282.6	
Disposals	-	0.2	-	0.2	
At March 31, 2025	17,967.9	2,520.7	110.6	20,599.2	
Additions	2,664.0	226.7	-	2,890.7	
Disposals	2.1	43.3	-	45.4	
At March 31, 2026	20,629.8	2,704.1	110.6	23,444.5	

Accumulated amortisation

At April 01, 2024	10,144.8	1,759.1	110.6	12,014.5
Charge for the year	1,617.7	180.0	-	1,797.7
Disposals	-	0.2	-	0.2
At March 31, 2025	11,762.5	1,938.9	110.6	13,812.0
Charge for the year	1,652.9	209.2	-	1,862.1
Disposals	0.7	43.1	-	43.8
At March 31, 2026	13,414.7	2,105.0	110.6	15,630.3

Carrying amount

At March 31, 2025	6,205.4	581.8	-	6,787.2
At March 31, 2026	7,215.1	599.1	-	7,814.2



VE COMMERCIAL VEHICLES LIMITED

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2026

7A Right-of-use-assets

Particulars	Land	Buildings	Vehicles	Total	Rs. in million
Cost					
At April 01, 2024	1,580.0	2,354.7	-	-	3,934.7
Additions	67.0	870.2	-	-	937.2
Disposals	21.1	631.0	-	-	652.1
At March 31, 2025	1,625.9	2,593.9	-	-	4,219.8
Additions	607.6	892.3	2.1	2.1	1,502.0
Disposals	4.0	207.3	-	-	211.3
At March 31, 2026	2,229.5	3,278.9	2.1	2.1	5,510.5
Accumulated depreciation					
At April 01, 2024	217.0	1,052.4	-	-	1,269.4
Charge for the year	56.0	475.7	-	-	531.7
Disposals	21.1	624.8	-	-	645.9
At March 31, 2025	251.9	903.3	-	-	1,155.2
Charge for the year	87.5	498.9	0.5	0.5	586.9
Disposals	2.2	157.8	-	-	160.0
At March 31, 2026	337.2	1,244.4	0.5	0.5	1,582.1
Carrying amount					
At March 31, 2025	1,374.0	1,690.6	-	-	3,064.6
At March 31, 2026	1,892.3	2,034.5	1.6	1.6	3,928.4

Set out below are the carrying amounts of lease liabilities and the movements during the year:

Particulars	As at March 31, 2026	As at March 31, 2025	Rs. in million
Opening lease liabilities	2,107.4	1,739.9	
Lease liability on additions	1,502.0	937.2	
Less : Derecognised leases	51.3	6.1	
Add : Accretion of interest	196.7	164.2	
Less : Payments	1,024.7	727.8	
Closing lease liabilities	2,730.1	2,107.4	
Current lease liabilities (note no.20)	497.4	462.9	
Non-current lease liabilities (note no.20)	2,232.7	1,644.5	



The maturity analysis of lease liabilities are disclosed in Note 48

The effective interest rate for lease liabilities considered is in range of 7-8% with maturity between 2025-2124

VE COMMERCIAL VEHICLES LIMITED
NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2026

Particulars	Rs. in million	
	As at March 31, 2026	As at March 31, 2025
The following are the amounts recognised in statement of profit and loss:		
Depreciation expense of right-of-use assets	586.9	531.7
Interest expense on lease liabilities	196.7	164.2
Expense relating to short-term leases/low-value assets (included in other expenses)	362.5	201.2
Total amount recognised in statement of profit and loss	1,146.1	897.1

8 Intangible assets under development	Rs. in million	
Particulars	As at March 31, 2026	As at March 31, 2025
Opening balance	3,678.8	2,313.1
Additions	2,597.5	2,490.8
Less: Capitalised during the year	2,811.7	1,125.1
Closing Balance	3,464.6	3,678.8

Intangible assets under development ageing schedule
As at March 31, 2026

Particulars	Rs. in million			
	Amount in Intangible assets under development for a period of			
	Less than 1 year	1 - 2 years	2 - 3 years	More than 3 years
Projects in progress	1,852.4	1,069.9	466.2	-
Projects temporarily suspended	-	-	-	-
Total	1,852.4	1,069.9	466.2	3,464.6

There are no projects whose completion is overdue or has exceeded its cost compared to its original plan as at March 31, 2026

As at March 31, 2025

	Rs. in million			
Particulars	Amount in Intangible assets under development for a period of			
	Less than 1 year	1 - 2 years	2 - 3 years	More than 3 years
Projects in progress	1,903.5	1,270.0	416.4	-
Projects temporarily suspended	-	-	-	-
Total	1,903.5	1,270.0	416.4	3,678.8

There are no projects whose completion is overdue or has exceeded its cost compared to its original plan as at March 31, 2025



9. Investments in subsidiaries & joint ventures

Particulars	Rs. in million	
	As at March 31, 2026	As at March 31, 2025
Joint venture company*		
25,000 (previous year: 25,000) equity shares of Rs. 10 each fully paid up of Eicher Group Foundation (License under Section 8(1) of the Companies Act, 2013).		
Total		

*Cost of investment is stated at Rs. Nil as the same cannot be distributed to the members in the event of liquidation, actual cost of investment of Rs. 0.25 million has been charged to the Statement of Profit and Loss in the earlier years.

10. Investments

Particulars	Rs. in million	
	As at March 31, 2026	As at March 31, 2025
Non Current		
Investment in equity instruments		
Unquoted investment at fair value through profit or loss (FVTPL) in:		
145,000 (previous year: 145,000) equity shares of Rs. 10 each fully paid up of Pithampur Auto Cluster Ltd.	1.4	1.4
Total	1.4	1.4

Particulars	Rs. in million	
	As at March 31, 2026	As at March 31, 2025
Aggregate book value of quoted investments	-	-
Aggregate carrying value of unquoted investments	1.4	1.4

Category wise other investments- as per IND AS 109 Classification

Particulars	Rs. in million	
	As at March 31, 2026	As at March 31, 2025
Financial assets carried at fair value through profit or loss (FVTPL)		
Investment in Pithampur Auto Cluster Ltd.	1.4	1.4

11. Trade receivables

Particulars	Rs. in million	
	As at March 31, 2026	As at March 31, 2025
Trade receivables		
Secured, considered good	71.0	50.6
Unsecured, considered good	38,493.2	30,766.8
Trade Receivables - credit impaired	544.2	429.0
	39,108.4	31,246.4
Impairment Allowance (allowance for bad and doubtful debts)		
Trade Receivables - credit impaired	(544.2)	(429.0)
Total Trade receivables	38,564.2	30,817.4

No trade or other receivable are due from directors or other officers of the company either severally or jointly with any other person. Nor any trade or other receivable are due from firms or private companies respectively in which any director is a partner, a director or a member.

Trade receivables are non-interest bearing and are generally on terms of 30 to 90 days.

Trade receivables also include receivables from related parties- Refer note 45

For details of assets given as security against borrowings- Refer note 51(a).

These financial assets are carried at amortised cost.

Trade receivables ageing schedule
As at March 31, 2026

Particulars	Outstanding for following periods from due date of payment						Total
	Not due	Less than 6 months	6 months - 1 year	1 - 2 years	2 - 3 years	More than 3 years	
Undisputed - considered good	34,106.7	4,018.4	319.7	98.2	6.0	15.2	38,564.2
Undisputed - which have significant increase in credit risk	-	-	-	-	-	-	-
Undisputed - credit impaired	-	40.0	-	1.8	7.4	106.7	155.9
Disputed - considered good	-	-	-	-	-	-	-
Disputed - which have significant increase in credit risk	-	-	-	-	-	-	-
Disputed - credit impaired	-	35.0	38.7	100.0	32.1	182.5	388.3
Total	34,106.7	4,093.4	358.4	200.0	45.5	304.4	39,108.4



VE COMMERCIAL VEHICLES LIMITED
NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2026

As at March 31, 2025

Particulars	Outstanding for following periods from due date of payment						Total
	Not due	Less than 6 months	6 months - 1 year	1 - 2 years	2 - 3 years	More than 3 years	
Undisputed - considered good	27,042.7	3,494.3	103.4	47.1	39.8	90.1	30,817.4
Undisputed - which have significant increase in credit risk	-	-	-	-	-	-	-
Undisputed - credit impaired	-	-	-	23.7	9.8	113.3	146.9
Disputed - considered good	-	-	-	-	-	-	-
Disputed - which have significant increase in credit risk	-	-	-	-	-	-	-
Disputed - credit impaired	-	-	24.5	80.1	37.8	139.7	282.1
Total	27,042.7	3,494.3	127.9	150.9	87.3	343.2	31,246.4

12. Loans

Particulars	Rs. in million	
	As at March 31, 2026	As at March 31, 2025
Non - current		
Unsecured, considered good		
Loans to employees	34.2	37.1
Total	34.2	37.1
Current		
Unsecured, considered good		
Loans to employees	29.5	32.7
Total	29.5	32.7

Note:- These financial assets are carried at amortised cost.

The Company does not have any loans or advances in the nature of loans granted to promoters, directors, KMPs and the related parties (as defined under the Companies Act, 2013), either severally or jointly with any other person that are repayable on demand or without specifying any terms or period of repayment.

13. Other financial assets

Particulars	Rs. in million	
	As at March 31, 2026	As at March 31, 2025
Non - current		
Unsecured, considered good		
Fixed deposits*	15,877.8	8,017.6
Security deposit**	125.2	104.3
Interest accrued on deposits	169.0	53.6
Total	16,172.0	8,175.5

*Includes fixed deposits of Rs. 2,915.0 million (March 31, 2025 Rs. 2,627.4 million) pledged against bank overdraft limits and Rs. 43.0 million (March 31, 2025 Rs. 40.2 million) pledged against bank guarantees.

Current

Unsecured, considered good unless otherwise stated		
Fixed deposits	27,937.0	24,694.2
Security deposit**		
Considered good	254.2	233.8
Considered doubtful	5.0	5.0
	259.2	238.8
Less: impairment for doubtful security deposits	5.0	5.0
	254.2	233.8
Interest accrued on deposits	623.6	807.9
Industrial promotion subsidy receivable	1,239.5	2,139.4
Other receivables		
Considered good	273.1	60.0
Considered doubtful	1.1	1.1
	274.2	61.1
Less: impairment for doubtful other receivables	1.1	1.1
	273.1	60.0
Total	30,327.4	27,935.3

** This also include security deposits with Eicher Goodearth Private Limited (related party) - Refer note 45

Note :- These financial assets are carried at amortised cost.

14. Other assets

Particulars	Rs. in million	
	As at March 31, 2026	As at March 31, 2025
Non - current		
Unsecured, considered good unless otherwise stated		
Capital advances	773.0	1,327.0
Balance with government authorities		
Considered good	391.8	275.1
Considered doubtful	5.0	5.0
	396.8	280.1
Less: impairment for doubtful balances	5.0	5.0
	391.8	275.1
Prepayment security deposits and loan to employees	61.8	66.0
Total	1,226.6	1,668.1



Particulars	Rs. in million	
	As at March 31, 2026	As at March 31, 2025
Current		
Unsecured, considered good unless otherwise stated		
Advance to supplier	1,051.3	1,305.7
Prepaid expense	166.7	137.3
Balance with government authorities		
Considered good	1,580.5	1,265.5
Considered doubtful	2.0	2.0
	1,582.5	1,267.5
Less: impairment for doubtful balances	2.0	2.0
	1,580.5	1,265.5
Advances to employees	-	4.5
Prepayment security deposits and loan to employees	15.3	17.0
Total	2,813.8	2,730.0

15. Inventories
(At lower of cost or net realisable value)

Particulars	Rs. in million	
	As at March 31, 2026	As at March 31, 2025
Raw materials and components (includes goods in transit of Rs. 902.1 million (March 31, 2025 Rs. 707.9 million))	7,191.1	5,773.9
Work in progress	1,590.0	1,774.2
Finished goods (includes goods in transit of Rs. 196.8 million (March 31, 2025 Rs. 157.8 million))	17,294.2	13,442.5
Stock in trade (includes goods in transit of Rs. 50.0 million (March 31, 2025 Rs. 66.5 million))	3,677.1	8,371.4
Stores and spares	721.5	644.7
Loose tools	371.3	334.6
Total	30,845.2	30,341.3

Cost of Inventories are net off provision (slow moving/ non moving) of Rs. 1,448.3 million (March 31, 2025 Rs. 1,297.2 million)

For details of assets given as security against borrowings- Refer note 51(a).

The Mode of valuation of inventories has been stated in note 3.12.

16. Cash and cash equivalents

Particulars	Rs. in million	
	As at March 31, 2026	As at March 31, 2025
Cash on hand	5.1	5.8
Cheques, drafts on hand*	10.6	62.9
Balances with banks		
On current accounts	1,365.1	1,173.6
On deposit accounts (with original maturity less than 3 months)	32.9	30.0
Total	1,413.7	1,272.3

* includes remittance in transit of Nil (March 31, 2025 Rs. 56.2 million).

Changes in liabilities arising from financing activities

Particulars	April 1, 2025	Net Cash Flows	Others* March 31, 2026
Obligation under lease	2,107.4	(1,024.7)	1,647.4
Borrowings	-	1,599.1	-
Total liabilities from financing activities	2,107.4	574.4	1,647.4

Changes in liabilities arising from financing activities

Particulars	April 1, 2024	Net Cash Flows	Others* March 31, 2025
Obligation under lease	1,739.9	(727.7)	1,095.2
Borrowings	2,687.3	(2,687.3)	-
Total liabilities from financing activities	4,427.2	(3,415.0)	1,095.2

* Others comprise of lease additions, interest cost, and other adjustments in lease

Changes in assets arising from non cash investing activities

Particulars	April 1, 2025	Net Cash Flows	Others* March 31, 2026
Right-of-use assets (net)	3,064.6	-	863.8
Total liabilities from financing activities	3,064.6	-	863.8

Changes in assets arising from non cash investing activities

Particulars	April 1, 2024	Net Cash Flows	Others* March 31, 2025
Right-of-use assets (net)	2,665.3	-	399.3
Total liabilities from financing activities	2,665.3	-	399.3

* Others comprise of additions, depreciation and other adjustments

17. Other bank balance

Particulars	Rs. in million	
	As at March 31, 2026	As at March 31, 2025
Balances with banks		
On deposit accounts (with original maturity more than 3 months but less than 12 months)	122.0	-
Unspent CSR accounts*	5.7	-
Total	127.7	-

*There are restrictions in the balances in Unspent CSR accounts.



18. Equity share capital

Particulars	Rs. in million	
	As at March 31, 2026	As at March 31, 2025
Authorised 10,000,000 (previous year 10,000,000) equity shares of Rs. 10 each	100.0	100.0
Total	100.0	100.0
Issued, subscribed and fully paid up 10,000,000 (previous year 10,000,000) equity shares of Rs. 10 each	100.0	100.0
Total	100.0	100.0

The Company has only one class of equity shares having a par value of Rs. 10 per share. Each holder of equity shares is entitled to one vote per share held. 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.

In respect of the year ended March 31, 2026, the directors proposed that a dividend of Rs. ____ per share (March 31, 2025 Rs. 400 per share) be paid on fully paid equity shares. This equity dividend is subject to approval by shareholders at the annual general meeting and has not been included as a liability in these financial statements. The proposed equity dividend is payable to all holders of fully paid equity shares. The total estimated equity dividend to be paid is Rs. ____ million (March 31, 2025 Rs. 4,000 million).

There are no bonus shares or buy back of shares during the year.

(i) Reconciliation of issue, subscribed and fully paid up equity shares :

Particulars	No. of Shares	Amount
		(Rs. in million)
Balance at April 1, 2024	10,000,000	100.0
Movement during the year	-	-
Balance at March 31, 2025	10,000,000	100.0
Movement during the year	-	-
Balance at March 31, 2026	10,000,000	100.0

(ii) Details of shareholders holding more than 5% equity shares in the Company

Particulars	As at March 31, 2026		As at March 31, 2025		% change during the year
	Nos.	% holding in the class	Nos.	% holding in the class	
Eicher Motors Limited	5,440,000	54.40%	5,440,000	54.40%	-
Aktiebolaget Volvo (PUBL), Volvo, Sweden	3,469,700	34.70%	3,469,700	34.70%	-
Volvo Truck Corporation, Sweden (100% subsidiary of Aktiebolaget Volvo (PUBL), Volvo, Sweden)	1,090,300	10.90%	1,090,300	10.90%	-

Note:- Eicher Motors Limited and Aktiebolaget Volvo (PUBL), Volvo (including group companies) are co-venturers in the Company.

(iii) Details of shares held by promoters

As at March 31, 2026

Particulars	No. of shares at the beginning of the year	Change during the year	No. of shares at the end of the year	% of Total Shares	% change during the year
Eicher Motors Limited (including its nominees)	5,440,000	-	5,440,000	54.40%	-
Aktiebolaget Volvo (PUBL), Volvo, Sweden	3,469,700	-	3,469,700	34.70%	-
Volvo Truck Corporation, Sweden (100% subsidiary of Aktiebolaget Volvo (PUBL), Volvo, Sweden)	1,090,300	-	1,090,300	10.90%	-

As at March 31, 2025

Particulars	No. of shares at the beginning of the year	Change during the year	No. of shares at the end of the year	% of Total Shares	% change during the year
Eicher Motors Limited (including its nominees)	5,440,000	-	5,440,000	54.40%	-
Aktiebolaget Volvo (PUBL), Volvo, Sweden	3,469,700	-	3,469,700	34.70%	-
Volvo Truck Corporation, Sweden (100% subsidiary of Aktiebolaget Volvo (PUBL), Volvo, Sweden)	1,090,300	-	1,090,300	10.90%	-



VE COMMERCIAL VEHICLES LIMITED

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2026

19. Other equity

Particulars	Rs in million	
	As at March 31, 2026	As at March 31, 2025
(a) Securities premium	10,786.6	10,786.6
(b) General reserve	2,598.5	2,598.5
(c) Retained earnings	54,919.1	44,255.2
(d) Foreign currency translation reserve	21.7	(8.7)
Total	68,325.9	57,631.6

Particulars	Rs in million	
	As at March 31, 2026	As at March 31, 2025
(a) Securities premium		
Opening balance	10,786.6	10,786.6
Add/ (less): movement during the year	-	-
Closing balance	10,786.6	10,786.6

Securities premium account represent the premium received on issue of share capital of the company. The Company can utilise the same for the purpose of buy back of share or issue of bonus shares as decided by the Management.

Particulars	Rs in million	
	As at March 31, 2026	As at March 31, 2025
(b) General reserve		
Opening balance	2,598.5	2,598.5
Add: Transferred from Statement of profit and loss	-	-
Closing balance	2,598.5	2,598.5

The general reserve is used from time to time to transfer profits from retained earnings for appropriation purposes. As the general reserve is created by a transfer from one component of equity to another and is not an item of other comprehensive income, items included in the general reserve will not be reclassified subsequently to profit or loss.

Particulars	Rs in million	
	As at March 31, 2026	As at March 31, 2025
(c) Retained earnings		
Opening balance	44,255.2	33,924.4
Add: Profit for the year	14,649.5	12,860.1
Add: Other comprehensive income:		
from remeasurement of defined benefit obligation net of income tax	14.4	(29.3)
Less: Final dividend (amount per share Rs. 400 (previous year Rs. 250))	(4,000.0)	(2,500.0)
Closing balance	54,919.1	44,255.2

Retained earnings are the profits/(loss) that the company has earned/incurred till date, less any transfers to general reserve, dividends or other distributions paid to shareholders. Retained earnings include re-measurement loss / (gain) on defined benefit plans, net of taxes that will not be reclassified to Statement of Profit and Loss.

Particulars	Rs in million	
	As at March 31, 2026	As at March 31, 2025
(d) Foreign currency translation reserve		
Opening balance	(8.7)	(11.4)
Add :- exchange differences in translating the financial statements of foreign operations	30.4	2.7
Closing balance	21.7	(8.7)



20. Lease Liabilities

Particulars	Rs. in million	
	As at March 31, 2026	As at March 31, 2025
Non- Current	2,232.7	1,644.5
Current	497.4	462.9
Total	2,730.1	2,107.4

21. Other financial liabilities

Particulars	Rs. in million	
	As at March 31, 2026	As at March 31, 2025
Non- Current		
Capital creditors	71.4	71.1
Security deposits	137.2	103.6
Total	208.6	174.7
Current		
Capital creditors*	1,778.0	1,193.5
Book overdraft	155.3	-
Employees dues	1,754.4	1,540.7
Total	3,687.7	2,734.2

* includes MSME capital creditors Rs 208.4 million (March 31, 2025 Rs. 197.2 million)

22. Provisions

Particulars	Rs. in million	
	As at March 31, 2026	As at March 31, 2025
Non-current		
Employees benefits (i)		
Compensated absences	887.0	884.6
Other employee benefits	121.4	92.6
Other provisions : Warranties (ii)	159.1	525.3
Total	1,167.5	1,502.5
Current		
Employees benefits (i)		
Compensated absences	55.9	49.1
Other employee benefits	29.7	293.3
Other provisions : Warranties (ii)	3,128.6	2,167.1
Total	3,214.2	2,509.5

(i) The provision for employee benefits includes earned leave, sick leave, vested long service reward and other long-term incentives.

(ii) Movement in warranties provision

	Rs. in million	
	As at March 31, 2026	As at March 31, 2025
Opening balance	2,692.4	2,345.7
Arising during the year	4,409.5	3,823.3
Amount utilised during the year	(3,895.5)	(3,567.1)
Unwinding of discount	81.3	90.5
Closing balance	3,287.7	2,692.4

The provision for warranty claims represents the present value of the management's best estimate of the future economic benefits that will be required under the Company's obligations for warranties under local sale of goods legislation. The estimate has been made on the basis of historical warranty trends and expected future trends and may vary as a result of new materials, altered manufacturing processes or other events affecting product quality.



23. Deferred tax liabilities (net)

Particulars	Rs. in million	
	As at March 31, 2026	As at March 31, 2025
Deferred tax liabilities on		
Property, plant and equipment and intangible assets	3,847.8	3,694.4
Others	52.8	70.2
Sub-total (A)	3,900.6	3,764.6
Less: Deferred tax assets on		
Accrued expenses deductible on payment	49.4	39.2
Provision for leave encashment/compensated absences	220.1	218.0
Impairment for doubtful debts and advances	132.0	110.0
Deferred revenue on AMC	291.2	284.5
Others	195.6	98.0
Sub-total (B)	888.3	749.7
Deferred tax liabilities (net)	3,012.3	3,014.9

Movement in Deferred tax liabilities

For the year ended March 31, 2026

Particulars	Rs. in million			
	Opening balance	Recognised in profit and loss	Recognised in Other comprehensive income	Closing balance
Deferred tax liabilities on				
Property, plant and equipment and intangible assets	3,694.4	153.4	-	3,847.8
Others	70.2	(25.9)	8.5	52.8
Sub-total (A)	3,764.6	127.5	8.5	3,900.6
Less: Deferred tax assets on				
Accrued expenses deductible on payment	39.2	10.2	-	49.4
Provision for leave encashment/compensated absences	218.0	2.1	-	220.1
Remeasurement of defined benefit obligation	-	4.8	(4.8)	-
Impairment for doubtful debts and advances	110.0	22.0	-	132.0
Deferred revenue on AMC	284.5	6.7	-	291.2
Others	98.0	97.6	-	195.6
Sub-total (B)	749.7	143.4	(4.8)	888.3
Deferred tax (assets) / liabilities (net)	3,014.9	(15.9)	13.3	3,012.3

For the year ended March 31, 2025

Particulars	Rs. in million			
	Opening balance	Recognised in profit and loss	Recognised in Other comprehensive income	Closing balance
Deferred tax liabilities on				
Property, plant and equipment and intangible assets	4,893.8	(1,199.4)	-	3,694.4
Others	98.4	(30.7)	2.5	70.2
Sub-total (A)	4,992.2	(1,230.1)	2.5	3,764.6
Less: Deferred tax assets on				
Accrued expenses deductible on payment	49.9	(10.7)	-	39.2
Provision for leave encashment/compensated absences	267.6	(49.6)	-	218.0
Remeasurement of defined benefit obligation	-	(9.9)	9.9	-
Impairment for doubtful debts and advances	117.8	(7.8)	-	110.0
Deferred revenue on AMC	266.9	17.6	-	284.5
Others	83.9	14.1	-	98.0
Sub-total (B)	786.1	(46.3)	9.9	749.7
Deferred tax (assets) / liabilities (net)	4,206.1	(1,183.8)	(7.4)	3,014.9

24. Other liabilities

Particulars	Rs. in million	
	As at March 31, 2026	As at March 31, 2025
Non- Current		
Deferred income on security deposits	0.5	0.7
Other liabilities	1.1	1.1
Total	1.6	1.8
Current		
Advances from customers (contract liabilities)	7,510.7	6,335.0
Statutory dues	1,504.2	3,238.2
Liabilities towards corporate social responsibility	186.8	70.7
Deferred income on security deposits	0.2	0.2
Other Payable	1.1	0.9
Total	9,203.0	9,645.0



25. Borrowings

Particulars	Rs. in million	
	As at March 31, 2026	As at March 31, 2025
Current		
Secured- at amortised cost		
Loan repayable on demand from banks		
Bank Overdraft	99.1	-
Unsecured- at amortised cost		
Loan repayable on demand from banks		
Short term loan	1,500.0	-
Total	1,599.1	-

For details of assets given as security against borrowings- Refer note 50(a).

26. Trade payables

Particulars	Rs. in million	
	As at March 31, 2026	As at March 31, 2025
Current		
Total outstanding dues of micro enterprises and small enterprises	1,182.0	761.5
Total outstanding dues of creditors other than micro enterprises and small enterprises		
Acceptances	13,198.5	14,340.0
Other trade payables	60,965.6	51,362.1
	74,164.1	65,702.1
Total	75,346.1	66,463.6

Trade payables are non-interest bearing and are normally settled on 60-day terms.

Trade payables also include payables to related parties- Refer note 45

Trade payables ageing schedule

As at March 31, 2026

Particulars	Not due*	Outstanding for following periods from due date of payment				Total
		Less than 1 yr.	1 -2 yrs.	2 -3 yrs.	More than 3 yrs.	
MSME**	1,165.1	29.8	0.0	0.1	0.4	1,195.5
Others*	73,061.7	984.3	-	56.9	46.4	74,149.3
Disputed dues - MSME	-	-	0.6	-	-	0.6
Disputed dues - Others	0.1	0.2	-	0.4	-	0.7
Total	74,226.9	1,014.3	0.6	57.4	46.8	75,346.1

* Not dues includes unbilled dues of Rs 25,632.7 million

** Dues are primarily in relation to vendor's GST compliances.

As at March 31, 2025

Particulars	Not due*	Outstanding for following periods from due date of payment				Total
		Less than 1 yr.	1 -2 yrs.	2 -3 yrs.	More than 3 yrs.	
MSME**	732.7	24.6	1.4	0.8	0.1	759.6
Others*	63,751.5	1,880.7	19.7	28.5	20.9	65,701.3
Disputed dues - MSME	0.3	1.6	-	-	-	1.9
Disputed dues - Others	-	0.3	0.3	0.2	-	0.8
Total	64,484.5	1,907.2	21.4	29.5	21.0	66,463.6

* Not dues includes unbilled dues of Rs 18,980.1 million

** Dues are primarily in relation to vendor's GST compliances.

27. Liabilities for current tax (net)

Particulars	Rs. in million	
	As at March 31, 2026	As at March 31, 2025
Provision for tax (net of advance tax)	1,002.0	768.8
Total	1,002.0	768.8



28. Revenue from operations

Particulars	Rs. in million		
	For the year ended March 31, 2026	For the year ended March 31, 2025	
Revenue from operations			
Sale of products			
Manufactured goods	226,023.7	193,194.1	
Stock-in-trade	36,791.3	35,403.3	
Sale of services	2,327.5	1,790.6	
Sub-total (A)	265,142.5	230,388.0	
Other operating revenue			
Export benefits	657.2	571.9	
Scrap sales	821.8	728.3	
Income from maintenance contracts	2,635.6	2,277.2	
Industrial promotion subsidy income	860.1	1,055.7	
Income from other operating revenues	648.9	461.3	
Sub-total (B)	5,623.6	5,094.4	
Revenue from operations (net)	Total (A+B)	270,766.1	235,482.4

Particulars	Rs. in million	
	For the year ended March 31, 2026	For the year ended March 31, 2025
Details of products sold		
Manufactured goods		
Commercial vehicles	181,994.7	152,625.4
Engines and related components	15,667.9	14,820.2
Spare parts and other components	28,361.1	25,748.5
Total	226,023.7	193,194.1
Stock-in-trade		
Commercial vehicles	21,145.7	21,830.9
Spare parts and other components	15,645.6	13,572.4
Total	36,791.3	35,403.3
Details of services rendered		
Engineering services	71.6	64.1
Other allied services	2,255.9	1,726.5
Total	2,327.5	1,790.6
Reconciling the amount of revenue recognised in the statement of profit and loss with the contracted price		
Revenue as per contracted price	266,940.5	232,205.6
Adjustments:		
- Trade Discount & Incentives	1,798.0	1,817.6
Total	265,142.5	230,388.0

Contract Balances

Particulars	Rs. in million	
	As at March 31, 2026	As at March 31, 2025
Trade receivables	38,564.2	30,817.4
Advances from customers (contract liabilities)	7,510.7	6,335.0
Total	46,074.9	37,152.4

Particulars	Rs. in million	
	For the year ended March 31, 2026	For the year ended March 31, 2025
Amount of Revenue recognised from:		
Amounts included in other liabilities (deferred revenue, contract liabilities, advance from customers) at the beginning of the year	2,902.1	2,548.0
	2,902.1	2,548.0



29. Other income

Particulars	Rs. in million	
	For the year ended March 31, 2026	For the year ended March 31, 2025
a) Interest income on financial assets carried at amortised cost		
- Deposit with bank	2,293.4	1,849.5
- Others	73.7	210.9
Sub-total (A)	2,367.1	2,060.4
b) Other non-operating income		
Corporate service charges recovered	33.4	26.9
Other miscellaneous income	18.0	17.7
Sub-total (B)	51.4	44.6
c) Other gains and losses		
Exchange differences (net)	559.0	4.7
Profit on sale of property, plant and equipment (net)	3.3	25.0
Sub-total (C)	562.3	29.7
Total (A+B+C)	2,980.8	2,134.7

30. Cost of raw materials and components consumed

Particulars	Rs. in million	
	For the year ended March 31, 2026	For the year ended March 31, 2025
Inventory at the beginning of the year	5,773.9	5,506.1
Add: purchases during the year	180,626.6	155,111.3
	186,400.5	160,617.4
Less: inventory at the end of the year	7191.1	5,773.9
Less: material cost of vehicles capitalised	105.8	183.3
	179,103.6	154,660.2
Less: sale of raw materials and components to suppliers on cost to cost basis	3,523.1	3,684.7
Net consumption	175,580.5	150,975.5



VE COMMERCIAL VEHICLES LIMITED
NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2026
31. Details of purchase of stock-in-trade

Particulars	Rs. in million	
	For the year ended March 31, 2026	For the year ended March 31, 2025
Commercial vehicles	16,792.0	25,975.4
Spare parts and other components	10,536.0	9,496.3
Total	27,328.0	35,471.7

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

Particulars	Rs. in million	
	For the year ended March 31, 2026	For the year ended March 31, 2025
Inventories at the end of the year		
Finished goods	17,294.2	13,442.5
Work-in-progress	1,590.0	1,774.2
Stock-in-trade	3,677.1	8,371.4
Sub-total (A)	22,561.3	23,588.1
Inventories at the beginning of the year		
Finished goods	13,442.5	11,724.7
Work-in-progress	1,774.2	1,371.9
Stock-in-trade	8,371.4	3,181.7
Sub-total (B)	23,588.1	16,278.3
Net change (B-A)	1,026.8	(7,309.8)

33. Employee benefits expenses

Particulars	Rs. in million	
	For the year ended March 31, 2026	For the year ended March 31, 2025
Salaries, wages, bonus etc.	14,905.5	12,948.4
Contribution to provident and other funds	478.9	421.9
Gratuity expenses (refer note 41)	139.9	152.0
Staff welfare expenses	1,299.4	1,103.4
Total	16,823.7	14,625.7

34. Depreciation and amortisation expenses

Particulars	Rs. in million	
	For the year ended March 31, 2026	For the year ended March 31, 2025
Depreciation of Property, plant and equipment (refer note 5)	4,790.6	4,102.9
Amortisation of Intangible assets (refer note 7)	1,862.1	1,798.0
Depreciation of Right-of-use assets (refer note 7A)	586.9	531.8
Total	7,239.6	6,432.7

35. Finance costs

Particulars	Rs. in million	
	For the year ended March 31, 2026	For the year ended March 31, 2025
Interest expense		
on borrowings	190.9	26.2
on security deposit	6.2	4.9
on income tax	15.0	-
Interest on lease liabilities	196.7	164.2
Unwinding of discount on provisions	81.3	90.5
Total	490.1	285.8



36. Other expenses

Particulars	Rs. in million	
	For the year ended March 31, 2026	For the year ended March 31, 2025
Stores and machinery spares consumed (including loose tools)	898.7	788.7
Power and fuel	1,400.2	1,259.1
Insurance	309.6	226.8
Repairs and maintenance		
Buildings	358.8	325.7
Plant and equipment	758.5	649.2
Others	818.7	785.7
Rates and taxes	163.1	162.9
Advertisement	55.8	49.4
Freight and handling charges	5,615.5	4,849.3
Incentives	131.5	121.1
Warranty	4,409.5	3,823.3
Other selling and distribution expenses	2,449.8	1,822.3
Rent	362.5	201.2
Legal and professional charges #	284.5	288.6
Travelling and conveyance expenses	739.7	744.2
Development and testing expenses	559.0	445.3
Exchange loss	-	-
Corporate social responsibility expenditure ##	246.9	153.7
Brand fees (refer note 45)	1,039.3	886.4
Impairment for doubtful debts and advances	152.2	100.2
Miscellaneous expenses	4,241.1	3,808.0
Total	24,994.9	21,491.1

Including payment to auditors as below:-

Particulars	Rs. in million	
	For the year ended March 31, 2026	For the year ended March 31, 2025
a) As Auditor		
-Audit fee	9.9	9.0
-Audit fees for group reporting	-	-
-Limited Review of unaudited financial results	3.0	2.7
b) In other capacity:		
- other certification	0.1	0.4
c) Reimbursement of expenses	0.2	0.2

Details of CSR expenditure:

Particulars	Rs. in million		
	For the year ended March 31, 2026	For the year ended March 31, 2025	
a) Gross amount required to be spent by the Group during the year	246.9	153.7	
b) Amount approved by the Board to be spent during the year	246.9	153.7	
c) Amount spent during the year ended on March 31, 2026	In cash	Yet to be paid in cash	Total
i) Construction/acquisition of any asset	-	-	-
ii) On purposes other than (i) above	60.2	-	60.2
d) Amount spent during the year ended on March 31, 2025	In cash	Yet to be paid in cash	Total
i) Construction/acquisition of any asset	-	-	-
ii) On purposes other than (i) above	83.2	-	83.2

e) Details related to spent / unspent obligations:

Particulars	Rs. in million	
	For the year ended March 31, 2026	For the year ended March 31, 2025
i) Contribution to Public Trust	-	-
ii) Contribution to Section 8 company*	50.4	79.0
iii) Unspent amount in relation to:		
- Ongoing project**	186.8	70.7
- Other than ongoing project	-	-
iv) Contribution to Others	9.8	4.2
	247.0	153.9

*represents contribution to Eicher Group foundation (Licence under Section 8(1) of the Companies Act, 2013) which is joint venture Company

** includes interest earned of Rs. 0.1 million in FY 25-26 (previous year Rs. 0.2 million)



Details of CSR spent for ongoing project and other than ongoing project in FY 25-26 pertaining to current year and earlier years-

In case of S. 135(6) (Ongoing Project)						
Opening Balance*		Amount required to be spent during the year	Amount spent during the year		Closing balance**	
With company	In Separate CSR Unspent A/c		From Company's bank a/c	From Separate CSR	With company	In Separate CSR
-	70.7	247.0	60.2	70.7	186.8	-

* Previous year closing balance with company transferred to separate unspent CSR account on April 25, 2025

** Current year closing balance with company has been transferred to separate unspent CSR account on April 28, 2026

In case of S. 135(5) (Other than ongoing project)				
Opening balance	Amount deposited in Specified Fund of Sch. VII within 6 months	Amount required to be spent during the year	Amount spent during the year	Closing balance
-	-	-	-	-

Details of CSR spent for ongoing project and other than ongoing project in FY 24-25 pertaining to current year and earlier years-

In case of S. 135(6) (Ongoing Project)						
Opening Balance		Amount required to be spent during the year	Amount spent during the year		Closing balance	
With company	In Separate CSR Unspent A/c		From Company's bank a/c	From Separate CSR	With company	In Separate CSR
-	9.4	152.4	81.7	9.4	70.7	-

In case of S. 135(5) (Other than ongoing project)				
Opening balance	Amount deposited in Specified Fund of Sch. VII within 6 months	Amount required to be spent during the year	Amount spent during the year	Closing balance
-	-	1.5	1.5	-

37. Income tax expense

Particulars	Rs. in million	
	For the year ended March 31, 2026	For the year ended March 31, 2025
Current tax	5,025.6	3,963.6
Deferred tax charge/(benefit)	(15.9)	(1,183.3)
Total Income tax recognised in the current year	Total 5,009.7	2,780.3

The reconciliation of income tax expense calculated as per tax rates applicable to individual entities with income tax expense is as follows:

Particulars	Rs. in million	
	For the year ended March 31, 2026	For the year ended March 31, 2025
Profit before tax	19,675.3	15,644.4
Income Tax expenses calculated at 25.168%	4,951.9	3,937.4
Effect of CSR Expense	62.1	38.7
Impact of change in tax rate	-	(1,179.8)
Others	(4.3)	(16.0)
Income tax expense recognised in statement of profit and loss	5,009.7	2,780.3

Income tax expense recognised in other comprehensive income

Particulars	Rs. in million	
	For the year ended March 31, 2026	For the year ended March 31, 2025
Deferred tax benefit		
Arising on income and expenses recognised in other comprehensive income:		
- Remeasurement of defined benefit obligation	4.8	(9.9)
- Exchange differences in translating the financial statements of foreign operations	8.5	2.5
Total Income tax expense recognised in other comprehensive income	13.3	(7.4)

Bifurcation of the income tax recognised in other comprehensive income into:

Items that will not be reclassified to profit or loss	4.8	(9.9)
Items that may be reclassified to profit or loss	8.5	2.5
	13.3	(7.4)



38. Estimated amount of contracts remaining to be executed on capital account and not provided for Rs. 6,836.5 million (net of advance) (As at March 31, 2025 Rs. 5,052.2 million).

The Group has other commitments, for purchase/sales orders which are issued after considering requirements per operating cycle for purchase /sale of goods and services, employee's benefits including union agreement in normal course of business. The Group does not have any long term commitments or material non-cancellable contractual commitments/contracts, which might have material impact on the financial statements.

39. **Research and development expenses:**

Revenue expenditure on research and development incurred and expensed off during the year through the appropriate heads of account aggregate Rs. 3,120.3 million (previous year Rs. 2,854.0 million). The Capital expenditure incurred during the year for research and development purposes aggregate Rs. 2,842.1 million (previous year Rs. 2,819.8 million).

40. **Contingent liabilities not provided for:**

Particulars	Rs. in million	
	As at March 31, 2026	As at March 31, 2025
a) In respect of following:		
- Sales tax matters	1,738.1	1,755.4
- Excise duty matters	5.5	5.5
- GST matters	3,122.4	814.7
- Service tax matters	11.1	11.1
- Income tax matters	645.3	355.7
b) Claims against the Group not acknowledged as debts	21.4	19.2

All the above matters other than bills discounted and guarantees given are subject to legal proceedings in the ordinary course of business. The legal proceedings when ultimately concluded will not, in the opinion of management, have a material effect on the result of operations or the financial position of the Group.

41. **Disclosures under Ind AS 19 (Employee Benefits)**

The details of various employee benefits provided to employees are as under:

A. **Defined contribution plans**

Particulars	Rs. in million	
	For the year ended March 31, 2026	For the year ended March 31, 2025
a) Provident fund *	411.4	380.2
b) Superannuation fund	16.1	16.7
c) Employee State Insurance Corporation	15.6	12.4
d) National Pension System	50.3	38.2

*Includes Rs. 14.6 million (previous year Rs. 13.1 million) capitalised during the year in intangible assets under development.

Out of the total contribution made for employees' provident fund, Rs. 145.7 million (previous year Rs. 132.0 million) is made to Eicher Executive Provident Fund Trust, while the remaining contribution is made to government administered provident fund.

The total plan liabilities under the Eicher Executive Provident Fund Trust as at March 31, 2026 is Rs. 6,218.8 million as against the total plan assets of Rs. 6,145.3 million. The funds of the trust have been invested under various securities as prescribed under the rules of the trust. Total plan liabilities are still not final as government notification on rate of interest has still not been released.

B. **Defined benefit plans:**

In accordance with the Code on Social Security, 2020 (erstwhile, the Payment of Gratuity Act, 1972), the Group provides for gratuity, as defined benefit plan. The gratuity plan provides for a lumpsum payment to the employees at the time of separation from the service on completion of vested year of employment i.e. five years. The liability of gratuity plan is provided based on actuarial valuation as at the end of each financial year based on which the Group contributes the ascertained liability to Insurance Companies by whom the plan assets are maintained.

These plans typically expose the Group to actuarial risks such as: investment risk, inherent rate risk, longevity risk and salary risk

Investment Risk	The present value of the defined benefit plan liability (denominated in Indian Rupee) is calculated using a discount rate which is determined by reference to market yields at the end of the reporting period on government bonds. Currently for the plan in India, it has a relatively balanced mix of investments in government securities, and other debt instruments.
Interest Risk	A decrease in the bond interest rate will increase the plan liability; however, this will be partially offset by an increase in the return on the plan's debt investments.
Longevity Risk	The present value of the defined benefit plan liability is calculated by reference to the best estimate of the mortality of plan participants both during and after their employment. An increase in the life expectancy of the plan participants will increase the plan's liability.
Salary Risk	The present value of the defined benefit plan liability is calculated by reference to the future salaries of plan participants. As such, an increase in the salary of the plan participants will increase the plan's liability. The estimates of future salary increases, considered in the actuarial valuation, take into account inflation, seniority, promotion and other relevant factors such as supply and demand in the employment market.



VE COMMERCIAL VEHICLES LIMITED
NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2026

The most recent actuarial valuation of the plan assets and the present value of the defined benefit obligation were carried out as at March 31, 2026 by Mr. Charan Gupta, Fellow of the Institute of Actuaries of India. The present value of the defined benefit obligation, and the related current service cost, were measured using the projected unit credit method.

Principal assumptions:	Gratuity	
	As at March 31, 2026	As at March 31, 2025
Discount rate	7.60%	7.04%
Future salary increase	7.35%	7.25%
	58/59/60/61/62/64	58/59/60/61/62/64
Retirement age	years	years
Withdrawal rate	1-3%	1-3%
In service mortality	IALM (2012-14)	IALM (2012-14)

Amounts recognised in statement of profit and loss in respect of these defined benefit plans are as follows :-

Particulars	Rs. in million	
	For the year ended March 31, 2026	For the year ended March 31, 2025
Service Cost		
Current service cost	556.4	135.8
Net Interest expenses	13.3	13.7
Component of defined benefit cost recognised in profit or loss	569.7	149.5
Employee benefits expenses (note no. 33)	139.9	149.5
Exceptional Items	429.8	-
Remeasurement on the net defined benefit liability:		
Actuarial (gains)/ losses arising from changes in financial assumptions	(66.6)	17.7
Actuarial (gains)/ losses arising from experience adjustments	47.3	21.5
Component of defined benefit cost recognised in Other comprehensive Income	(19.3)	39.2

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

Particulars	Rs. in million	
	As at March 31, 2026	As at March 31, 2025
Present Value of funded defined benefit obligation	2,370.0	1,803.9
Fair value of plan assets	2,369.4	1,803.9
Net liability arising from defined benefit obligation	0.6	-

Movements in the present value of the defined benefit obligation are as follows :-

Particulars	Rs. in million	
	For the year ended March 31, 2026	For the year ended March 31, 2025
Present value of obligation as at the beginning	1,803.9	1,597.1
Current service cost	556.4	135.8
Interest cost	127.0	114.7
Benefits paid	(127.4)	(102.9)
Net actuarial (gain) / loss recognised	10.1	59.8
Present value of obligation as at the end	2,370.0	1,803.9

Reconciliation of opening and closing balances of the present value of fund

Particulars	Rs. in million	
	For the year ended March 31, 2026	For the year ended March 31, 2025
Present Value of fund as at the beginning	1,803.9	1,597.0
Interest income	113.7	100.4
Contribution	549.8	188.7
Net actuarial (gain) / loss recognised	(29.4)	(20.6)
Benefits paid	(127.4)	(102.9)
Present value of fund as at the end @	2,369.4	1,803.9

@ Funds are managed by VECV Employees Group Gratuity Scheme (Trust).



The Fair value of the plan assets at the end of reporting year for each category are as follows.

Particulars	Rs. in million	
	As at March 31, 2026	As at March 31, 2025
Corporate Bonds categorised by issuers' credit rating		
AAA	215.3	124.2
AA	61.5	32.9
A	9.3	10.0
Corporate debt bonds (traditional plan)	955.9	675.4
Equity	112.7	70.6
Government securities / Treasury Bills	821.5	773.7
Money Market	123.6	86.8
Others	69.6	30.3
Total	2,369.4	1,803.9

Significant actuarial assumptions for the determination of the defined obligation are discount rate, expected salary increase and mortality. The sensitivity analysis below have been determined based on reasonable possible changes of the respective assumptions occurring at the end of the reporting year, while holding all other assumptions constant.

- If the discount rate is 0.5 basis points higher (lower), the defined benefit obligation would decrease by Rs. 102.6 million (increase by Rs. 108.1 million) (as at March 31, 2025: Decrease by Rs. 78.5 million (increase by Rs. 84.8 million)).

- If the expected salary growth increases (decreases) by 0.5 basis points, the defined benefit obligation would increase by Rs. 107.8 million (decrease by Rs. 103.3 million) (as at March 31, 2025: increase by Rs. 84.3 million (decrease by Rs. 78.7 million)).

Sensitivities due to change in mortality rate and change in withdrawal rate are not material and hence impact of such change is not calculated.

Sensitivity Analysis

The sensitivity analysis presented above may not be representative of the actual change in the defined benefit obligation as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated.

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

There was no change in the methods and assumptions used in preparing the sensitivity analysis from prior years.

Asset-Liability Matching Study

There is no (deficit)/Surplus of liability and funds, hence asset liability matching study not performed.

Other disclosures

Maturity profile of defined benefit obligation

Particulars	Rs. in million	
	As at March 31, 2026	As at March 31, 2025
Average duration of the defined benefit obligation (in years)	8.88 Years	8.75 Years

The estimated contribution during next year is Rs. 240.7 million (previous year Rs. 162.4 million) to the defined benefit plan.

42. Earnings per share

Particulars	Rs. in million	
	For the year ended March 31, 2026	For the year ended March 31, 2025
a) Profit after taxation, per statement of profit and loss (Rs. in million)	14,665.6	12,864.1
b) Weighted average number of equity shares (Nos.)	10,000,000	10,000,000
c) Earnings per share (in rupees): (face value-Rs. 10 per share)		
- Basic and Diluted [(a)/(b)]	1,466.6	1,286.4



43. Financial instruments**43.1 Capital Management**

The Company manages its capital to ensure that the Company will be able to continue as going concern while maximising the return to stakeholders through efficient allocation of capital towards expansion of business, optimisation of working capital requirements and deployment of surplus funds into various investment options. The Company uses long-term debt, if any to meet its capital requirements.

The Company is not subject to any externally imposed capital requirements.

The management of the Company reviews the capital structure of the Company on regular basis. As part of this review, the management of the Company considers the cost of capital and the risks associated with the movement in the working capital.

The following table summarizes the capital of the Company:

	Rs. in million	
	As at March 31, 2026	As at March 31, 2025
Share capital	100.0	100.0
Other equity	68,325.9	57,631.6
	68,425.9	57,731.6

43.2 Categories of financial instruments

Carrying value of the financial instruments are as follows:-

Particulars	Rs. in million	
	As at March 31, 2026	As at March 31, 2025
Financial assets carried at fair value through profit and loss (FVTPL)		
Investment in equity instruments	1.4	1.4
Financial assets at amortized cost		
Non-current		
Loans	34.2	37.1
Other financial assets	16,172.0	8,175.5
Current		
Trade receivables	38,564.2	30,817.4
Cash and cash equivalents	1,413.7	1,272.3
Other bank balance	127.7	-
Loans	29.5	32.7
Other financial assets	30,327.4	27,935.3
Financial liabilities at amortized cost		
Non-current		
Other financial liabilities	208.6	174.7
Current		
Borrowings	1,599.1	-
Trade payables	75,346.1	66,463.6
Other financial liabilities	3,687.7	2,734.2

43.3 Fair value measurements

This section provides additional information on balance sheet items that contain financial instruments:-

The following methods and assumptions were used to estimate the fair values :-

The following table categorise the financial instruments measured at fair value accompanied into Level 1 to Level 3, as described below.

Level 1: This level includes financial assets that are measured by reference to quoted prices (unadjusted) in active markets for identical assets or liabilities.

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.

Fair value of the Company's financial assets that are measured at fair value on a recurring basis:-

There are certain Company's financial assets 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 are determined:-

Particulars	Rs. in million	
	Fair value as at March 31, 2026 Level 3	March 31, 2025 Level 3
Financial assets at fair value through profit or loss		
Non-current		
Investments in equity instruments	1.4	1.4

Fair value of the Company's financial assets and financial liabilities that are not measured at fair value (but fair value disclosures are required)

The management considers that the carrying amounts of financial assets and financial liabilities recognised in the financial statements approximate their fair values.



Notes:

Fair value of cash and short-term deposits, trade and other short term receivables, trade payables, short-term borrowings, other financial liabilities and other financial instruments approximate their carrying amounts largely due to the short-term maturities of these instruments.

Investment in fixed deposits are carried at amortised cost and the fair value is estimated by discounting future cash flows using a discount rate equivalent to the risk free return, adjusted for the any expected credit loss allowance.

The fair value for loans, security deposits which approximates their carrying values were calculated on cash flows discounted using a current lending rate.

Management uses its best judgment in estimating the fair value of its financial instruments. However, there are inherent limitations in any estimation technique. Therefore, for substantially all financial instruments, the fair value estimates presented above are not necessarily indicative of all the amounts that the Company could have realized or paid in sale transactions as of respective dates. As such, the fair value of the financial instruments subsequent to the respective reporting dates may be different from the amounts reported at each year end.

43.4 Financial risk management objectives and Policies

The Company's treasury function is managed by its Corporate Office Finance Department (COFD) which monitors and manages the financial risks relating to the operations of the Company. These risks include market risk (including currency risk), credit risk and liquidity risk.

The COFD evaluates and exercises independent control over the entire process of risk management. The treasury department recommends risk management objectives and policies, which are approved by Senior Management. The activities of this department includes management of cash resources, implementing strategies for foreign currency exposures and ensuring market risk limit and policies.

The Company does not enter into or trade financial instruments, including derivative financial instruments, for speculative purposes.

Market risk

Market risk is the risk of any loss in future earnings, in realisable fair values or in future cash flows that may result from a change in the price of a financial instrument. The Company's activities expose it primarily to the financial risks of changes in foreign currency exchange rates. Market risk exposures are measured using sensitivity analysis.

Foreign currency risk management

The Company undertakes transactions denominated in foreign currencies; consequently, exposures to exchange rate fluctuations arise.

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

Foreign currency exposure	As at March 31, 2026		As at March 31, 2025	
	Trade Receivables	Trade Payables	Trade Receivables	Trade Payables
USD	76.5	4.2	48.1	3.7
EURO	2.5	5.2	2.4	3.7
SEK	-	18.4	-	6.4
JPY	4.1	101.0	2.0	146.3
ZAR	58.0	2.3	55.5	0.9
Others	0.1	51.9	0.1	38.5

in million

Breakup and ageing of Foreign Currency Exposure Risk as at March 31, 2026:

Rs. in million

Particulars	Unhedged		Hedged through forward or derivative Total	Natural Hedge	
	<=1 year	>1 year		<=1 year	> 1 year
FCY Receivables					
(i) Exports	7,154.3	1.4	-	678.5	8.9
Total (A)	7,154.3	1.4	-	678.5	8.9
FCY Payables					
(i) Imports	695.1	17.4	-	678.5	8.9
Total (B)	695.1	17.4	-	678.5	8.9

Foreign currency sensitivity

The following table details the Company's sensitivity to a 5% increase and decrease in the Rs. against the relevant foreign currencies. 5% 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 period end for a 5% change in foreign currency rates. A positive number below indicates an increase in profit or equity where the Rs. strengthens 5% against the relevant currency. For a 5% weakening of the Rs. against the relevant currency, there would be a comparable impact on the profit or equity, and the balances below would be negative.

Currency	As at March 31, 2026		As at March 31, 2025	
	5% increase	5% decrease	5% increase	5% decrease
Receivable				
USD	(362.0)	362.0	(206.0)	206.0
EURO	(13.7)	13.7	(11.0)	11.0
Others	(16.5)	16.5	(13.7)	13.7
Payable				
USD	19.9	(19.9)	15.8	(15.8)
EURO	28.1	(28.1)	17.3	(17.3)
SEK	9.1	(9.1)	2.7	(2.7)
JPY	3.0	(3.0)	4.2	(4.2)
Others	9.9	(9.9)	6.3	(6.3)
Impact on profit or loss as at the end of the reporting period	(322.2)	322.2	(184.5)	184.5
Impact on total equity as at the end of the reporting period	(241.1)	241.1	(138.1)	138.1

Rs. in million

In management's opinion, the sensitivity analysis is unrepresentative of the inherent foreign exchange risk because the exposure at the end of the reporting period does not reflect the exposure during the year/ in future years.



VE COMMERCIAL VEHICLES LIMITED
NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2026
Credit risk management

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Company. The Company has adopted a policy of only dealing with creditworthy counterparties as a means of mitigating the risk of financial loss from defaults. Credit exposure is controlled by counterparty limits that are reviewed and approved by the management of the Company.

Financial instruments that are subject to concentrations of credit risk, principally consist of balance with banks, investments in fixed deposits, trade receivables, and other loans and advances. None of the financial instruments of the Company result in material concentrations of credit risks.

Balances with banks were not past due or impaired as at the year end. In other financial assets that are not past dues and not impaired, there were no indication of default in repayment as at the year end.

The Company has used a practical expedient by computing the expected loss allowance for financial assets based on historical credit loss experience and adjustments for forward looking information.

Movement in the expected credit loss allowance of financial assets

Particulars	Rs. in million	
	For the year ended March 31, 2026	For the year ended March 31, 2025
Balance at beginning of the year	435.1	334.9
Add: Provided during the year	152.2	100.2
Less: others	(36.9)	-
Balance at end of the year	550.3	435.1

The above does not include provision for diminution in the value of investment in subsidiary company.

Liquidity risk

Liquidity risk represents the inability of the Company to meet its financial obligations within stipulated time.

Maturity profile of financial liabilities:

The table below provides details regarding the remaining contractual maturities of financial liabilities at the reporting date.

Particulars	Rs. in million			
	As at March 31, 2026			
	Less than 1 year	1 Year-5 years	More than 5 years	Total
Non-current				
(i) Other financial liabilities	-	71.4	137.2	208.6
Current				
(i) Borrowings	1,599.1	-	-	1,599.1
(ii) Trade payables	75,346.1	-	-	75,346.1
(iii) Other financial liabilities	3,687.7	-	-	3,687.7

Particulars	Rs. in million			
	As at March 31, 2025			
	Less than 1 year	1 Year-5 years	More than 5 years	Total
Non-current				
(i) Other financial liabilities	-	71.1	103.6	174.7
Current				
(i) Trade payables	66,463.6	-	-	66,463.6
(ii) Other financial liabilities	2,734.2	-	-	2,734.2

The surplus funds with the Company and operational cash flows will be sufficient to dispose the financial liabilities with in the maturity period.



44. Segment Reporting Disclosure

The Group primarily operates in the automotive segment. The automotive segment includes all activities related to development, design, manufacture, assembly and sale of commercial 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 Group's performance, allocate resources based on the analysis of the various performance indicator of the Group as a single unit. Therefore, there is no reportable segment for the Group as per the requirement of IND AS 108 "Operating Segments".

Geographical information

The "Geographical Segments" comprises of domestic segment which includes sales to customers located in India and the overseas segment includes sales to customers located outside India.

	Rs. in million		
	Domestic	Overseas	Total
Revenue from operations			
For the year ended March 31, 2026	240,490.6	30,275.5	270,766.1
For the year ended March 31, 2025	211,090.4	24,392.0	235,482.4

a) Domestic segment includes sales and services to customers located in India.

b) Overseas segment includes sales and services rendered to customers located outside India.

c) There are no material non-current assets located outside India.

d) The accounting policies adopted for segment reporting are in conformity with the accounting policies adopted for the Group. Revenue have been identified to segments on the basis of their relationship to the operating activities of the segment.

Information about major customers

No customer individually accounted for more than 10% of the revenue.



45. Related party disclosures under Ind AS 24

a. Related party disclosures

(i) Investor in respect of which the Company is a joint venture

Eicher Motors Limited	(EML)
Aktiebolaget Volvo (PUBL), Volvo, Sweden	(AB Volvo)

(ii) Joint venture company

Eicher Group Foundation	(EGF)
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(iii) Entity under the control of co-venturer (AB Volvo)

AD Volvo Penta
 AB Volvo Penta Germany
 Mack Trucks Inc.
 PT Volvo Indonesia
 Renault Trucks
 Renault Trucks Gare 89
 Renault Trucks GARE G2
 Renault Trucks Gare V1
 Renault Trucks Gare X2
 Renault Trucks Gare-30
 Renault Trucks Limoges ECH STD
 Renault Trucks SAS
 Volvo Bus Corporation
 Volvo Business Services AB
 Volvo Bussar AB
 Volvo CE Eskilstuna
 Volvo CE India Private Limited
 Volvo Construction Equipment AB
 Volvo Construction Equipment China
 Volvo Construction Equipment Technology China Co Ltd
 Volvo do Brasil Veiculos Ltd
 Volvo Equipamentos de Construção
 Volvo East Asia (Pte) Ltd.
 Volvo Financial Services India Private Limited
 Volvo Group Belgium NV
 Volvo Group Connected Solution AB
 Volvo Group India Private Limited
 Volvo Group Korea Co. Ltd.
 Volvo Group Mexico SA de CV
 Volvo Group Middle East FZE
 Volvo Group North America
 Volvo Group Singapore (Pte) Ltd
 Volvo Group Southern Africa (Pty) Ltd
 Volvo Information Technology AB
 Volvo Lastvagnar AB
 Volvo Logistics AB
 Volvo Logistics Corporation
 Volvo Malaysia Sdn. Bhd.
 Volvo Merchandise AB
 Volvo Parts AB
 Volvo Parts Corporation
 Volvo Penta Corporation
 Volvo Powertrain AB
 Volvo Powertrain Corporation
 Volvo Technology AB
 Volvo Truck Corporation

(iv) Entity under the control of co-venturer (EML)

Eicher Polaris Private Limited	(EPPL)
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(v) Entity under the control or significant influence of key management personnel and relatives of key management personnel

Eicher Goodearth Private Limited	(EGPL)
Eicher Goodearth India Private Limited	(EGIPL)
Goodearth Design Studio Private Limited	(GDSPL)
Shardul Amarchand Mangaldas & Co., Advocates and Solicitors	
Nicobar Design Studio Private Limited	(NDSPL)
Neera Aggarwal	Spouse of Vinod Aggarwal
Aastha Aggarwal	Daughter of Vinod Aggarwal

(vi) Other related parties

Eicher Executive Provident Fund	Post employment benefit plan
Eicher Tractors Executive Staff Superannuation Fund	Post employment benefit plan
VECV Employees Group Gratuity Scheme	Post employment benefit plan



VE COMMERCIAL VEHICLES LIMITED

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2026

(vii) Key management personnel

Executive director :

Vinod Aggarwal

Srinivas Balantrapu

Non-Executive directors :

Lila Poonawalla

Independent Directors

Inder Mohan Singh

Padmaja Alaganandan

Other Key management personnel :

Praveen Kumar Jain

Ken Trolle

Managing director, Chief Executive Officer (upto March 31, 2026)

Managing director, Chief Executive Officer (w.e.f. April 1, 2026)

(upto March 29, 2026)

(w.e.f. April 1, 2026)

Company Secretary

Chief Financial Officer

b. Transactions with the above parties

Name of related party	Nature of transaction	For the year ended March 31, 2026	For the year ended March 31, 2025
(i) Investor in respect of which the Company is a joint venture			
Eicher Motors Limited	Sale of finished goods/services	2,968.1	2,503.7
	Dividend paid	2,176.0	1,360.0
	Corporate service charges recovered	33.4	26.9
	RSU Expense*	221.7	98.0
* Share based payment transferred to EML pursuant to extension of RSU scheme of EML to certain employees of VECV			
Aktiebolaget Volvo (PUBL), Volvo, Sweden	Dividend paid	1,387.9	867.4
(ii) Joint venture company			
Eicher Group Foundation	Contribution for corporate social responsibility	121.9	88.2
	Others	0.1	-
(iii) Entity under the control of co-venturer (AB Volvo)			
Volvo do Brasil Veiculos Ltda	Sale of finished goods / services	1,924.0	2,504.0
Renault Trucks SAS	Sale of finished goods / services	4,095.2	4,509.2
	Purchase of goods / services	10.7	17.7
	Purchase of capital goods/services	54.9	37.5
Renault Trucks Gare G2	Sale of finished goods / services	0.1	0.4
Volvo Group India Private Ltd	Sale of finished goods/ services	889.6	435.4
	Expenses recovered	804.6	762.3
	Expenses reimbursed	21.6	34.4
	Purchase of goods/services	22,528.3	31,658.2
	Purchase of capital goods/services	17.0	9.5
	Incentives on parts sale	28.6	49.1
	Others	17.0	0.6
Volvo Powertrain Corporation	Sale of finished goods/ services	26.8	14.9
	Others	1.3	3.0
Volvo Bussar AB	Sale of finished goods/ services	102.1	43.7
	Expenses reimbursed	3.4	-
AB Volvo Penta	Sale of finished goods/ services	690.7	368.1
AB Volvo Penta Germany	Sale of finished goods/ services	1,166.7	692.2
Volvo Information Technology AB	Purchase of goods / services	26.8	27.2
Volvo Technology AB	Sale of finished goods/ services	25.3	6.5
	Purchase of goods / services	14.1	20.6
	Purchase of capital goods/services	86.4	209.5
	Others	71.8	65.5
Volvo Construction Equipment AB	Sale of finished goods / services	137.5	112.1
	Purchase of goods / services	1.2	-
Volvo Truck Corporation	Sale of finished goods / services	497.0	354.4
	Purchase of goods / services	214.4	255.6
	Expenses recovered	442.3	1,122.7
	Expenses reimbursed	1.2	3.3
	Dividend	436.1	272.6
	Others	56.1	45.4
Renault Trucks Gare V1	Sale of finished goods/ services	5.8	3.0
Renault Trucks Gare 89	Sale of finished goods/ services	3.0	2.4
Volvo Bus Corporation	Sale of finished goods / services	-	8.7
	Purchase of capital goods/services	1,635.6	1,417.2
	Expenses recovered	61.3	39.7
Volvo Parts Corporation	Sale of finished goods / services	5.4	7.7
	Purchase of goods / services	26.7	14.3



VE COMMERCIAL VEHICLES LIMITED
NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2026

Name of related party	Nature of transaction	For the year ended March 31, 2026	For the year ended March 31, 2025
Volvo Penta Corporation	Sale of finished goods / services	0.1	0.0
Renault Trucks	Sale of finished goods/ services	178.0	163.5
Renault Trucks Gare X2	Sale of finished goods / services	0.1	0.1
PT Volvo Indonesia	Expenses reimbursed	3.5	1.0
Volvo CE India Private Limited	Sale of finished goods/ services	286.1	307.6
	Purchase of goods / services	-	2.8
	Expenses reimbursed	1.0	-
Volvo Group Southern Africa (Pty) Ltd	Sale of finished goods/ services	124.0	9.7
	Expenses reimbursed	12.5	13.9
Volvo Group Singapore (Pte) Ltd	Expenses reimbursed	2.6	5.5
Volvo Group Belgium NV	Sale of finished goods/ services	17.2	13.5
Volvo Lastvagnar AB	Sale of finished goods/ services	2,507.5	2,320.5
Volvo Financial Services India Pvt Ltd	Purchase of goods / services	-	0.0
	Sale of finished goods/ services	478.2	1,177.0
	Expenses reimbursed	0.0	-
	Expenses recovered	-	0.0
Volvo Merchandise AB	Expenses reimbursed	-	0.3
Volvo Logistics Corporation	Expenses Reimbursed	-	1.3
Mack Trucks Inc.	Sale of finished goods/ services	7.1	10.7
Volvo Group Korea Co. Ltd.	Sale of finished goods/ services	195.0	52.6
Volvo Group North America	Sale of finished goods / services	0.0	-
	Expenses Reimbursed	26.5	-
Volvo Construction Equipment China	Sale of finished goods/ services	353.1	124.9
Volvo Equipamentos de Construção	Sale of finished goods/ services	84.1	142.5
Volvo Malaysia Sdn. Bhd.	Expenses reimbursed	0.4	-
Volvo Construction Equipment Technology China Co Ltd	Sale of finished goods/ services	-	0.4
(iv) Entity under the control or significant influence of key management personnel and relatives of key management personnel			
Eicher Goodearth Private Limited	Expenses reimbursed	26.0	22.2
	Lease rent	129.0	120.5
	Purchase of capital goods/services	-	4.0
	Others	-	0.1
Eicher Goodearth India Private Limited	Brand fee	1,039.4	886.4
Goodearth Design Studio Private Limited	Purchase of goods/services	0.1	0.8
	Expenses reimbursed	2.4	-
Shardul Amarchand Mangaldas & Co., Advocates and Solicitors	Purchase of goods/services	0.3	5.8
Nicobar Design Studio Private Limited	Purchase of goods / services	0.0	-
	Expenses reimbursed	0.4	-
Neera Aggarwal	Rent paid	-	0.2
Aastha Agarwal	Rent paid	0.4	0.2
(v) Other related parties			
Eicher Executive Provident Fund	Contribution made	145.7	132.0
Eicher Tractors Executive Staff Superannuation Fund	Contribution made	16.2	16.7
VECV Employees Group Gratuity Scheme	Contribution made to fund	549.8	188.7
	Benefits paid through fund	127.4	102.9



Name of related party	Nature of transaction	For the year ended March 31, 2026	For the year ended March 31, 2025
(vi) Key management personnel			
Vinod Aggarwal	Short- term benefits	152.7	122.0
	Post- employment benefits	5.1	5.9
	Other long- term benefits	(0.1)	0.7
		157.7	128.7
Ken Trolle	Short-term benefits	68.8	58.3
Praveen Kumar Jain	Short- term benefits	11.6	10.0
	Post- employment benefits	0.7	0.2
	Other long- term benefits	-	0.1
		12.3	10.2
Lila Poonawalla	Sitting fees and commission	2.9	2.6
	Expenses reimbursed	0.2	0.3
Inder Mohan Singh	Sitting fees and commission	3.0	2.7
	Expenses reimbursed	0.1	0.1

Balance outstanding at the year end

Name of related party	Nature	As at March 31, 2026	As at March 31, 2025
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(i) Investor in respect of which the Company is a joint venture

Eicher Motors Limited	- Receivables	511.1	524.6
	- Acceptances*	4,512.0	4,459.2

* Represents balance outstanding of bill discounting for VECV vendors. The balance at any point of time during the year was within the overall sanction limit of Rs. 5,500 million.

(ii) Joint venture company

Eicher Group Foundation	- Receivables	4.7	0.2
	- Payables	5.7	1.0

(iii) Entity under the control of co-venturer (AB Volvo)

Volvo do Brasil Veiculos Ltda	- Receivables	457.4	370.5
Renault Trucks SAS	- Receivables	815.1	1,528.5
	- Payables	12.4	8.1
Renault Trucks Limoges ECH STD	- Payables	0.1	0.1
Volvo Group India Private Ltd	- Receivables	350.3	267.7
	- Payables	3,173.6	5,041.7
Volvo Powertrain Corporation	- Receivables	10.2	4.3
Volvo Bussar AB	- Payables	2.9	2.2
AB Volvo Penta	- Receivables	136.6	59.1
AB Volvo Penta Germany	- Receivables	219.0	146.8
Volvo Information Technology AB	- Payables	6.9	6.2
Volvo Technology AB	- Receivables	-	12.1
	- Payables	98.8	12.0
Volvo Parts corporation	- Receivables	2.8	4.8
	- Payables	21.5	8.8
Volvo Penta Corporation	- Receivable	-	0.0
Volvo Construction Equipment AB	- Receivables	36.2	42.5
Volvo Truck Corporation	- Receivables	178.7	199.7
	- Payables	47.4	48.0
Renault Trucks Gare V1	- Receivables	2.3	1.6
Renault Trucks Gare 89	- Receivables	0.9	0.9
Volvo Bus Corporation	- Receivables	6.9	19.6
	- Payables	97.3	38.5
Renault Trucks	- Receivables	61.2	65.3
PT Volvo Indonesia	- Payables	3.7	3.2



VE COMMERCIAL VEHICLES LIMITED
NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2026

Name of related party	Nature	As at March 31, 2026	As at March 31, 2025
Volvo CE India Private Limited	- Receivables	75.7	97.5
	- Payables	3.4	4.8
Volvo Group Southern Africa (Pty) Ltd	- Receivables	33.7	1.3
	- Payables	2.2	1.3
Volvo Group Singapore (Pte) Ltd	- Payables	2.1	1.0
Volvo Group Belgium NV	- Receivables	4.7	3.7
Volvo Lastvagnar AB	- Receivables	306.1	254.9
Volvo Financial Services India Pvt Ltd	- Receivables	-	0.3
	- Payables	37.3	44.7
Volvo Logistics Corporation	- Payables	-	0.3
Mack Trucks Inc.	- Receivables	2.2	2.0
Renault Trucks Gare X2	- Receivables	0.1	0.1
Renault Trucks GARE G2	- Receivables	0.1	0.1
Volvo Group Korea Co. Ltd.	- Receivables	31.9	33.1
Volvo Construction Equipment China	- Receivables	71.6	21.9
Volvo Equipamentos de Construção	- Receivables	33.3	48.9
Volvo Group North America	- Receivables	0.0	-
(iv) Entity under the control or significant influence of key management personnel and relatives of key management personnel			
Eicher Goodearth Private Limited	- Security Deposit Receivable	39.1	39.1
	- Payables	7.4	5.5
Goodearth Design Studio Private Limited	- Receivables	0.6	-
	- Payables	0.3	0.1
Nicobar Design Studio Private Limited	- Payable	0.1	-
Eicher Goodearth India Private Limited	- Payables	1,039.3	886.4

Notes to the related party transactions

The sales to and purchases from related parties are made on terms equivalent to those that prevail in arm's length transactions and in the ordinary course of business. Outstanding balances at the year end are unsecured and settlement occurs in cash.

There have been no guarantees provided or received for any related party receivables or payables.

For the year ended March 31, 2026, the company has not recorded any impairment of receivables relating to amounts owed by related parties (March 31, 2025: Nil).



46. Disclosures in respect of revenue from Customer :

A. Disaggregation of revenue from contracts with customers :

The Company derives revenue from the transfer of goods and services over time and at a point in time in the following major product lines and geographical regions:

For the year ended March 31, 2026

(Rs. in million)			
Segments	Sale of products and related services	Others	Total
Revenue by Geography			
Domestic	237,502.6	1,470.7	238,973.3
Overseas	30,275.5	-	30,275.5
Total revenue from contract with customers	267,778.1	1,470.7	269,248.8
Revenue by major product lines			
Sale of products	265,142.5	821.8	265,964.3
Product related services	2,635.6	648.9	3,284.5
Total revenue from contract with customers	267,778.1	1,470.7	269,248.8
Timing of revenue recognition			
At a point in time	265,142.5	821.8	265,964.3
Over time	2,635.6	648.9	3,284.5
Total revenue from contract with customers	267,778.1	1,470.7	269,248.8
Revenue			
External customer	267,778.1	1,470.7	269,248.8
Total revenue from contract with customers	267,778.1	1,470.7	269,248.8

For the year ended March 31, 2025

(Rs. in million)			
Segments	Sale of products and related services	Others	Total
Revenue by Geography			
Domestic	208,273.2	1,189.6	209,462.8
Overseas	24,392.0	-	24,392.0
Total revenue from contract with customers	232,665.2	1,189.6	233,854.8
Revenue by major product lines			
Sale of products	220,388.0	728.3	221,116.3
Product related services	2,277.2	461.3	2,738.5
Total revenue from contract with customers	222,665.2	1,189.6	223,854.8
Timing of revenue recognition			
At a point in time	230,388.0	728.3	231,116.3
Over time	2,277.2	461.3	2,738.5
Total revenue from contract with customers	232,665.2	1,189.6	233,854.8
Revenue			
External customer	232,665.2	1,189.6	233,854.8
Total revenue from contract with customers	232,665.2	1,189.6	233,854.8

B. The transaction price allocated to the remaining performance obligations (unsatisfied or partially unsatisfied) are as follows:

(Rs. in million)		
Particulars	As at March 31, 2026	As at March 31, 2025
Within one year	5,317.6	4,657.2
More than one year	-	-



VE COMMERCIAL VEHICLES LIMITED
NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2026

47. Ratio analysis

Ratio	Numerator	Denominator	March 31, 2026	March 31, 2025	% change	Remarks
Current ratio	Current Assets	Current Liabilities	1.1	1.1	-2.3%	-
Debt- Equity Ratio	Total Debt including lease liability	Shareholder's Equity	0.1	0.0	105.4%	Majority on account of WCCL of 1500 million (short term) at year end (previous year Nil).
Debt Service Coverage ratio	Earnings for debt service = Net profit after taxes + Non-cash operating expenses	Debt service = Interest & Lease Payments + Principal Repayments	9.3	5.5	65.3%	Majority on account of higher repayment of borrowings during the year.
Return on Equity ratio	Net Profits after taxes – Preference Dividend	Average Shareholder's Equity	23.2%	24%	-5.0%	
Inventory Turnover ratio	Cost of goods sold	Average Inventory	6.7	6.3	-1.3%	
Trade Receivable Turnover Ratio	Net credit sales = Gross credit sales - sales return	Average Trade Receivable	7.6	8.0	-5.0%	-
Trade Payable Turnover Ratio	Cost of goods sold	Average Trade Payables	2.9	2.9	-1.4%	-
Net Capital Turnover Ratio	Net credit sales = Gross credit sales - sales return	Working capital = Current assets – Current liabilities	26.4	29.3	-10.0%	-
Net Profit ratio	Net Profit after tax	Net sales = Total sales - sales return	5.5%	5.6%	-0.9%	-
Return on Capital Employed	Earnings before interest and taxes	Capital Employed = Tangible Net Worth + Total Debt + Deferred Tax liability	32.2%	31.2%	3.2%	-



48. The maturity analysis of contractual outflow lease liabilities are disclosed below:

As at March 31, 2026					(Rs. in million)
Particulars	Less than 3 months	3 to 12 months	1 to 5 years	> 5 years	Total
Lease liabilities	177.6	506.4	1,633.1	2,518.2	4,835.3
Total	177.6	506.4	1,633.1	2,518.2	4,835.3

As at March 31, 2025					(Rs. in million)
Particulars	Less than 3 months	3 to 12 months	1 to 5 years	> 5 years	Total
Lease liabilities	155.4	459.2	1,321.3	1,798.2	3,734.0
Total	155.4	459.2	1,321.3	1,798.2	3,734.0

49. Additional information as required by Paragraph 2 of the General Instructions for preparation of Consolidated Financial Statements to Schedule III to the Companies Act, 2013

Name of the entity in the	Share of net assets		Share of profit or loss	
	As % of consolidated net assets	Rs. In million	As % of consolidated profit or loss	Rs. In million
Parent				
VE Commercial Vehicles Limited	98.7%	67,589.9	99.0%	14,524.5
Subsidiaries				
VE Electro Mobility Limited	0.6%	401.9	0.2%	28.1
VE Connected Solutions Private Limited	0.1%	47.8	0.2%	34.7
Foreign				
1. VECV South Africa (Pty) Limited	0.4%	273.1	0.3%	47.2
2. V E C V Lanka (Private) Limited	0.1%	49.9	0.3%	43.8
3. PT VECV Automotive Indonesia	0.1%	85.6	-0.1%	(12.7)
	100.0%	68,448.2	100.0%	14,665.6

Name of the entity in the	Share of other comprehensive income		Share of total comprehensive income	
	As % of consolidated other comprehensive income	Rs. In million	As % of consolidated total comprehensive income	Rs. In million
Parent				
VE Commercial Vehicles Limited	32.4%	14.5	98.8%	14,539.0
Subsidiaries				
VE Electro Mobility Limited	0.0%	-	0.2%	28.1
VE Connected Solutions Private Limited	0.0%	-	0.2%	34.7
Foreign				
1. VECV South Africa (Pty) Limited	62.3%	27.9	0.5%	75.1
2. V E C V Lanka (Private) Limited	-9.8%	(4.4)	0.3%	39.4
3. PT VECV Automotive Indonesia	15.2%	6.8	0.0%	(5.9)
	100.0%	44.8	100.0%	14,710.4

50. On 21 November 2025, the Government of India notified four Labour Codes, namely the Code on Wages, 2019, the Code on Social Security, 2020, the Industrial Relations Code, 2020 and the Occupational Safety, Health and Working Conditions Code, 2020 (collectively, the "Labour Codes"), consolidating 29 erstwhile labour laws. Subsequently, the Ministry of Labour & Employment issued draft Central Rules and FAQs to facilitate assessment of the financial implications arising from changes in the regulatory framework.

The Company has assessed and disclosed the incremental impact of these changes on the basis of the best information available, consistent with the guidance provided by the Institute of Chartered Accountants of India. Considering the materiality and regulatory-driven, non-recurring nature of this impact, the Company has presented such incremental impact as "Statutory impact of new Labour Codes" under "Exceptional Items" in the statement of profit and loss. The incremental impact consisting of employee's gratuity of Rs. 429.8 million and contractor's gratuity of Rs. 158.2 million primarily arises due to change in wage definition.

The Company continues to monitor the issuance and finalisation of Central and State Rules and further clarifications from the Government in respect of other aspects of the Labour Codes. Any additional impact arising from such developments will be assessed and appropriately accounted for in the Financial Statements as and when such rules are notified or clarifications are issued.



VE COMMERCIAL VEHICLES LIMITED
NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2026

51. Other Statutory Information

- (a) The Company has sanctioned secured working capital limits amounting to Rs 8,100 million and term loan facility amounting to Rs 1,129.9 million from multiple banks as at March 31, 2026. The security offered is "First Pari-Passu charge by way of hypothecation of the company's entire stock of raw material, semifinished and finished goods, stores spare other moveable including book debts to secured lenders and fixed deposits wherever applicable". In addition, the company has sanctioned unsecured working capital limits of Rs 13,500 million as at that date (Aggregate of sanctioned working capital limits is however restricted to Rs. 22,129.9 million). The quarterly returns/statements, wherever applicable, filed by the Company with such banks and financial institutions are in agreement with the books of accounts of the Company.
 - (b) The Company has applied the borrowed funds for the specific purpose for which they were obtained.
 - (c) The Company has not defaulted on loans payable and has not been declared as wilful defaulter.
 - (d) The Company does not have any Benami property, where any proceeding has been initiated or pending against the Company for holding any Benami property under the Benami Transactions (Prohibition) Act, 1988 and rules made thereunder.
 - (e) The Company have not revalued its Property, Plant & Equipments, Intangible Assets and Right to Use Assets during the year.
 - (f) The Company does not have any transactions with companies struck off.
 - (g) The Company does not have any charges or satisfaction which are yet to be registered with ROC beyond the statutory period.
 - (h) The Company has not traded or invested in Crypto currency or Virtual Currency during the financial year.
 - (i) The Company has not received any fund from any person(s) or entity(ies), including foreign entities (Intermediaries) whether recorded in writing or otherwise, with the understanding that the Intermediary shall:
 - (i) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company (Ultimate Beneficiaries) or
 - (ii) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.
 - (j) The Company has not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Company shall:
 - (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.
 - (k) The Company does not have any transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961).
 - (l) The Company has not granted any loans and advances to promoters, directors, KMPs and other related parties (as defined under Companies Act 2012) during the year.
 - (m) The Company has complied with the number of layers prescribed under clause (87) of section 2 of the Act read with Companies (Restriction on number of Layers) Rules, 2017.
 - (n) The Ministry of Environment, Forest and Climate Change issued the Environment Protection (End-of-Life Vehicles) Rules, 2025 (ELV rules), effective from April 1, 2025. In accordance with ELV rules, Extended Producer Responsibility (EPR) obligations are imposed on producers (including "vehicles manufacturers") for the scrapping of End-of-Life Vehicles. The obligations (to be met even if the entity ceases operations) require acquiring EPR certificates generated by its own Registered Vehicle Scrapping Facility or by any entity having Registered Vehicles Scrapping Facility and registered with the Central Pollution Control Board via a Centralised Online Portal (Portal), for the applicable year's obligation. The implementation details and operational procedures of the ELV rules including the modalities of the pricing mechanism for the EPR certificates are yet to be notified. Consequently, the Company is currently unable to reliably estimate a range of possible outcomes and the potential impact of these rules. The Company will continue to assess the ability to measure its obligations pursuant to the ELV Rules, as and when the aforesaid details of implementation framework are available.
52. The subsidiary company V E C V Lanka (Pvt.) Ltd. has made a profit of Rs. 39.4 million during the current year (previous year loss of Rs. 1.2 million) and accumulated loss of Rs. 12.9 million (previous year accumulated loss of Rs. 52.2 million) as at the reporting date. There have been signs of economic recovery in recent months. The government of Sri Lanka has permitted import of commercial vehicles effective Feb'25 though with certain conditions. This development sees a recovery in the commercial vehicle industry. The subsidiary company has already imported few commercial vehicles during the year. Considering the positive change in scenario, going concern of the subsidiary is not in question.
53. **Business combinations**
The company has invested Rs. 2.5 million on 8th July 2024 in equity share of subsidiary company, VE Connected Solutions Pvt. Ltd. towards acquisition of 51% stake. Pursuant to such acquisition the fair values of identifiable assets and liabilities of the subsidiary company as at date of acquisition were Rs. 2.2 million mainly comprises of cash and cash equivalents of Rs. 2.0 million. From the date of acquisition, subsidiary company has contributed revenue of Rs. 330.8 million and net profit of Rs. 8.2 million.
54. Pursuant to amendment by Ministry of Corporate Affairs (MCA) in the Companies (Accounts) Rules 2014, the Company has used two accounting softwares for maintaining its books of account which has a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the softwares. Also, there has not been any instance where audit trail feature has been tampered. Additionally, the audit trail of relevant prior years has been preserved by the Company as per the statutory requirements for record retention, to the extent it was enabled and recorded in the respective years.



VE COMMERCIAL VEHICLES LIMITED

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2026

55. The Company and its subsidiaries did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.

56. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company and its subsidiaries.

As per our report of even date attached

For S.R.Batliloi & Co. LLP

Chartered Accountants

ICAI Firm Registration No.: 301003E/E300005

Praveen Kumar Jain

Company Secretary

M No. 3524

Ken Trolle

Chief financial Officer

For and on behalf of the Board of Directors of VE Commercial Vehicles Limited

Per Sonika Loganey

Partner

Membership no.: 502220

Place : Gurugram

Date : May 18, 2026

Srinivas Balantrapu

Managing Director and

Chief Executive Officer

DIN: 11597236

Sofia Frandberg

Director

DIN: 06516556

Vinod Aggarwal

Chairman and

Director

DIN: 00038906

