ATHER

July 15, 2026

To **National Stock Exchange of India Ltd** Exchange Plaza, 5th Floor, C-1, Block G, Bandra Kurla Complex, Bandra (E), Mumbai 400051 **NSE Symbol: ATHERENERG**	To **BSE Limited** 1st Floor, Phiroze Jeejeebhoy Towers Dalal Street Mumbai – 400001 **Scrip Code: 544397**

Dear Sir/ Madam,

Sub: Submission of Audited Financial Statements for the Financial Year ended March 31, 2026

Dear Sir/ Madam,

We wish to inform you that the Board of Directors of Ather Energy Limited ("the Company") at its meeting held on May 04, 2026, has approved the audited financial statements of the Company for the financial year ended March 31, 2026, together with the notes and schedules thereto and the audit report thereon, including the comparative figures for the financial year ended March 31, 2025, prepared in accordance with the applicable provisions of the Companies Act, 2013 and the applicable accounting standards.

A copy of the audited financial statements along with the audit report thereon is enclosed herewith for your records.

Please note that the audited financial statements of the Company for the financial year ended March 31, 2026, together with the notes and schedules thereto and the audit report thereon, are subject to adoption by the shareholders of the Company at the ensuing Annual General Meeting.

The above intimation will also be hosted on the website of the Company i.e., https://www.atherenergy.com/investor-relations/stock-exchange-disclosure.

We request you to take the above on your record.

Thank you

For Ather Energy Limited

PUJA AGGARWAL
Digitally signed by PUJA AGGARWAL
Date: 2026.07.15 12:23:15 +05'30'

Puja Aggarwal
Company Secretary & Compliance Officer
Membership No: A49310

Deloitte
Haskins & Sells

Chartered Accountants
Prestige Trade Tower, Level 19
46, Palace Road, High Grounds
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INDEPENDENT AUDITOR'S REPORT

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

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of Ather Energy Limited (formerly known as Ather Energy Private Limited) (the "Company"), which comprise the Balance Sheet as at March 31, 2026, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Cash Flows and the Statement of Changes in Equity for the year ended on that date, and notes to the financial statements, including a summary of material accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013 (the "Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2026, its loss and other comprehensive loss, its cash flows and the changes in equity for the year ended on that date.

Basis for Opinion

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

Key Audit Matters

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

Sr. No.	Key Audit Matter	Auditor's Response
1	Intangible assets under development (Refer note 2e to the financial statements) The Company has various internally generated intangible projects under development. Initial recognition of the development expenditure under these projects is based on assessing each project in relation to specific	Principal audit procedures performed included the following: - Assessed whether the Company's Internally generated intangible assets-research and development expenditure accounting policy is in compliance with Ind AS 38 "Intangible Assets".

	recognition criteria that needs to be met for capitalisation. Due to the materiality of the assets under development recognised and the level of management judgement involved, initial recognition and measurement of internally generated intangible assets under development has been considered as a key audit matter.	- We assessed the design, implementation and operating effectiveness over management process of identifying and capitalising the development expenditure in accordance with the accounting principles of capitalisation of expenditure on internally generated intangible assets as per Ind AS 38. - For sample selected, we performed test of details to verify the appropriateness of the capitalisation.

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 Board report including the Annexures to the Board report and Management Discussion and Analysis but does not include the financial statements and our auditor's report thereon.

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

- In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

- If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Board of Directors for the Financial Statements

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

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

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

Auditor's Responsibility for the Audit of the Financial Statements

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

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

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

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

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

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

Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, based on our audit we report that:

   a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.

   b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.

   c) The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive income, the Statement of Cash Flows and Statement of Changes in Equity dealt with by this Report are in agreement with the relevant books of account.

   d) In our opinion, the aforesaid financial statements comply with the Ind AS specified under Section 133 of the Act.

   e) On the basis of the written representations received from the directors as on March 31, 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.

   f) With respect to the adequacy of the internal financial controls with reference to financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure A". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls with reference to financial statements.

   g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended, in our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act.

   h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:

      i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements - Refer Note 35 to the financial statements;

      ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.

      iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

iv. (a) The Management has represented that, to the best of its knowledge and belief, as disclosed in the note 48(A) to the financial statements, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

(b) The Management has represented, that, to the best of its knowledge and belief, as disclosed in the note 48(B) to the financial statements, no funds have been received by the Company from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

(c) Based on the audit procedures performed that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (a) and (b) above, contain any material misstatement.

v. The Company has not declared or paid any dividend during the year and has not proposed final dividend for the year.

vi. Based on our examination, which included test checks, the Company has used accounting software systems for maintaining its books of account for the financial year ended March 31, 2026 which have the feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the software systems. Further, during the course of our audit we did not come across any instance of the audit trail feature being tampered with and the audit trail has been preserved by the Company as per the statutory requirements for record retention.

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2. As required by the Companies (Auditor's Report) Order, 2020 ("the Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in "Annexure B" a statement on the matters specified in paragraphs 3 and 4 of the Order.

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

Gurvinder Singh Roop Singh Matta
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Date: 2026.05.04 12:56:02 +05'30'

Gurvinder Singh
(Partner)
(Membership No. 110128)
(UDIN: 26110128PFTQDY6670)

Place: Bengaluru
Date: May 04, 2026

Deloitte
Haskins & Sells

ANNEXURE "A" TO THE INDEPENDENT AUDITOR'S REPORT
(Referred to in paragraph 1(f) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

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

We have audited the internal financial controls with reference to financial statements of Ather Energy Limited (formerly known as Ather Energy Private Limited) (the "Company") as at March 31, 2026 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

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

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

Auditor's Responsibility

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

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

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

Meaning of Internal Financial Controls with reference to financial statements

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

Inherent Limitations of Internal Financial Controls with reference to financial statements

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

Opinion

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls with reference to financial statements and such internal financial controls with reference to financial statements were operating effectively as at March 31, 2026, based on the criteria for internal financial control with reference to financial statements established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

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

Gurvinder Singh Roop Singh Matta
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Date: 2026.05.04 12:56:24 +05'30'

Gurvinder Singh
(Partner)
(Membership No.110128)
(UDIN: 26110128PFTQDY6670)

Place: Bengaluru
Date: May 04, 2026

Deloitte
Haskins & Sells

ANNEXURE "B" TO THE INDEPENDENT AUDITOR'S REPORT

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

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

(i) (a) (A) The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment, capital work in progress and relevant details of right of use assets.

(B) The Company has maintained proper records showing full particulars of intangible assets.

(b) The property, plant and equipment, were physically verified during the year by the Management which, in our opinion, provides for physical verification at reasonable intervals. No material discrepancies were noticed on such verification.

(c) The Company does not have any immovable properties and hence reporting under clause (i)(c) of the Order is not applicable. In respect of immovable properties of land and buildings that have been taken on lease and disclosed as right of use assets in the financial statements, the lease agreements are in the name of the Company, where the Company is the lessee in the agreement.

(d) The Company has not revalued any of its property, plant and equipment including right of use asset and intangible assets during the year.

(e) No proceedings have been initiated during the year or are pending against the Company as at March 31, 2026 for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (as amended in 2016) and rules made thereunder.

(ii) (a) The inventories were physically verified during the year by the Management at reasonable intervals. In our opinion and according to the information and explanations given to us, the coverage and procedure of such verification by the Management is appropriate having regard to the size of the Company and nature of its operations. For the stock held with third party at the year end, written confirmation has been obtained and in respect of goods-in-transit, the goods have been received subsequent to the year end. No discrepancies of 10 % or more in the aggregate for each class of inventories noticed on such physical verification of inventories /alternate procedures performed as applicable, when compared with books of accounts.

(b) According to the information and explanations given to us, the Company has been sanctioned working capital limits in excess of Rs. 5 crores, in aggregate, at points of time during the year, from banks on the basis of security of current assets. In our opinion and according to the information and explanations given to us, the quarterly statements comprising stock statements filed by the Company with such banks are in agreement with the unaudited books of account of the Company of the respective quarters.

(iii) The Company has not made any investments in, provided any guarantee or security, to companies, firms, Limited Liability Partnerships or any other parties during the year. The Company has granted unsecured loans or advances in the nature of loans, to other parties, in respect of which:

(a) The Company has not provided any loans or advances in the nature of loans or stood guarantee or provided security to any other entity during the year, and hence reporting under clause 3(iii)(a) of the Order is not applicable.

(b) The terms and conditions of loan granted or advances in the nature of loans, are, in our opinion, prima facie, not prejudicial to the Company's interest.

(c) In respect of loans granted or advances in the nature of loans provided by the Company, the schedule of repayment of principal and payment of interest has been stipulated and the repayments of principal amounts and receipts of interest are regular as per stipulation.

(d) According to information and explanations given to us and based on the audit procedures performed, in respect of loans granted and advances in the nature of loans provided by the Company, there is no overdue amount remaining outstanding as at the balance sheet

(e) No loan or advance in the nature of loan granted by the Company which has fallen due during the year, has been renewed or extended or fresh loans granted to settle the overdues of existing loans given to the same parties.

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

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

(v) The Company has not accepted any deposit or amounts which are deemed to be deposits. Hence, reporting under clause 3(v) of the Order is not applicable.

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

(vii) In respect of statutory dues:

a. Undisputed statutory dues, including Goods and Service tax, Provident Fund, Income-tax, duty of Custom, duty of Excise, Value Added Tax, cess and other material statutory dues applicable to the Company have been regularly deposited by it with the appropriate authorities. We have been informed that the provisions of the Employees' State Insurance Act, 1948 are not applicable to the Company.

There were no undisputed amounts payable in respect of Goods and Services tax, Provident Fund, Income-tax, duty of Custom, cess and other material statutory dues in arrears as at March 31, 2026 for a period of more than six months from the date they became payable.

b. Details of statutory dues referred to in sub-clause (a) above which have not been deposited as on March 31, 2026 on account of disputes are given below:

Name of the Statute	**Nature of the Dues**	**Forum where Dispute is Pending**	**Period to which the Amount Relates**	**Amount (Rs. in Crores)**	**Amount unpaid (Rs. in Crores)**
Income Tax Act, 1961	Income Tax	Commissioner of Income Tax (Appeals)	FY 2016-17	0.01*	0.01
The Customs Act, 1962	Duty of Custom	Customs Excise and Service Tax Appellate Tribunal	FY 2018-19 and FY 2019-20	0.16	0.15
The Integrated Goods and Services Tax Act, 2017	The Integrated Goods and Services Tax	Commissioner of State Taxes (Appeals)	FY 2019-20	0.15	0.13
The Integrated Goods and Services Tax Act, 2017	The Integrated Goods and Services Tax	Commissioner of State Taxes (Appeals)	FY 2022-23	76.33	70.34
The Integrated Goods and Services Tax Act, 2017	The Integrated Goods and Services Tax	Commissioner of State Taxes (Appeals)	FY 2023-24	2.77	2.77

*represents penalty amount

(viii) There were no transactions relating to previously unrecorded income that were surrendered or disclosed as income in the tax assessments under the Income Tax Act, 1961 (43 of 1961) during the year.

(ix)

(a) In our opinion, the Company has not defaulted in the repayment of loans or other borrowings, or in the payment of interest thereon to any lender during the year.

(b) The Company has not been declared wilful defaulter by any bank or financial institution or government or any government authority.

(c) To the best of our knowledge and belief, in our opinion, term loans availed by the Company were applied by the Company during the year for the purposes for which the loans were obtained.

(d) On an overall examination of the financial statements of the Company, funds raised on short-term basis have, primafacie, not been used during the year for long-term purposes by the Company.

(e) The Company did not have any subsidiary or associate or joint venture during the year and hence, reporting under clause (ix)(e) of the Order is not applicable.

(f) The Company did not have any subsidiary or associate or joint venture during the year and hence, reporting under clause (ix)(f) of the Order is not applicable.

(x)

(a) In our opinion, moneys raised by way of initial public offer during the year have been, applied by the Company for the purposes for which they were raised, other than temporary deployment in bank deposits and placed in current accounts as on March 31, 2026, pending application of proceeds.

(b) During the year, the Company has not made any preferential allotment or private placement of shares or convertible debentures (fully or partly or optionally) and hence reporting under clause 3(x)(b) of the Order is not applicable to the Company.

(xi)

(a) To the best of our knowledge, no fraud by the Company and no material fraud on the Company has been noticed or reported during the year.

(b) To the best of our knowledge, no report under sub-section (12) of section 143 of the Companies Act has been filed in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government, during the year and upto the date of this report.

(c) As represented to us by the Management, there were no whistle blower complaints received by the Company during the year.

(xii) The Company is not a Nidhi Company and hence reporting under clause (xii) of the Order is not applicable.

(xiii) In our opinion, the Company is in compliance with Section 177 and 188 of the Companies Act, where applicable, for all transactions with the related parties and the details of related party transactions have been disclosed in the financial statements etc. as required by the applicable accounting standards.

(xiv)

(a) In our opinion the Company has an adequate internal audit system commensurate with the size and the nature of its business.

(b) We have considered, the internal audit report issued to the Company during the year for the period under audit.

(xv) In our opinion, during the year, the Company has not entered into any non-cash transactions with any of its directors or persons connected with its directors and hence provisions of section 192 of the Companies Act, 2013 are not applicable to the Company.

(xvi)

(a) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934. Hence, reporting under clause 3(xvi)(a), (b) and (c) of the Order is not applicable.

(b) The Group does not have any CIC as part of the group and accordingly reporting under clause 3(xvi)(d) of the Order is not applicable.

(xvii) The Company has incurred cash losses amounting to Rs. 318.74 Crores during the financial year covered by our audit and Rs. 578.63 Crores in the immediately preceding financial year.

(xviii) There has been no resignation of the statutory auditors of the Company during the year.

(xix) On the basis of the financial ratios, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the financial statements and our knowledge of the Board of Directors and Management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report indicating that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.

(xx) The Company is having net worth of rupees five hundred crore or more during the immediately preceding financial year, hence the provisions under Section 135 of the Act is applicable to the Company during the year. However, considering that the Company has been incurring losses in the preceding three financial year, no amount is required to be spent by the Company. Accordingly, reporting under clause 3(xx) of the Order is not applicable for the year.

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

Gurvinder Singh Roop Singh Matta
Digitally signed by Gurvinder Singh Roop Singh Matta
Date: 2026.05.04 12:56:55 +05'30'

Gurvinder Singh
Partner
(Membership No. 110128)
(UDIN: 26110128PFTQDY6670)

Place: Bengaluru
Date: May 04, 2026

Ather Energy Limited (formerly known as Ather Energy Private Limited)
CIN: L40100KA2013PLC093769
Balance Sheet as at March 31, 2026

(Amounts in ₹ crores, unless otherwise stated)

Particulars	Note No.	As at March 31, 2026	As at March 31, 2025
ASSETS			
NON CURRENT ASSETS			
Property, plant and equipment	2(a)	307.31	267.36
Right of use assets	2(b)	218.35	244.30
Capital work-in-progress	2(c)	102.61	5.67
Intangible assets	2(d)	101.71	104.30
Intangible assets under development	2(e)	237.57	116.27
Financial assets			
(i) Other financial assets	3	44.82	33.30
Other non-current assets	4	334.24	172.55
TOTAL - NON CURRENT ASSETS		**1,346.61**	**943.75**
CURRENT ASSETS			
Inventories	5	281.56	244.63
Financial assets			
(i) Investments	6	552.01	41.00
(ii) Trade receivables	7	8.30	11.84
(iii) Cash and cash equivalents	8	111.94	69.80
(iv) Bank balances other than (iii) above	9	711.21	300.63
(v) Loans	10	0.17	0.42
(vi) Other financial assets	3	1,300.00	135.15
Current tax assets	11	4.42	4.66
Other current assets	4	405.29	348.73
TOTAL - CURRENT ASSETS		**3,374.90**	**1,156.86**
TOTAL ASSETS		**4,721.51**	**2,100.61**
EQUITY AND LIABILITIES			
EQUITY			
Equity share capital	12	38.27	29.06
Other equity	13	2,534.36	463.93
TOTAL - EQUITY		**2,572.63**	**492.99**
LIABILITIES			
NON CURRENT LIABILITIES			
Financial liabilities			
(i) Borrowings	14	367.42	116.86
(ii) Lease liabilities	15	120.62	143.08
(iii) Other financial liabilities	16	6.93	11.94
Provisions	17	95.40	79.21
Other non-current liabilities	18	163.27	83.35
TOTAL - NON CURRENT LIABILITIES		**753.64**	**434.44**
CURRENT LIABILITIES			
Financial liabilities			
(i) Borrowings	14	145.65	332.99
(ii) Lease liabilities	15	30.53	26.29
(iii) Trade payables			
(A) Total outstanding dues of micro and small enterprises	19	58.06	48.35
(B) Total outstanding dues of creditors other than micro and small enterprises	19	771.96	512.55
(iv) Other financial liabilities	16	73.83	45.42
Other current liabilities	18	190.25	88.72
Provisions	17	124.96	118.86
TOTAL - CURRENT LIABILITIES		**1,395.24**	**1,173.18**
TOTAL EQUITY AND LIABILITIES		**4,721.51**	**2,100.61**

The accompanying notes 1-52 form an integral part of these financial statements.

As per our report of even date
For **Deloitte Haskins & Sells**
Chartered Accountants
Firm registration no.008072S

Gurvinder Singh Roop Singh Matta — Digitally signed by Gurvinder Singh Roop Singh Matta Date: 2026.05.04 12:50:23 +05'30'

Gurvinder Singh
Partner
Membership no.110128

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

MEHTA TARUN SANJAY — Digitally signed by MEHTA TARUN SANJAY Date: 2026.05.04 11:16:03 +05'30'

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

SWAPNIL BABANLAL JAIN — Digitally signed by SWAPNIL BABANLAL JAIN Date: 2026.05.04 11:20:59 +05'30'

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

SOHIL DILIPKUMAR PAREKH — Digitally signed by SOHIL DILIPKUMAR PAREKH Date: 2026.05.04 10:39:40 +05'30'

Sohil Dilipkumar Parekh
Chief Financial Officer

PUJA AGGARWAL — Digitally signed by PUJA AGGARWAL Date: 2026.05.04 11:23:32 +05'30'

Puja Aggarwal
Company Secretary and Compliance Officer

Date: May 04, 2026
Place: Bengaluru

Date: May 04, 2026
Place: Bengaluru

Ather Energy Limited (formerly known as Ather Energy Private Limited)
CIN: L40100KA2013PLC093769
Statement of Profit and Loss for the year ended March 31, 2026 (Amounts in ₹ crores, unless otherwise stated)

	Particulars	Note No.	For the year ended March 31, 2026	For the year ended March 31, 2025
I	Revenue from operations	20	3,671.76	2,255.01
II	Other income	21	151.32	50.21
III	**Total income (I + II)**		**3,823.08**	**2,305.22**
IV	**Expenses**			
	Cost of material consumed	22	2,808.15	1,826.88
	Purchase of stock-in-trade	23	97.04	100.67
	Change in inventories of finished goods, stock-in-trade and work-in-progress	24	(7.58)	(50.80)
	Employee benefits expenses	25	481.60	412.38
	Finance costs	26	82.20	110.62
	Depreciation and amortisation expenses	27	172.89	171.02
	Other expenses	28	700.91	546.73
	Total expenses (IV)		**4,335.21**	**3,117.50**
V	**Loss before exceptional items and tax (III - IV)**		**(512.13)**	**(812.28)**
VI	**Exceptional items**	29	5.04	-
VII	**Loss before tax (V - VI)**		**(517.17)**	**(812.28)**
VIII	**Tax expense**			
	(1) Current tax	32	-	-
	(2) Deferred tax	32	-	-
	Total tax expense (VIII)		-	-
IX	**Loss for the year (VII - VIII)**		**(517.17)**	**(812.28)**
X	**Other comprehensive income**			
	(1) Items that will not be reclassified to profit or loss			
	Re-measurement gain / (loss) on defined benefit plans	34	0.42	(4.64)
	Income tax relating to above items		-	-
	Total other comprehensive income / (loss) for the year (X)		**0.42**	**(4.64)**
XI	**Total comprehensive loss for the year (IX+X)**		**(516.75)**	**(816.92)**
XII	**Loss per equity share in ₹ (face value of ₹ 1 each)**			
	(1) Basic	31	(13.99)	(32.24)
	(2) Diluted	31	(13.99)	(32.24)

The accompanying notes 1-52 form an integral part of these financial statements.

As per our report of even date
For Deloitte Haskins & Sells
Chartered Accountants
Firm registration no.008072S

Gurvinder Singh Roop Singh Matta
Digitally signed by Gurvinder Singh Roop Singh Matta
Date: 2026.05.04 12:50:57 +05'30'

Gurvinder Singh
Partner
Membership no.110128

Date: May 04, 2026
Place: Bengaluru

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

MEHTA TARUN SANJAY
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Date: 2026.05.04 11:16:33 +05'30'

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

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Date: 2026.05.04 11:21:24 +05'30'

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

SOHIL DILIPKUMAR PAREKH
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Date: 2026.05.04 10:40:03 +05'30'

Sohil Dilipkumar Parekh
Chief Financial Officer

PUJA AGGARWAL
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Date: 2026.05.04 11:24:23 +05'30'

Puja Aggarwal
Company Secretary and Compliance Officer

Date: May 04, 2026
Place: Bengaluru

Ather Energy Limited (formerly known as Ather Energy Private Limited)
CIN: L40100KA2013PLC093769
Statement of changes in equity for the year ended March 31, 2026

(Amounts in ₹ crores, unless otherwise stated)

A. Equity share capital

Particulars	Equity Shares of ₹ 1 each		Equity Shares of ₹ 37 each	
	No. of Shares	Amount	No. of Shares	Amount
As at April 01, 2024	**1,11,030**	**0.01**	**3,530**	**0.00**
Issue of equity share during the year (refer note 12.1.1(i)(b))	9,07,236	0.09	-	-
Issue of bonus shares during the year (refer note 12.1.1(i)(c))	2,96,58,520	2.97	-	-
Issue of equity shares by sub-division of face value from ₹ 37 to ₹ 1 (refer note 12.1.1(i)(c))	1,30,610	0.01	(3,530)	(0.00)
Issue of equity shares by conversion of Compulsory Convertible Preference Shares (CCPS) (refer note 12.1.1 (i) (d))	25,98,36,073	25.98	-	-
As at March 31, 2025	**29,06,43,469**	**29.06**	**-**	**-**
Issue of equity shares during the year (refer note 12.1.1 (i) (a))	8,18,16,199	8.18	-	-
Shares issued on exercise of employee stock options during the year	1,02,13,496	1.02		
As at March 31, 2026	**38,26,73,164**	**38.27**	**-**	**-**

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

Particulars	Compulsorily convertible preference shares of ₹ 1 each		Compulsorily convertible preference shares of ₹ 10 each		Compulsorily convertible preference shares of ₹ 37 each	
	No. of Shares	Amount	No. of Shares	Amount	No. of Shares	Amount
As at April 01, 2024	**74,732**	**0.01**	**7,35,227**	**0.74**	**23,490**	**0.09**
Issue of compulsorily convertible preference shares during the year (refer note 12.2.11 and 12.2.12)	-	-	-	-	-	-
Conversion of CCPS into Equity shares (refer note 12.2.12(ix))	(74,732)	(0.01)	(7,35,227)	(0.74)	(23,490)	(0.09)
As at March 31, 2025	**-**	**-**	**-**	**-**	**-**	**-**
As at March 31, 2026	**-**	**-**	**-**	**-**	**-**	**-**

C. Other equity

Particulars	Reserves and Surplus			Total
	Retained earnings	Securities Premium	Stock Options Outstanding Account	
As at April 01, 2024	**(2,909.26)**	**3,332.66**	**121.66**	**545.06**
Loss for the year	(812.28)	-	-	(812.28)
Other Comprehensive loss for the year	(4.64)	-	-	(4.64)
Issue of equity shares on settlement of stock options during the year (refer note 12.1.1(i)(b))	-	16.94	(17.01)	(0.07)
Issue of bonus equity shares by utilisation of security premium during the year (refer note 12.1.1(i)(c))	-	(2.97)	-	(2.97)
Charge against share based payments during the year	-	-	83.03	83.03
Modification of terms of employee share based payments	-	-	5.11	5.11
Issue of compulsorily convertible preference shares during the year (refer note 12.2.12(iii))	-	-	86.56	86.56
Conversion of Series F CCPS classified as stock options into equity shares (refer note 12.2.12 (vii))	-	85.65	(87.59)	(1.94)
Conversion of Series G CCPS classified as financial liability into equity shares (refer note 12.2.12 (viii))	-	597.75	-	597.75
Utilisation of Securities Premium for Conversion of CCPS into equity shares (refer note 12.2.12 (ix))	-	(20.97)	-	(20.97)
Stock options settled/cancelled during the year	-	-	(10.71)	(10.71)
Transfer to retained earnings on cancellation of stock options during the year	(5.98)	-	5.98	-
As at March 31, 2025	**(3,732.16)**	**4,009.06**	**187.03**	**463.93**
Loss for the year	(517.17)	-	-	(517.17)
Other Comprehensive income for the year	0.42	-	-	0.42
Charge against share based payments during the year	-	-	58.43	58.43
Transfer on account of exercise of employee stock options	-	125.30	(126.24)	(0.94)
Addition during the year on fresh issue of shares	-	2,617.82	-	2,617.82
Utilisation towards share issue expenses		(88.13)	-	(88.13)
As at March 31, 2026	**(4,248.91)**	**6,664.05**	**119.22**	**2,534.36**

The accompanying notes 1-52 form an integral part of these financial statements

As per our report of even date

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

Gurvinder Singh Roop Singh Matta
Digitally signed by Gurvinder Singh Roop Singh Matta
Date: 2026.05.04 12:51:32 +05'30'

Gurvinder Singh
Partner
Membership no.110128

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

MEHTA TARUN SANJAY
Digitally signed by MEHTA TARUN SANJAY
Date: 2026.05.04 11:16:58 +05'30'

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

SWAPNIL BABANLAL JAIN
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Date: 2026.05.04 11:21:52 +05'30'

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

SOHIL DILIPKUMAR PAREKH
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Date: 2026.05.04 10:40:28 +05'30'

Sohil Dilipkumar Parekh
Chief Financial Officer

PUJA AGGARWAL
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Date: 2026.05.04 11:24:54 +05'30'

Puja Aggarwal
Company Secretary and Compliance Officer

Date: May 04, 2026
Place: Bengaluru

Date: May 04, 2026
Place: Bengaluru

Ather Energy Limited (formerly known as Ather Energy Private Limited)
CIN: L40100KA2013PLC093769
Statement of Cash Flows for the year ended March 31, 2026

(Amounts in ₹ crores, unless otherwise stated)

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
A. Cash flows from operating activities		
Loss before tax	(517.17)	(812.28)
Adjustments for:		
Depreciation and amortisation expense	172.89	171.02
Warranty cost	60.35	60.17
Assets discarded	0.18	1.27
Finance costs	82.20	110.62
(Reversal) / Allowance for doubtful advance and receivables (net)	(1.72)	8.90
Provision/Liability no longer required written back	(0.02)	(7.54)
Sundry balances written off	0.02	0.01
Unrealized foreign exchange loss / (gain) (net)	3.29	(1.72)
Share based payment expense, (net)	58.43	83.14
Interest income	(133.32)	(19.01)
Gain on sale of property, plant and equipment, (net)	-	(0.02)
Gain on termination of lease	-	(0.26)
Net gain on disposal / fair valuation of investments carried at fair value through profit & loss	(17.20)	(21.80)
Operating loss before working capital changes	**(292.07)**	**(427.50)**
Changes in working capital:		
(Increase)/decrease in inventories	(36.93)	(127.84)
(Increase)/decrease in trade receivables	3.53	(10.38)
(Increase)/decrease in other financial assets	35.18	(34.41)
(Increase)/decrease in other assets	(101.19)	(137.80)
Increase / (decrease) in trade payables	267.65	159.37
Increase / (decrease) in other financial liabilities	21.25	(93.85)
Increase / (decrease) in other liabilities and provisions	134.23	(46.04)
Cash generated from / (used in) operations	**31.65**	**(718.45)**
Income taxes refund / (paid) (net)	0.24	(2.25)
Net cash generated from / (used in) operating activities	**31.89**	**(720.70)**
B. Cash flows from investing activities		
Capital expenditure on property, plant and equipment and intangible assets, capital work in progress and intangible assets under development including capital advances and payable on purchase of property, plant and equipment.	(506.07)	(339.00)
Proceeds from disposal of property, plant and equipment	0.35	0.04
Investments in term deposits	(3,728.80)	(245.00)
Redemption of term deposits	2,121.91	153.80
(Investments in) / Proceeds from mutual funds (net)	(534.04)	12.60
Interest received	120.14	39.40
Net cash used in investing activities	**(2,526.51)**	**(378.16)**
C. Cash flows from financing activities		
Proceeds from issue of compulsorily convertible preference shares (including securities premium)	-	86.61
Proceeds from issue of equity shares (including securities premium, net off IPO expenses)	2,540.03	-
Proceeds from exercise of employee stock option plan	0.07	-
Principal Payment of lease liabilities	(25.77)	(21.14)
Proceeds from non- current borrowings (including current maturities)	548.71	410.00
Repayment of non- current borrowings (including current maturities)	(395.48)	(258.33)
(Repayment) / Proceeds from current borrowings (net)	(86.17)	583.00
Finance costs	(84.86)	(97.25)
Net cash generated from financing activities	**2,496.53**	**702.89**
Net increase / (decrease) in cash and cash equivalents	1.91	(395.97)
Cash and cash equivalents at the beginning of the year	69.80	227.90
Liquid mutual funds at the beginning of the year	40.23	278.10
Cash and cash equivalents at the end of the year	**111.94**	**110.03**
Reconciliation of cash and cash equivalents		
Cash on hand	0.32	0.09
Balances with banks in current accounts and term deposits	111.62	69.71
Liquid mutual funds	-	40.23
Total	**111.94**	**110.03**

(This space has been intentionally left blank)

Ather Energy Limited (formerly known as Ather Energy Private Limited)
CIN: L40100KA2013PLC093769
Statement of Cash Flows for the year ended March 31, 2026

(Amounts in ₹ crores, unless otherwise stated)

Notes:

1.The above Statement of cash flow has been prepared under the "Indirect Method" as set out in Ind AS 7 "Statement of Cash Flows".

2. Disclosure of changes in liabilities arising from financing activities, including both changes arising from cash flows and non-cash changes, are given below:

Particulars	**As at April 01, 2025**	**Net cash flows**	**Changes in fair values / Accruals**	**Unrealised foreign exchange fluctuation**	**Others#**	**As at March 31, 2026**
Non-current borrowings (including current maturities)	364.23	153.23	(4.39)	-	-	513.07
Current borrowings	85.62	(86.17)	-	0.55	-	-
Interest accrued	-	(84.86)	84.86	-	-	-
Lease liabilities	169.37	(25.77)	-	-	7.55	151.15
Total	**619.22**	**(43.57)**	**80.47**	**0.55**	**7.55**	**664.22**

#Others includes ₹ 7.55 crores on account of addition of new leases (net of reversal of lease liability on termination of leases).

Particulars	**As at April 01, 2024**	**Net cash flows**	**Changes in fair values / Accruals**	**Unrealised foreign exchange fluctuation**	**Others***	**As at March 31, 2025**
Non-current borrowings (including current maturities)	211.36	151.67	1.20	-	-	364.23
Current borrowings	103.54	583.00	(0.22)	(0.70)	(600.00)	85.62
Interest accrued	0.10	(97.25)	97.15	-	-	-
Lease liabilities	162.84	(21.14)	-	-	27.67	169.37
Total	**477.84**	**616.28**	**98.13**	**(0.70)**	**(572.33)**	**619.22**

*Others includes ₹ (600.00) crores on account of conversion of Series G CCPS classified as financial liability into equity shares (refer note 12.2.12 (viii)) and ₹ 27.67 crores on account of addition of new leases (net of reversal of lease liability on termination of leases).

The accompanying notes 1-52 form an integral part of these financial statements.

As per our report of even date
For Deloitte Haskins & Sells
Chartered Accountants
Firm registration no.008072S

Gurvinder Singh Roop Singh Matta
Digitally signed by Gurvinder Singh Roop Singh Matta
Date: 2026.05.04 12:52:02 +05'30'

Gurvinder Singh
Partner
Membership no.110128

Date: May 04, 2026
Place: Bengaluru

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

MEHTA TARUN SANJAY
Digitally signed by MEHTA TARUN SANJAY
Date: 2026.05.04 11:17:21 +05'30'

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

SWAPNIL BABANLAL JAIN
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Date: 2026.05.04 11:22:20 +05'30'

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

SOHIL DILIPKUMAR PAREKH
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Date: 2026.05.04 10:40:50 +05'30'

Sohil Dilipkumar Parekh
Chief Financial Officer

PUJA AGGARWAL
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Date: 2026.05.04 11:25:27 +05'30'

Puja Aggarwal
Company Secretary and Compliance Officer

Date: May 04, 2026
Place: Bengaluru

1. Material Accounting policies

1.1 Corporate Information

Ather Energy Limited (Formerly known as Ather Energy Private Limited) ('the Company') (CIN: L40100KA2013PLC093769) is a pure-play EV company selling electric two-wheelers (E2Ws) and associated product ecosystem comprising software, charging infrastructure and smart accessories, all of which are conceptualised and designed by Ather in India. The Company is engaged in the development, manufacturing, and distribution of E2Ws and related products. The Company is incorporated and domiciled in India. The Company has converted from Private Limited Company to Public Limited Company, pursuant to a special resolution passed in the extraordinary general meeting of the shareholders of the Company held on June 21, 2024 and consequently the name of the Company has changed to Ather Energy Limited pursuant to a fresh certificate of incorporation by the Registrar of Companies on August 27, 2024. The Company has completed its Initial Public Offer (IPO) and accordingly the Company's equity shares are listed on National Stock Exchange (NSE) and Bombay Stock Exchange (BSE) on May 06, 2025. The Company's registered office is located at 3rd floor, Tower D, IBC knowledge park, #4/1, Bannerghatta main road, Bengaluru, Karnataka, India, 560029.

These financial statements for the year ended March 31, 2026, have been approved by the Board of Directors and authorised for issuance on May 04, 2026.

1.2 Basis of Preparation

The financial statements of the Company comprise of the Balance Sheet as at March 31, 2026, the Statement of Profit and Loss (including Other comprehensive income), the Statement of Changes in Equity, the Statement of Cash Flows for the year ended on that date, and notes to financial statements, including a summary of material accounting policies, and other explanatory information (collectively, the "financial statements").

These financial statements have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under section 133 of the Companies Act, 2013 ('the Act') read together with the Companies (Indian Accounting Standards) Rules, 2015, as amended from time to time and other relevant provisions of the Act, on an accrual basis.

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

These financial statements are presented in Indian Rupees (₹), which is also the Company's functional currency and all values are rounded to the nearest crore, except when otherwise indicated. The comparative figures have been converted from ₹ million to ₹ crore to maintain the consistency in presentation, any minor variances arising from this change are solely attributable to rounding off adjustments. The number '0.00' in financial statements denotes amount less than ₹ 50,000.

1.3 Summary of Material Accounting Policies

1.3.1 Current versus non- current classification

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

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

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

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

a) It is expected to be settled in the Company's normal operating cycle;
b) It is held primarily for the purpose of being traded;
c) It is due to be settled within twelve months after the reporting date; or
d) it does not have the right at the end of the reporting period to defer settlement of the liability for at least twelve months after the reporting period.

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

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

1.3.2 Fair Value Measurement

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

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

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

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

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

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

a) Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities
b) Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
c) Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

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

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

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

1.3.3 Use of estimates and judgements

The preparation of financial statements in conformity with Ind AS requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on a periodic basis. Revisions to accounting estimates are recognized in the year in which the estimates are revised and in any future years affected. Information about significant areas of estimation, uncertainty and critical judgments in applying accounting policies that have the most significant effect on the amounts recognized in the financial statements is included in the following notes:

a. Intangible assets and intangible assets under development

Capitalisation of cost in intangible assets and intangible assets under development is based on management's judgement that technological and economic feasibility is confirmed and asset under development will generate economic benefits in future. Based on the impairment assessment carried out, the Company's management has determined that these assets have not suffered any impairment loss.

b. Defined benefit plans

The cost of the defined benefit plan and other post-employment benefits and the present value of such obligation are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases, mortality rates and future pension increases. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

c. Provisions and contingent liability

On an ongoing basis, Company reviews pending cases, claims by third parties and other contingencies. For contingent losses that are considered probable, an estimated loss is recorded as an accrual in the financial statements. Contingent loss that are considered possible are not provided for but disclosed as Contingent liabilities in the financial statements. Contingencies the likelihood of which is remote are not disclosed in the financial statements. Contingent gains are not recognized until the contingency has been resolved and amounts are received or receivable.

The Company is a party to certain tax and other disputes with government authorities. Due to the uncertainty associated with such cases, it is possible that, on conclusion of such matters at a future date, the final outcome may differ significantly.

d. Useful lives of depreciable assets

Management reviews the useful lives of depreciable assets at each reporting date. As at reporting date, management assessed that the useful lives represent the expected utility of the assets to the Company.

e. Provision for warranty

Provisions for warranty-related costs are recognized when the products are sold by the Company. Provision is estimated based on historical experience and/or technical estimates. Provisions are discounted, where necessary, to its present value based on the best estimate required to settle the obligation at the balance sheet date. In certain cases, the Company also has back-to-back contractual arrangement with its suppliers in the event that a vehicle fault is proven to be a supplier's fault. These are reviewed at each reporting date and adjusted to reflect the current best estimates (net of recoveries from vendors).

f. Share based payment

Employees of the Company receive remuneration in the form of Share-based Payment transactions, whereby employees render services as consideration for equity instruments (equity-settled transactions). In accordance with the Ind AS 102 Share-based Payment, the cost of equity-settled transactions is measured using the fair value method. The cumulative expense recognised for equity-settled transactions at each reporting date until the vesting date reflects the extent to which the vesting year has expired and the Company's best estimate of the number of equity instruments that will ultimately vest. The expense or credit recognised in the statement of profit and loss for a year represents the movement in cumulative expense recognised as at the beginning and end of that period and is recognised in employee benefits expense.

g. Inventories

The Company estimates the net realisable value (NRV) of its inventories by taking into account their estimated selling price, estimated cost of completion, estimated costs necessary to make the sale. Management periodically reviews the inventory listing to determine if any allowance should be accounted for in the financial statements for obsolete or slow-moving items, and to compare the carrying value of inventory items with their respective net realizable value.

h. Leases

The Company evaluates if an arrangement qualifies to be a lease as per the requirements of Ind AS 116. Identification of a lease requires significant judgment. The Company uses significant judgement in assessing the lease term (including anticipated renewals) and the applicable discount rate.

The Company determines the lease term as the non-cancellable period of a lease, together with both periods covered by an option to extend the lease if the Company is reasonably certain to exercise that option; and periods covered by an option to terminate the lease if the Company is reasonably certain not to exercise that option. In assessing whether the Company is reasonably certain to exercise an option to extend a lease, or not to exercise an option to terminate a lease, it considers all relevant facts and circumstances that create an economic incentive for the Company to exercise the option to extend the lease, or not to exercise the option to terminate the lease. The Company revises the lease term if there is a change in the non-cancellable period of a lease.

The discount rate is generally based on the incremental borrowing rate to the lease being evaluated or for a portfolio of leases with similar characteristics.

1.3.4 Property, Plant and Equipment (PPE)

Property, plant and equipment are stated at cost less accumulated depreciation and impairment losses, if any. Cost includes purchase price, related taxes, duties, freight, insurance, etc. attributable to the acquisition, installation of the PPE and borrowing cost if capitalisation criteria are met but excludes duties and taxes that are recoverable from tax authorities.

Machinery spares which can be used only in connection with an item of PPE and whose use is expected to be irregular are capitalised and depreciated over the useful life of the principal item of the relevant assets. Subsequent expenditure relating to PPE is capitalised only if it is probable that future economic benefits associated with the item will flow to the entity and the cost of the item can be measured reliably.

Material replacement cost is capitalized provided it is probable that future economic benefits associated with the item will flow to the entity and the cost of the item can be measured reliably. When replacement cost is eligible for capitalization, the carrying amount of those parts that are replaced are derecognized. When significant parts of plant and equipment are required to be replaced at intervals, the Company depreciates them separately based on their specific useful life.

Property, plant and equipment retired from active use and held for sale are stated at the lower of their net book value and net realisable value and are disclosed separately in the Balance Sheet.

The Company identifies and determines cost of each component/part of the asset separately, if the component/part has a cost which is significant to the total cost of the asset and has useful life that is materially different from that of the remaining asset.

Amount paid towards the acquisition of property, plant and equipment outstanding as of each reporting date and the cost of property, plant and equipment not ready for their intended use before such date are disclosed under capital work-in-progress. The capital work-in-progress is carried at cost, comprising direct cost, related incidental expenses and attributable interest. No depreciation is charged on the capital work in progress until the asset is ready for their intended use.

Depreciation and Amortisation

Depreciation is provided on a pro rata basis on straight line method to allocate the cost, net of residual value over the estimated useful lives of the assets.

Depreciation has been provided on the straight-line method based on the useful life as prescribed in Schedule II to the Companies Act, 2013 except in respect of the following categories of assets:

Description of Assets		Useful life and Basis of Depreciation based on the Management estimates
a)	Plant and Machinery – Laboratory Equipment	2 -10 Years
b)	Plant and Machinery – Moulds and Jigs	1 - 8 Years
c)	Plant and Machinery – Other than above	2-15 years
d)	Leasehold Improvements	Over the primary lease period or the life of the asset whichever is lower.
e)	Internally built vehicles	3 years
f)	Charging Infrastructure	5 years

The Company, based on technical assessment made by technical expert and Management estimate, depreciates above items of property, plant and equipment over estimated useful lives which are different from the useful life prescribed in Schedule II to the Companies Act, 2013. The Management believes that these estimated useful lives are realistic and reflect fair approximation of the period over which the assets are likely to be used.

The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting year, with the effect of any changes in estimate accounted for on a prospective basis.

Right of use assets are depreciated over the primary lease period as the right to use of these assets ceases on expiry of the lease period.

Depreciation on additions is being provided on pro rata basis from the month of such additions.

Depreciation on assets sold, discarded or demolished during the year is being provided up to the month in which such assets are sold, discarded or demolished. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in statement of profit and loss.

1.3.5 Intangible Assets

Intangible assets acquired separately: Intangible assets with finite useful lives that are acquired separately are carried at cost less accumulated amortisation and accumulated impairment losses, if any. Amortisation is recognised on a straight-line basis over their estimated useful lives. The estimated useful life and amortisation method are reviewed at the end of each reporting year, with the effect of any changes in estimate being accounted for on a prospective basis. Intangible assets with indefinite useful lives that are acquired separately are carried at cost less accumulated impairment losses, if any.

Internally-generated intangible assets – research and development expenditure: Expenditure on research activities is recognised as an expense in the statement of profit and loss in the period in which it is incurred.

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

- The technical feasibility of completing the intangible asset so that it will be available for use / sale;
- The intention to complete the intangible asset and use or sell it;
- The ability to use or sell the intangible asset;
- How the intangible asset will generate probable future economic benefits;
- The availability of adequate technical, financial and other resources to complete the development and to use or sell the intangible asset; and
- The ability to measure reliably the expenditure attributable to the intangible asset during its development.

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

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

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

Interest cost incurred is capitalized up to the date the asset is ready for its intended use for qualifying assets, based on borrowings incurred specifically for financing the asset.

Useful lives of other intangible assets:

Other intangible assets are amortised over their respective individual estimated useful lives on a straight-line basis, from the date that they are available for use. The estimated useful life of an identifiable intangible asset is based on a number of factors including the effects of obsolescence, demand, competition, and other economic factors (such as the stability of the industry, and known technological advances), and the level of maintenance expenditures required to obtain the expected future cash flows from the asset.

The management estimates the useful lives for its intangible assets as follows:

Description of Assets	Useful life and Basis of amortisation based on the Management estimates
a) Software	5 years
b) Patent & other intellectual property rights	5 years
c) Product development (internally generated intangible assets)	2 - 7 years

1.3.6 Impairment of tangible and intangible assets

The Company assesses on annual basis whether there is an indication that an asset may be impaired. If any indication exists, the Company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's (CGU) net selling price and its value in use. The recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. Where the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. Intangible assets with indefinite useful lives and intangible assets not yet available for use are tested for impairment at least annually, and whenever there is an indication that the asset may be impaired.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining net selling price, recent market transactions are taken into account, if available. If no such transactions can be identified, an appropriate valuation model is used.

The Company bases its impairment calculation on detailed budgets and forecast calculations which are prepared separately for each of the Company's cash-generating units to which the individual assets are allocated. These budgets and forecast calculations are generally covering a period of five years. For longer periods, a long-term growth rate is calculated and applied to project future cash flows after the fifth year.

An assessment is made on annual basis as to whether there is any indication that previously recognized impairment losses may no longer exist or may have decreased. If such indication exists, the Company estimates the asset's or cash-generating unit's recoverable amount. A previously recognized impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognized. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognized for the asset in prior years. Such reversal is recognized in the Statement of Profit and Loss unless the asset is carried at a revalued amount, in which case the reversal is treated as a revaluation increase.

After impairment, depreciation is provided on the revised carrying amount of the asset over its remaining useful life.

1.3.7 Inventories

Raw materials, components and stores & spare parts are valued at lower of cost determined on weighted average basis and estimated net realisable value. Cost includes purchase price, freight, taxes and duties and is net of Goods and Services Tax to the extent credit of the tax is availed of.

Work-in-progress and finished goods are valued at lower of cost and estimated net realisable value. Cost includes all direct costs including material procurement cost and appropriate proportion of overheads to bring the goods to the present location and condition.

Due allowance is made for slow/non-moving / obsolete items. Materials and other items held for use in the production of inventories are not written down below cost if the finished products in which they will be used are expected to be sold at or above cost.

Net realizable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and estimated costs necessary to make the sale.

1.3.8 Revenue from contract with customers and Other Income

Revenue from contract with customers
Revenue is recognised upon transfer of control of promised products or services to customers for an amount that reflects the consideration which the Company expects to receive in exchange for those products or services. Revenue excludes taxes or duties collected on behalf of the Government.

- Sale of products
  The Company recognises revenues from sale of products measured at the amount of transaction price (net of variable consideration), when it satisfies its performance obligation at a point in time which is when products are delivered to customers, which is when control including risks and rewards and title of ownership pass to the customer, and when there is no longer any unfulfilled obligation. The transaction price of goods sold is net of variable consideration on account of various discounts and schemes offered by the Company as part of the contract.

  The Company offers sales incentives in the form of variable marketing expense to customers, which vary depending on the timing and customer of any subsequent sale of the vehicle. This sales incentive is accounted for as a revenue reduction and is constrained to a level that is highly probable not to reverse the amount of revenue recognised when any associated uncertainty is subsequently resolved. The Company estimates the expected sales incentive by market condition and considers uncertainties including competitor pricing, ageing of retailer stock and local market conditions.

  Revenues are recognised when collectability of the resulting receivable is reasonably assured.

- Sale of services
  Income from sale of services and extended warranties are recognised as income at a point in time or over the relevant period of service or extended warranty.

  When the Company sells bundled service and extended period of warranty, such services are treated as a separate performance obligation only if the service or warranty is having a different timing of performance obligation. In such cases, the transaction price allocated towards such service or extended period of warranty based on relative standalone selling price and is recognised as a contract liability until the service obligation has been met. The price that is regularly charged for an item when sold separately is the best evidence of its standalone selling price. In the absence of such evidence, the primary method used to estimate standalone selling price is the expected cost plus a margin, under which the Company estimates the cost of satisfying the performance obligation and then adds an appropriate margin based on similar services.

  Sales of services include certain performance obligations that are satisfied over a period of time. Any amount received in advance in respect of such performance obligations that are satisfied over a period of time is recorded as a contract liability and recorded as revenue when service is rendered to customers. Refund liabilities comprise of obligation towards customers to pay for discounts and sales incentives.

Revenue is measured based on the transaction price, which is the consideration, adjusted for variable consideration on account of discounts and other incentives, if any, offered by the Company as a part of the contract with the customer. Revenue also excludes taxes or other amounts collected from customers. No element of financing is deemed present as the sale of goods / services are primarily on a "Cash and Carry" basis.

Contract balances

Trade receivables
A receivable is recognised by the Company when the goods are delivered to the customer as this represents the point in time at which the right to consideration becomes unconditional, as only the passage of time is required before payment due. Refer to accounting policy on Financial instruments – initial measurement and subsequent measurement

Contract liabilities
A contract liability is the obligation to transfer goods to a customer for which the Company has received consideration from the customer. If a customer pays consideration before the Company transfers goods or services to the customer, a contract liability is recognised when the payment is made. Contract liabilities are recognised as revenue when the Company performs under the contract.

Warranty obligation

The Company provides warranties for general repairs of defects as per terms of the contract with ultimate customers. These warranties are considered as assurance type warranties and are accounted for under Ind AS 37- Provisions, Contingent Liabilities and Contingent Assets. Warranty expenses is disclosed net of supplier reimbursements.

Other Income

- Interest income is recognised on the accrual basis. For all debt instruments measured at amortised cost, interest income is recognised on time proportion basis, taking into account the amount outstanding and effective interest rate.

1.3.9 Government Grants

Government grants and subsidies are recognised when there is reasonable assurance that the Company will comply with the conditions attached to them and the grants/subsidy will be received.

When the grant or subsidy from the Government relates to an expense item, it is recognised as income on a systematic basis in the Statement of Profit and Loss over the period necessary to match them with the related costs, which they are intended to compensate.

When the Company receives grants of non-monetary assets, the asset and the grant are recorded at fair value amounts and released to profit or loss over the expected useful life in a pattern of consumption of the benefit of the underlying asset, i.e. by equal annual instalments. When loans or similar assistance are provided by Governments or related institutions, with an interest rate below the current applicable market rate, the effect of this favourable interest is regarded as a government grant. The loan or assistance is initially recognised and measured at fair value of the proceeds received. The loan is subsequently measured as per the accounting policy applicable to financial liabilities.

1.3.10 Employee Benefits

I. Defined Contribution Plan

a. Provident Fund
Contributions in respect of Employees Provident Fund are made to the Regional Provident Fund. These Contributions are recognised as expense in the year in which the services are rendered. The Company has no obligation other than the contribution payable to the Regional Provident fund.

II. Defined Benefit Plan

a. Gratuity
The Company accounts its liability for future gratuity benefits based on actuarial valuation done by an independent actuary, as at the balance sheet date, determined every year using the Projected Unit Credit method. Actuarial gains/losses are immediately recognised in retained earnings through Other Comprehensive Income in the period in which they occur. Re-measurements are not re-classified to profit or loss in subsequent periods. Past service cost is recognised immediately to the statement of profit and loss. Net interest is calculated by applying a discount rate to the net defined benefit liability or asset. The defined benefit obligation recognised in the balance sheet represents the present value of the Defined Benefit Obligation less the Fair Value of Plan Assets out of which the obligations are expected to be settled.

b. Compensated Absences

Accumulated leave (earned leave) can be availed and encashed on termination of employment, subject to terms and conditions of the scheme, the liability is recognised on the basis of an independent actuarial valuation. They are therefore measured as the present value of expected future payments to be made in respect of services provided by employees up to the end of the reporting period using the projected unit credit method. The benefits are discounted using the market yields at the end of the reporting period that have terms approximating to the terms of the related obligation. Re-measurements as a result of experience adjustments and changes in actuarial assumptions are recognised in Statement of Profit and Loss.

III. Short Term Employee Benefits

Liabilities for wages and salaries, including non-monetary benefits that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are recognized in respect of employees' services upto the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled. The liabilities are presented as current employee benefit obligations in the balance sheet. Short term employee benefits include short term compensated absences which is recognized based on the eligible leave credits on the balance sheet date, and the estimated cost is based on the terms of the employment contract.

1.3.11 Leases

The Company assesses, whether the contract is, or contains, a lease. A contract is, or contains, a lease if the contract involves– (a) the use of an identified asset, (b) the right to obtain substantially all the economic benefits from use of the identified asset, and (c) the right to direct the use of the identified asset.

As a lessee: The Company recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received. Right-of-use assets are depreciated from the commencement date on a straight-line basis over the shorter of the lease term and useful life of the underlying asset.

Right of use assets are evaluated for recoverability whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable. For the purpose of impairment testing, the recoverable amount (i.e. the higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. In such cases, the recoverable amount is determined for the Cash Generating Unit (CGU) to which the asset belongs.

The lease liability is initially measured at the present value of the future lease payments at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, company's incremental borrowing rate. Generally, the company uses its incremental borrowing rate as the discount rate. Lease liabilities are remeasured with a corresponding adjustment to the related right of use asset if the Company changes its assessment if whether it will exercise an extension or a termination option.

A lease contract is modified and the lease modification is not accounted for as a separate lease, in which case the lease liability is remeasured based on the lease term of the modified lease by discounting the revised lease payments using a revised discount rate at the effective date of the modification.

As a practical expedient, Ind AS 116 permits a lessee not to separate non-lease components, and instead account for any lease and associated non-lease components as a single arrangement. The Company has used this practical expedient.

Lease liabilities include the net present value of the following lease payments:

- fixed payments, including in-substance fixed payments;
- variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;
- amounts expected to be payable under a residual value guarantee;
- the exercise price under a purchase option that the Company is reasonably certain to exercise; and
- lease payments in an optional renewal period if the Company is reasonably certain to exercise an extension option, and penalties for early termination of a lease unless the company is reasonably certain not to terminate early.

The lease liability is measured at amortised cost using the effective interest method.

Short-term leases and leases of low-value assets The Company has elected not to recognise right-of-use assets and lease liabilities for short-term leases that have a lease term of 12 months. The Company recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

1.3.12 Foreign Currency Transactions

Initial recognition

Transactions in foreign currencies entered by the Company are accounted at the exchange rates prevailing on the date of the transaction.

Measurement as at Balance Sheet date

Foreign currency monetary items of the Company outstanding at the Balance Sheet date are restated at reporting date exchange rates.

Non-monetary items carried at historical cost are translated using the exchange rates at the dates of initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined. The gain or loss arising on translation of non-monetary items measured at fair value is treated in line with the recognition of the gain or loss on the change in fair value of the item.

Treatment of Exchange Differences

Exchange differences arising on settlement/restatement of foreign currency monetary assets and liabilities of the Company are recognised as income or expense in the Statement of Profit and Loss.

1.3.13 Taxes on Income

Income tax expense comprises current and deferred taxes. Income tax expense is recognised in the Statement of Profit and Loss except to the extent it relates to items recognised directly in equity, in which case it is recognised in equity.

Current Tax is the amount of tax payable on the taxable income for the year and is determined in accordance with the provisions of the Income Tax Act, 1961. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date.

Current income tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). Current tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity.

Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised. The carrying amount of deferred tax assets is reviewed at each reporting date and written off to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

1.3.14 Provisions and Contingencies

A provision is recognized when an enterprise has a present obligation (legal or constructive) as a result of past event; it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made. Provisions are determined based on best estimate required to settle the obligation at the balance sheet date, taking into account the risks and uncertainties surrounding the obligation. These are reviewed at each balance sheet date and adjusted to reflect the current best estimates. Where a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (when the effect of the time value of money is material). When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, a receivable is recognised as an asset if it is virtually certain that reimbursement will be received and the amount receivable can be measured reliably.

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Company or a present obligation that is not recognized because it is not probable that an outflow of resources will be required to settle the obligation or the amount of the obligation cannot be measured with sufficient reliability. The Company does not recognize a contingent liability but discloses its existence in the financial statements.

Provisions for warranty-related costs are recognized when the products are sold. Provision is estimated based on historical experience and/or technical estimates. The estimate of such warranty-related costs is reviewed on a annual basis.

Present obligations arising under onerous contracts are recognised and measured as provisions. An onerous contract is considered to exist where the Company has a contract under which the unavoidable costs of meeting the obligations under the contract exceed the economic benefits expected to be received from the contract.

Provisions for the costs to restore leased assets to their original condition, as required by the terms and conditions of the lease, are recognised when the obligation is incurred, either at the commencement date or as a consequence of having used the underlying asset during a particular period of the lease, at the Company's best estimate of the expenditure that would be required to restore the assets. Estimates are regularly reviewed and adjusted as appropriate for new circumstances.

1.3.15 Borrowing Costs

Borrowing Costs include interest, amortisation of ancillary costs incurred and exchange differences arising from foreign currency borrowings to the extent they are regarded as an adjustment to the borrowing costs. Borrowing Costs, allocated to and utilised for qualifying assets, pertaining to the period from commencement of activities relating to construction / development of the qualifying asset up to the date the asset is ready for its intended use is added to the cost of the assets. Capitalisation of Borrowing Costs is suspended and charged to the Statement of Profit and Loss during extended periods when active development activity on the qualifying assets is interrupted. All other borrowing costs are expensed in the period they occur.

1.3.16 Earnings Per Share

Basic Earnings Per Share is calculated by dividing the net profit or loss for the year attributable to equity shareholders by the weighted average number of equity shares (including equivalent number of equity shares on conversion of compulsorily convertible preference shares) outstanding during the year.

The weighted average number of equity shares outstanding during the year and for all years presented is adjusted for events, such as bonus shares, other than the conversion of potential equity shares, that have changed the number of equity shares outstanding, without a corresponding change in resources. For the purpose of calculating diluted earnings per share, the net profit or loss for the year attributable to equity shareholders and the weighted average number of shares outstanding during the year is adjusted for the effects of all dilutive potential equity shares.

1.3.17 Employees Stock Option

Employees of the Company receive remuneration in the form of share-based payments, whereby employees render services as consideration for equity instruments (equity-settled transactions).

The cost of equity-settled transactions is determined by the fair value at the date when the grant is made using an appropriate valuation model.

That cost is recognised, together with a corresponding increase in share-based payment (SBP) reserves in equity, over the year in which the performance and/or service conditions are fulfilled in employee benefits expense. The cumulative expense recognised for equity settled transactions at each reporting date until the vesting date reflects the extent to which the vesting year has expired and the Company's best estimate of the number of equity instruments that will ultimately vest. The expense or credit in the statement of profit and loss for a year represents the movement in cumulative expense recognised as at the beginning and end of that period and is recognised in employee benefits expense.

Service and non-market performance conditions are not taken into account when determining the grant date fair value of awards, but the likelihood of the conditions being met is assessed as part of the Company's best estimate of the number of equity instruments that will ultimately vest. Market performance conditions are reflected within the grant date fair value. Any other conditions attached to an award, but without an associated service requirement, are considered to be non-vesting conditions. Non-vesting conditions are reflected in the fair value of an award and lead to an immediate expensing of an award unless there are also service and/or performance conditions.

No expense is recognised for awards that do not ultimately vest because non-market performance and/or service conditions have not been met. Where awards include a market or non-vesting condition, the transactions are treated as vested irrespective of whether the market or non-vesting condition is satisfied, provided that all other performance and/or service conditions are satisfied.

1.3.18 Financial Instruments

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

A. Financial assets

i. Initial recognition and measurement

All financial assets are recognised initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset.

Trade receivables that do not contain a significant financing component or for which the Company has applied the practical expedient are measured at the transaction price determined under Ind AS 115. Refer accounting policy on 'Revenue from contracts with customers'.

ii. Subsequent measurement

For purposes of subsequent measurement, financial assets are classified in four categories:

a. Financial assets at amortised cost
b. Financial assets at fair value through other comprehensive income (OCI)
c. Financial assets at fair value through profit or loss
d. Equity instruments measured at Fair Value Through Other Comprehensive Income

a. Financial assets at amortised cost

A financial asset is subsequently measured at the amortised cost if both the following conditions are met:

- The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and
- Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

After initial measurement, such financial assets are subsequently measured at amortised cost using the Effective Interest Rate (EIR) method. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in finance income in the profit or loss. The losses arising from impairment are recognised in the profit or loss. This category generally applies to trade and other receivables.

b. Financial assets at fair value through other comprehensive income

A financial asset is subsequently measured at fair value through other comprehensive income if both the following conditions are met:

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

After the initial measurement, such financial assets are subsequently measured at fair value at each reporting date. Fair value movement are recognised in the other comprehensive income and impairment are recognised in statement of profit & loss. On derecognition, gains and losses accumulated in OCI are reclassified to profit or loss.

c. Financial assets at fair value through profit or loss

A financial assets which is not classified in any of the above categories are subsequently fair valued through profit or loss.

d. Equity instruments measured at Fair Value Through Other Comprehensive Income

All equity investments in scope of Ind-AS 109 are measured at fair value. Equity instruments which are held for trading are classified as at fair value through profit or loss. For all other equity instruments, the Company decides to classify the same either as at Fair value through other comprehensive income or fair value through profit or loss. The Company makes such election on an instrument-by-instrument basis. The classification is made on initial recognition and is irrevocable.

If the Company decides to classify an equity instrument as at fair value through other comprehensive income, then all fair value changes on the instrument, excluding dividends, are recognized in the OCI. There is no recycling of the amounts from OCI to P&L, even on sale of investment. However, the Company may transfer the cumulative gain or loss within equity.

Equity instruments included within the fair value through profit or loss category are measured at fair value with all changes recognized in the Statement of Profit and Loss.

iii. De-recognition

A financial asset (or, where applicable, a part of a financial asset or part of a Company of similar financial assets) is primarily de-recognised when:

- The rights to receive cash flows from the asset have expired, or
- the Company has transferred substantially all the risks and rewards of the asset.

iv. Impairment of financial assets

In accordance with Ind-AS 109, the Company applies expected credit loss (ECL) model for measurement and recognition of impairment loss on the following financial assets and credit risk exposure:

- Financial assets that are debt instruments, and are measured at amortised cost e.g., loans, debt securities, deposits, trade receivables and bank balance

The Company follows 'simplified approach' for recognition of impairment loss allowance on Trade receivables.

The application of simplified approach does not require the Company to track changes in credit risk. Rather, it recognises impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition.

Lifetime ECL are the expected credit losses resulting from all possible default events over the expected life of a financial instrument. ECL is the difference between all contractual cash flows that are due to the Company in accordance with the contract and all the cash flows that the entity expects to receive, discounted at the original EIR. When estimating the cash flows, an entity is required to consider:

- All contractual terms of the financial instrument (including prepayment, extension, call and similar options) over the expected life of the financial instrument. However, in rare cases when the expected life of the financial instrument cannot be estimated reliably, then the entity is required to use the remaining contractual term of the financial instrument
- Cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms

ECL impairment loss allowance (or reversal) recognized during the year is recognized as income/ expense in the Statement of Profit and Loss. This amount is reflected under the head 'other expenses' in the Statement of Profit and Loss. The presentation for various financial instruments in the Balance Sheet is described below:

- Financial assets measured as at amortised cost: ECL is presented as an allowance, i.e., as an integral part of the measurement of those assets in the balance sheet. The allowance reduces the net carrying amount. Until the asset meets write-off criteria, the Company does not reduce impairment allowance from the gross carrying amount.

For assessing increase in credit risk and impairment loss, the Company combines financial instruments on the basis of shared credit risk characteristics with the objective of facilitating an analysis that is designed to enable significant increases in credit risk to be identified on a timely basis.

B. Financial liabilities

i. Initial recognition and measurement

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

The Company's financial liabilities include trade and other payables, loans and borrowings including bank overdrafts and derivative financial instruments.

ii. Subsequent measurement

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

Financial liabilities at fair value through profit or loss
Financial liabilities at fair value through profit or loss include derivatives, financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss. Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. This category also includes derivative financial instruments entered by the Company that are not designated as hedging instruments in hedge relationships as defined by Ind AS 109. Separated embedded derivatives are also classified as held for trading unless they are designated as effective hedging instruments.

Gains or losses on liabilities held for trading are recognised in the profit or loss.

Financial liabilities designated upon initial recognition at fair value through profit or loss are designated as such at the initial date of recognition, and only if the criteria in Ind AS 109 are satisfied. For liabilities designated as FVTPL, fair value gains/ losses attributable to changes in own credit risks are recognized in the Statement of Profit and Loss. These gains/ losses are not subsequently transferred to Statement of Profit and Loss. However, the Company may transfer the cumulative gain or loss within equity. All other changes in fair value of such liability are recognised in the Statement of Profit and Loss.

Loans and borrowings
After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the Statement of Profit and Loss.

De-recognition
A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the de-recognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the Statement of Profit and Loss.

Offsetting of financial instruments
Financial assets and financial liabilities are offset, and the net amount is reported in the balance sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

1.3.19 Equity

The transaction costs of an equity transaction are accounted for as a deduction from equity (net of any related income tax benefit) to the extent they are incremental costs directly attributable to the equity transaction that otherwise would have been avoided. The transaction costs attributable to new issuance of shares is deferred on the balance sheet and recognized in equity once the instrument is issued.

1.3.20 Statement of Cash Flow

Statement of Cash flows are reported using the indirect method, whereby profit / (loss) before tax is adjusted for the effects of transactions of non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from operating, investing and financing activities of the Company are segregated based on the available information.

1.3.21 Cash and Cash Equivalents

Cash comprises cash on hand and demand deposits with banks. Cash equivalents are short-term (with an original maturity of three months or less from the date of acquisition), highly liquid investments that are readily convertible into known amounts of cash and which are subject to insignificant risk of change in value. Any cash or bank balance held for any specific use is not considered as cash & cash equivalent.

1.3.22 Exceptional items

Exceptional items comprise income or expenses arising from events or transactions that are significant by virtue of their size, nature, or incidence and are not expected to recur frequently in the normal course of business. These items, though arising from ordinary activities, are considered exceptional when their separate disclosure is necessary to enable users to obtain a proper understanding of the Company’s financial performance. Accordingly, such items are presented separately in the Statement of Profit and Loss.

1.3.23 Recent pronouncements

Ministry of Corporate Affairs ("MCA") notifies new standards or amendments to the existing standards under Companies (Companies (Indian Accounting Standards) Rules as issued from time to time. During the year ended March 31, 2026, MCA has notified the Companies (Indian Accounting Standards) Amendment Rules, 2025 and Companies (Indian Accounting Standards) Second Amendment Rules, 2025, whereby MCA has amended certain Indian Accounting standards which are applicable to the company w.e.f. April 01, 2025.

The Company has reviewed the new pronouncements and based on its evaluation has determined that it does not have any significant impact in its financial statements.

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Ather Energy Limited (formerly known as Ather Energy Private Limited)
Notes to the financial statements for the year ended March 31, 2026

Note No. 2 (a)
PROPERTY, PLANT AND EQUIPMENT

(Amounts in ₹ crores, unless otherwise stated)

Particulars	Leasehold Improvements	Plant & Machinery	Furniture and Fittings	Vehicles	Office Equipment	Electronic Equipment	IT equipment	Charging Infrastructure	Total
Gross Carrying Amount									
Balance as at April 01, 2024	**36.65**	**184.18**	**6.34**	**4.53**	**11.31**	**6.61**	**24.92**	**13.40**	**287.94**
Additions	5.03	94.91	1.48	3.21	2.08	2.57	7.67	8.70	**125.65**
Disposals	(0.61)	(1.40)	(0.03)	(0.01)	(0.03)	(0.16)	(1.10)	(1.50)	**(4.84)**
Balance as at March 31, 2025	**41.07**	**277.69**	**7.79**	**7.73**	**13.36**	**9.02**	**31.49**	**20.60**	**408.75**
Additions	10.03	78.63	2.11	0.62	3.29	3.64	10.47	10.53	**119.32**
Disposals	(1.59)	(1.10)	(0.71)	(1.62)	(0.29)	(0.07)	(1.67)	(0.31)	**(7.36)**
Balance as at March 31, 2026	**49.51**	**355.22**	**9.19**	**6.73**	**16.36**	**12.59**	**40.29**	**30.82**	**520.71**
Accumulated depreciation									
Balance as at April 01, 2024	**19.63**	**50.97**	**1.97**	**1.60**	**4.64**	**3.03**	**14.06**	**4.87**	**100.77**
Depreciation expense for the year	5.47	22.22	0.71	1.91	2.12	0.87	6.03	4.92	**44.25**
Disposals	(0.60)	(0.51)	(0.02)	(0.01)	(0.02)	(0.12)	(1.04)	(1.31)	**(3.63)**
Balance as at March 31, 2025	**24.50**	**72.68**	**2.66**	**3.50**	**6.74**	**3.78**	**19.05**	**8.48**	**141.39**
Depreciation expense for the year	6.07	54.76	0.85	1.88	2.46	1.21	6.64	3.98	**77.85**
Disposals	(1.30)	(0.84)	(0.42)	(1.20)	(0.24)	(0.07)	(1.58)	(0.19)	**(5.84)**
Balance as at March 31, 2026	**29.27**	**126.60**	**3.09**	**4.18**	**8.96**	**4.92**	**24.11**	**12.27**	**213.40**
Carrying amount (net)									
As at March 31, 2025	**16.57**	**205.01**	**5.13**	**4.23**	**6.62**	**5.24**	**12.44**	**12.12**	**267.36**
As at March 31, 2026	**20.24**	**228.62**	**6.10**	**2.55**	**7.40**	**7.67**	**16.18**	**18.55**	**307.31**

Notes:
(a) The above assets are owned by the Company unless otherwise specified.
(b) Refer note 14 for details of property, plant and equipment hypothecated as security towards borrowings

Note No. 2 (b)
RIGHT OF USE ASSETS

(Amounts in ₹ crores, unless otherwise stated)

Particulars	Buildings	Leasehold Land	Total
Gross Carrying Amount			
Balance as at April 01, 2024	198.35	-	198.35
Additions (refer note (a) below)	30.24	96.77	127.01
Disposals	(10.25)	-	(10.25)
Balance as at March 31, 2025	**218.34**	**96.77**	**315.11**
Additions	8.85	-	8.85
Disposals	(1.36)	-	(1.36)
Balance as at March 31, 2026	**225.83**	**96.77**	**322.60**
Accumulated depreciation			
Balance as at 01 April 2024	49.51	-	49.51
Depreciation expense for the year, net (refer note (b) below)	30.18	0.68	30.86
Disposals	(9.56)	-	(9.56)
Balance as at March 31, 2025	**70.13**	**0.68**	**70.81**
Depreciation expense for the year, net (refer note (b) below)	33.14	1.02	34.16
Disposals	(0.72)	-	(0.72)
Balance as at March 31, 2026	**102.55**	**1.70**	**104.25**
Carrying amount (net)			
As at March 31, 2025	**148.21**	**96.09**	**244.30**
As at March 31, 2026	**123.28**	**95.07**	**218.35**

Notes:

(a) During the year ended March 31, 2025, the Board of Directors of the Company in its meeting held on June 06, 2024 approved investment in approximately 100 acres parcel of land located in Chhatrapati Sambhaji Nagar, Maharashtra on a long-term lease for setting up a project for the manufacturing of Electric Two Wheelers. The Company has entered into sublease agreement with the Maharashtra Industrial Township Limited on August 01, 2024 for leasing of the piece and parcel of the land admeasuring 3,97,976.74 square meters for a period of 95 years for a upfront lease payment of ₹ 95.51 crores and the same has been accounted under the head "Right of use assets".

(b) During the year ended March 31, 2026, Depreciation expenses of ₹ 1.10 crores (year ended March 31, 2025: ₹ 0.68 crores) is capitalised as direct cost with respect to the new factory project which is currently under Capital Work-in-progress.

Movement in lease liabilities:

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
Balance at the beginning of the year	169.37	162.84
Additions during the year	8.15	28.59
Interest expense during the year	18.59	18.90
Lease payments during the year	(44.36)	(40.04)
Reversal of lease liability on termination of lease during the year	(0.60)	(0.92)
Balance at the end of the year	**151.15**	**169.37**
Current lease liabilities	30.53	26.29
Non current lease liabilities	120.62	143.08

The table below provides details regarding the contractual maturities of lease liabilities on an undiscounted basis:

Particulars	As at March 31, 2026	As at March 31, 2025
Less than one year	45.96	43.90
One to five years	89.92	118.54
More than five years	94.39	108.20
Total undiscounted lease liabilities	**230.27**	**270.64**

Rent and maintenance for the short term leases amounting to ₹ 29.41 crores is debited to Statement of Profit and Loss during the year ended March 31, 2026 (year ended March 31, 2025 : ₹ 15.30 crores).

Note No. 2 (c)
CAPITAL WORK-IN-PROGRESS

(Amounts in ₹ crores, unless otherwise stated)

Particulars	As at March 31, 2026	As at March 31, 2025
Balance at the beginning of the year	5.67	0.02
Net movement during the year	96.94	5.65
Balance at the end of the year	**102.61**	**5.67**

Capital work-in-progress (CWIP) ageing as at March 31, 2026

Particulars	Amount in CWIP for a year of				Total
	< 1 year	1-2 years	2-3 years	> 3 years	
Projects in progress	97.13	5.48	-	-	102.61
Total	**97.13**	**5.48**	**-**	**-**	**102.61**

Capital work-in-progress (CWIP) ageing as at March 31, 2025

Particulars	Amount in CWIP for a year of				Total
	< 1 year	1-2 years	2-3 years	> 3 years	
Projects in progress	5.67	-	-	-	5.67
Total	**5.67**	**-**	**-**	**-**	**5.67**

Note: There are no projects for which completion is overdue compared to original plan and cost is not exceeding against the budgeted cost.

Ather Energy Limited (formerly known as Ather Energy Private Limited)
Notes to the financial statements for the year ended March 31, 2026

Note No. 2 (d)
INTANGIBLE ASSETS

(Amounts in ₹ crores, unless otherwise stated)

Particulars	Software	Patents & Other IP Rights	Product Development (Internally generated)	Total
Balance as at April 01, 2024	15.50	0.94	285.10	**301.54**
Additions	7.43	-	70.61	**78.04**
Disposals	-	-	-	**-**
Balance as at March 31, 2025	**22.93**	**0.94**	**355.71**	**379.58**
Additions	12.82	-	46.57	**59.39**
Disposals	(0.03)	-	-	**(0.03)**
Balance as at March 31, 2026	**35.72**	**0.94**	**402.28**	**438.94**
Accumulated amortisation and impairment				
Balance as at April 01, 2024	9.24	0.94	168.51	**178.69**
Amortisation expense for the year	2.53	-	94.06	**96.59**
Disposals	-	-	-	**-**
Balance as at March 31, 2025	**11.77**	**0.94**	**262.57**	**275.28**
Amortisation expense for the year	5.37	-	56.61	**61.98**
Disposals	(0.03)	-	-	**(0.03)**
Balance as at March 31, 2026	**17.11**	**0.94**	**319.18**	**337.23**
Carrying amount (net)				
As at March 31, 2025	**11.16**	**-**	**93.14**	**104.30**
As at March 31, 2026	**18.61**	**-**	**83.10**	**101.71**

Note No. 2 (e)
INTANGIBLE ASSETS UNDER DEVELOPMENT

Description of Assets	As at March 31, 2026	As at March 31, 2025
Balance at the beginning of the year	116.27	70.56
Net movement during the year	121.30	45.71
Balance at the end of the year (Refer note (a) below)	**237.57**	**116.27**

Intangible Assets Under Development Ageing schedule as at March 31, 2026

Intangible Assets Under Development	Amount in Intangible Assets Under Development for a year of				Total
	< 1 year	1-2 years	2-3 years	> 3 years	
Projects in progress					
Project in progress	156.59	65.43	8.48	7.07	237.57
Total	**156.59**	**65.43**	**8.48**	**7.07**	**237.57**

Intangible Assets Under Development Ageing schedule as at March 31, 2025

Intangible Assets Under Development	Amount in Intangible Assets Under Development for a year of				Total
	< 1 year	1-2 years	2-3 years	> 3 years	
Project in progress	99.85	9.34	0.01	7.07	116.27
Total	**99.85**	**9.34**	**0.01**	**7.07**	**116.27**

Note:
(a) There are no projects for which completion is overdue compared to original plan and cost is not exceeding against the budgeted cost.

Note : The Company has not revalued its property, plant and equipment (including right-of-use assets) or intangible assets or both during the current or previous year.

Ather Energy Limited (formerly known as Ather Energy Private Limited)
Notes to the financial statements for the year ended March 31, 2026

(Amounts in ₹ crores, unless otherwise stated)

Note - 3 OTHER FINANCIAL ASSETS		**As at March 31, 2026**	**As at March 31, 2025**
Non-current			
Unsecured considered good			
Security deposits		15.64	14.20
Term deposits (with balance maturity of more than 12 months) *		29.18	10.48
Deposits with lenders		-	8.62
	Total	**44.82**	**33.30**
Current			
Unsecured considered good			
EV subsidy receivable #		74.92	90.98
Interest accrued on term deposits		11.83	0.20
Deposits with lenders and others		31.97	43.40
Term deposits*		1,177.56	-
Unbilled revenue		1.96	0.50
Other receivables		1.76	0.07
	Total	**1,300.00**	**135.15**

* Lien marked against bank guarantees and term loan from banks ₹ 34.53 crores (March 31, 2025: ₹ 10.01 crores)
# net of allowance for doubtful receivable ₹ 10.02 crores (March 31, 2025: ₹ 12.13 crores)

Note - 4 OTHER ASSETS		**As at March 31, 2026**	**As at March 31, 2025**
Non-current			
Unsecured, considered good			
Balances with Government authorities		100.18	105.74
Prepaid expenses		112.47	57.91
Capital advances		121.59	8.90
		334.24	172.55
Unsecured, considered doubtful			
Capital advances		3.07	3.24
Less: Allowance for doubtful advance		(3.07)	(3.24)
		-	-
	Total	**334.24**	**172.55**
Current			
Unsecured, considered good			
Balances with Government authorities		339.11	284.49
Prepaid expenses		53.31	32.21
Share issue expenses		-	23.67
Advances to employees		0.41	0.47
Advance to vendors		12.46	7.89
		405.29	348.73
Unsecured, considered doubtful			
Advance to vendors		0.69	0.69
Less: Allowance for doubtful advance		(0.69)	(0.69)
		-	-
	Total	**405.29**	**348.73**

Note - 5 INVENTORIES		**As at March 31, 2026**	**As at March 31, 2025**
Raw materials & components		141.72	130.74
Raw Materials-in-transit		66.09	46.10
Work-in-progress		1.75	-
Finished goods		42.12	32.36
Stock-in-trade		29.88	35.43
	Total	**281.56**	**244.63**

Notes
(a) Mode of valuation has been stated in note 1.3.7
(b) The value of inventories above is stated after net provisions of ₹ 22.61 crores (March 31, 2025: ₹ 13.99 crores) for write-down to net realisable value and provisions for slow-moving and obsolete items.
(c) Refer note 14 for details of inventory given as collateral towards borrowings.

(Amounts in ₹ crores, unless otherwise stated)

Note - 6 INVESTMENTS	**As at March 31, 2026**	**As at March 31, 2025**
Investments carried at fair value through profit and loss		
Investments in quoted mutual funds (refer note 1 below)		
Aditya Birla Sun Life Money Manager Fund - Regular Plan 21,345.219 Units (March 31, 2025: 21,345.219 Units)	0.83	0.77
Aditya Birla Sun Life Overnight Fund - Direct Plan Nil (March 31, 2025: 72,544.881 Units)	-	10.02
Aditya Birla Sun Life Liquid Fund - Direct Plan 10,24,514.115 Units (March 31, 2025: Nil)	45.60	-
Axis Overnight Fund - Direct Plan Nil (March 31, 2025: 1,48,671.532 Units)	-	20.12
DSP Liquid Fund - Direct Plan 2,17,680.402 Units (March 31, 2025 : Nil)	85.78	-
DSP Savings Fund - Direct Plan 88,49,701.269 Units (March 31, 2025: Nil)	50.20	-
DSP Savings Fund - Regular Plan Nil (March 31, 2025: 73,557.351 Units)	-	10.09
HDFC Money Market Fund - Direct Plan 8,216.207 Units (March 31, 2025: Nil)	5.01	-
Axis Liquid Fund - Direct Plan 82,747.611 Units (March 31, 2025: Nil)	25.36	-
Axis Money Market Fund - Direct Plan 91.173 Units (March 31, 2025: Nil)	0.01	-
SBI Liquid Fund - Direct Plan 46,849.918 Units (March 31, 2025 : Nil)	20.17	-
Kotak Liquid Fund - Direct Plan 59,620.281 Units (March 31, 2025 : Nil)	33.18	-
Tata Money Market Fund - Direct Plan 49774.646 Units (March 31, 2025: Nil)	25.08	-
LIC MF Money Market Fund - Direct Plan 1,19,955.864 Units (March 31, 2025: Nil)	15.12	-
Nippon India Liquid Fund - Direct Plan 1,31,352.761 Units (March 31, 2025 : Nil)	88.59	-
ICICI Pru Liquid Fund - Direct Plan 23,24,927.876 Units (March 31, 2025 : Nil)	94.78	-
Invesco India Liquid Fund - Direct Plan 21,308.633 Units (March 31, 2025 : Nil)	8.06	-
HDFC Liquid Fund - Direct Plan 1,00,265.52 Units (March 31, 2025:Nil)	54.24	-
	552.01	**41.00**
Investments in Commercial Paper of IL&FS Financial Services Limited	18.21	18.21
Less: Allowance for diminution in value of investments (refer note 2 below)	(18.21)	(18.21)
	-	-
Total	**552.01**	**41.00**
(a) Aggregate amount of quoted investments and market value thereof;	552.01	41.00
(b) Aggregate amount of unquoted investments; and	18.21	18.21
(c) Aggregate amount of impairment in value of investments.	(18.21)	(18.21)

Note 1: Detail of lien marked investments

Name of the security	**As at March 31, 2026**	**As at March 31, 2025**
Aditya Birla Sun Life Money Manager Fund - Regular Plan Nil (March 31, 2025: 21,345.219 units)	-	0.77
Total	**-**	**0.77**

Note 2: The Company invested in Commercial Paper (CP) of IL&FS Financial Services Limited (ILFS) with a maturity date of October 22, 2018. ILFS has defaulted on the payment on such maturity date. The Company has created provision for doubtful investment for 100% of the cost of investments on its evaluation of recoverability. The interest income on the CP has not been recognised in the Statement of Profit and Loss in the current year as well as previous year. However, during the previous year, the Company received a sum of ₹ 1.38 crores from IL&FS Financial Services Limited as a part of the Interim Distribution process and hence the Company had reversed the allowance made for diminution in the value of investment to the extent of amount received.

Ather Energy Limited (formerly known as Ather Energy Private Limited)
Notes to the financial statements for the year ended March 31, 2026

(Amounts in ₹ crores, unless otherwise stated)

Note - 7 TRADE RECEIVABLES		As at March 31, 2026	As at March 31, 2025
Secured			
Trade Receivables - considered good		4.36	5.30
Unsecured			
Trade Receivables - considered good		3.94	6.54
Trade Receivables - Credit impaired		0.72	0.16
		9.02	**12.00**
Less : Allowance for credit impaired receivables		(0.72)	(0.16)
	Total	**8.30**	**11.84**

Note

(a) Refer note 14 for details of trade receivables given as collateral towards borrowings.
(b) Trade receivables from related party has been disclosed in note 36.
(c) Trade receivables are non-interest bearing and are generally on terms of 0 to 90 days.

Trade receivables ageing as at March 31, 2026

Particulars	Outstanding for the following periods from transaction date						Total
	Not due	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	
Undisputed							
- Considered good	0.43	7.75	0.12	-	-	-	8.30
- Which have significant increase in credit risk	-	-	-	-	-	-	-
- Credit impaired	-	-	0.31	0.29	0.12	-	0.72
Disputed							-
- Considered good	-	-	-	-	-	-	-
- Which have significant increase in credit risk	-	-	-	-	-	-	-
- Credit impaired	-	-	-	-	-	-	-
Total	0.43	7.75	0.43	0.29	0.12	-	9.02
Less : Allowance for credit impaired receivables							(0.72)
Total							8.30

Trade receivables ageing as at March 31, 2025

Particulars	Outstanding for the following periods from transaction date						Total
	Not due	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	
Undisputed							
- Considered good	-	11.33	0.51	-	-	-	11.84
- Which have significant increase in credit risk	-	-	-	-	-	-	-
- Credit impaired	-	-	-	0.16	-	-	0.16
Disputed							
- Considered good	-	-	-	-	-	-	-
- Which have significant increase in credit risk	-	-	-	-	-	-	-
- Credit impaired	-	-	-	-	-	-	-
Total	-	11.33	0.51	0.16	-	-	12.00
Less : Allowance for credit impaired receivables							(0.16)
Total							11.84

Note - 8 CASH AND CASH EQUIVALENTS		As at March 31, 2026	As at March 31, 2025
Cash on hand		0.32	0.09
Balances with banks			
-in current accounts		78.12	69.71
-in term deposits accounts (with original maturity of less than 3 months)		33.50	-
	Total	**111.94**	**69.80**

Note - 9 BANK BALANCES OTHER THAN CASH AND CASH EQUIVALENTS		As at March 31, 2026	As at March 31, 2025
Bank balances other than cash and cash equivalents			
-Earmarked deposits with banks*		63.70	67.70
-Term deposit accounts (with original maturity of more than 3 months but less than 12 months)		647.51	232.93
	Total	**711.21**	**300.63**

*Lien marked against bank guarantee and term loan from banks

Note - 10 LOANS		As at March 31, 2026	As at March 31, 2025
Current			
Unsecured, considered good			
Loans to employees		0.17	0.42
	Total	**0.17**	**0.42**

Note - 11 CURRENT TAX ASSETS		As at March 31, 2026	As at March 31, 2025
Tax deduction at source		4.42	4.66
	Total	**4.42**	**4.66**

Ather Energy Limited (formerly known as Ather Energy Private Limited)
Notes to the financial statements for the year ended March 31, 2026

Note - 12 EQUITY SHARE CAPITAL (Amounts in ₹ crores, unless otherwise stated)

Particulars	As at March 31, 2026		As at March 31, 2025	
	No of Shares	Amount	No of Shares	Amount
Authorised Capital				
Equity Share Capital				
Equity Shares of ₹ 1 each	1,00,00,00,000	100.00	60,00,00,000	60.00
Preference Share Capital				
Compulsorily Convertible Preference shares of ₹ 37 each	-	-	23,490	0.09
Series A Compulsorily Convertible Preference Shares of ₹ 1 each	-	-	74,732	0.01
Series B Compulsorily Convertible Preference Shares of ₹ 10 each	-	-	99,826	0.10
Series B1 Compulsorily Convertible Preference Shares of ₹ 10 each	-	-	29,347	0.03
Series C Compulsorily Convertible Preference Shares of ₹ 10 each	-	-	29,699	0.03
Series C1 Compulsorily Convertible Preference Shares of ₹ 10 each	-	-	20,688	0.02
Series D Compulsorily Convertible Preference Shares of ₹ 10 each	-	-	88,040	0.09
Series E Compulsorily Convertible Preference Shares of ₹ 10 each	-	-	1,93,789	0.19
Series E1 Compulsorily Convertible Preference Shares of ₹ 10 each	-	-	51,359	0.05
Series E2 Compulsorily Convertible Preference Shares of ₹ 10 each	-	-	2,29,120	0.23
Series F Compulsorily Convertible Preference Shares of ₹ 1 each	-	-	74,148	0.01
Compulsorily Convertible Preference Shares of ₹ 10 each	-	-	3,91,56,331	39.16
TOTAL	**1,00,00,00,000**	**100.00**	**64,00,70,569**	**100.00**

Particulars	As at March 31, 2026		As at March 31, 2025	
	No of Shares	Amount	No of Shares	Amount
Issued, Subscribed and Paid up Share Capital				
Equity Share Capital (refer note 12.1 below)				
Equity Shares of ₹ 1 each.	38,26,73,164	38.27	29,06,43,469	29.06
Preference Share Capital (instrument entirely equity in nature) (refer note 12.2 below)	-	-	-	-
TOTAL	**38,26,73,164**	**38.27**	**29,06,43,469**	**29.06**

Note: During the year ended March 31, 2025, the Company has issued 74,148 number of Series F Compulsorily convertible preference shares of ₹ 1 each and 1,65,28,925 number of Series G Compulsorily convertible preference shares of ₹ 10 each (refer note 12.2.11 and 12.2.12).

12.1. Equity Share Capital

12.1.1 Equity Shares of ₹ 1 each Fully paid up.

(i) Reconciliation of shares outstanding at the beginning and at the end of reporting year

Particulars	As at March 31, 2026		As at March 31, 2025	
	No of Shares	Amount	No of Shares	Amount
Opening Balance	29,06,43,469	29.06	1,11,030	0.01
Add: Issue of equity shares (refer note (a) and (b) below)	8,18,16,199	8.18	9,07,236	0.09
Add: Issue of bonus shares during the year (refer note (c) below)	-	-	2,96,58,520	2.97
Add: Issue of equity shares by sub-division of face value from ₹ 37 to ₹ 1 (refer note (c) below)	-	-	1,30,610	0.01
Add: Issue of equity shares by conversion of Compulsory Convertible Preference Shares (CCPS) (refer note (d) below)	-	-	25,98,36,073	25.98
Add: Shares issued on exercise of employee stock options during the year	1,02,13,496	1.02	-	-
Closing Balance	**38,26,73,164**	**38.27**	**29,06,43,469**	**29.06**

Notes :

(a) During the year ended March 31, 2026, the Company has completed Initial Public Offer ("IPO") of 9,28,67,945 equity shares of face value of ₹ 1 each at an issue price of ₹ 321 per share, comprising of fresh issue of 8,18,16,199 shares, out of which 8,17,16,199 equity shares were issued at an offer price of ₹ 321 per equity share to all the allottees and 1,00,000 equity shares were issued at an offer price of ₹ 291 per equity share, after a discount of ₹ 30 per equity share to employees aggregating to ₹ 2,626.00 crores and offer for sale of 1,10,51,746 equity shares by the selling shareholders aggregating to ₹ 354.80 crores. Pursuant to the IPO, the equity shares of the Company are listed on the National Stock Exchange ("NSE") and Bombay Stock Exchange ("BSE") on May 06, 2025.

(b) The Board of Directors of the Company vide their resolution dated July 04, 2024 approved the allotment of 9,07,236 Equity shares of ₹ 1 each (adjusted for Bonus Issuance) to Tarun Sanjay Mehta and Swapnil Babanlal Jain pursuant to exercise of stock options.

(c) The Board of Directors of our Company in its meeting held on June 18, 2024 and shareholders of our Company in the Extraordinary General Meeting held on June 21, 2024 approved the issuance of bonus equity share of ₹ 1 each in the ratio of 260:1 and 224:1 for the equity shares of ₹ 1 each and for the equity shares of ₹ 37 each respectively and also approved the sub-division of 3,530 equity shares of ₹ 37 each into 1,30,610 equity shares of ₹ 1 each. The conversion ratio of the Compulsory Convertible Preference Shares into Equity Shares and the employee stock options along with its price per option have been adjusted accordingly.

(d) The Board of Directors vide their resolution dated February 25, 2025 approved the conversion of 74,148 Series F CCPS into 1,93,52,628 equity shares in the conversion ratio of 261:1 with the face value of ₹ 1 each ranking pari-passu with the existing equity shares of the Company (refer note 12.2.12 (vii)). Further, the Board of Directors vide their resolution dated 08 March, 2025 approved the conversion of Compulsory Convertible Preference Shares (Series Seed One, Series Seed Two, Series Seed Three and Series Seed Four), Series A, Series B, Series B1, Series C, Series C1, Series D, Series E, Series E1, Series E2, Series Bonus CCPS and Series G classes of Compulsory Convertible Preference Shares ("CCPS") issued and allotted by the Company from time to time aggregating to 1,73,62,374 Outstanding CCPS of the Company into 24,04,83,445 fully paid up equity shares of face value of ₹ 1 each ranking pari-passu with the existing equity shares of the Company (refer note 12.2.12 (viii) and (ix)).

(ii) Rights, preferences & restrictions attached to this class of share

Each holder of the equity shares is entitled to one vote per share and carries a right to dividends as and when declared by the Company. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amount, in proportion to their shareholding.

12.1.2 Equity Shares of ₹ 37 each

(i) Reconciliation of shares outstanding at the beginning and at the end of reporting year

Particulars	As at March 31, 2026		As at March 31, 2025	
	No of Shares	Amount	No of Shares	Amount
Opening Balance	-	-	3,530	0.01
Add: Issue of equity shares by sub-division of face value from ₹ 37 to ₹ 1 (refer note 12.1.1(i)(c))	-	-	1,27,080	-
Less: Transfer to equity shares of ₹ 1 each post sub-division (refer note 12.1.1(i)(c))	-	-	(1,30,610)	(0.01)
Closing Balance	-	-	-	-

Note - 12 EQUITY SHARE CAPITAL (Amounts in ₹ crores, unless otherwise stated)

12.2. Instrument entirely equity in nature - Compulsorily convertible preference shares (CCPS)

12.2.1 Compulsorily Convertible Preference shares of ₹ 37 each (CCPS)

(i) Reconciliation of shares outstanding at the beginning and at the end of reporting year

Particulars	As at March 31, 2026		As at March 31, 2025	
	No of Shares	Amount	No of Shares	Amount
Opening Balance	-	-	23,490	0.09
Add: Issued during the year	-	-	-	-
Less: Conversion of CCPS into Equity shares (refer note 12.2.12(ix) below)	-	-	(23,490)	(0.09)
Closing Balance	-	-	-	-

(ii) Rights, preferences & restrictions attached to this class of share

(a) Each preference share were to get converted into 261 equity share of ₹ 1 each (refer note 12.1.1(i) (c)) subject to adjustments for share splits, bonus etc. based on the subscription agreement not later than 20 years from date of issue from financial year 2014-15.
(b) No dividend shall be payable.
(c) One vote per compulsorily convertible preference shares pari passu with the equity shares.
(d) Right over surplus assets on a pro-rata basis in the event of liquidation.

12.2.2 Series A Compulsorily Convertible Preference Shares of ₹ 1 each (CCPS)

(i) Reconciliation of shares outstanding at the beginning and at the end of reporting year

Particulars	As at March 31, 2026		As at March 31, 2025	
	No of Shares	Amount	No of Shares	Amount
Opening Balance	-	-	74,732	0.01
Add: Issued during the year	-	-	-	-
Less: Conversion of CCPS into Equity shares (refer note 12.2.12(ix) below)	-	-	(74,732)	(0.01)
Closing Balance	-	-	-	-

12.2.3 Series B Compulsorily Convertible Preference Shares of ₹ 10 each (CCPS)

(i) Reconciliation of shares outstanding at the beginning and at the end of reporting year

Particulars	As at March 31, 2026		As at March 31, 2025	
	No of Shares	Amount	No of Shares	Amount
Opening Balance	-	-	99,826	0.10
Add: Issued during the year	-	-	-	-
Less: Conversion of CCPS into Equity shares (refer note 12.2.12(ix) below)	-	-	(99,826)	(0.10)
Closing Balance	-	-	-	-

12.2.4 Series B1 Compulsorily Convertible Preference Shares of ₹ 10 each (CCPS)

(i) Reconciliation of shares outstanding at the beginning and at the end of reporting year

Particulars	As at March 31, 2026		As at March 31, 2025	
	No of Shares	Amount	No of Shares	Amount
Opening Balance	-	-	29,347	0.03
Add: Issued during the year	-	-	-	-
Less: Conversion of CCPS into Equity shares (refer note 12.2.12(ix) below)	-	-	(29,347)	(0.03)
Closing Balance	-	-	-	-

12.2.5 Series C Compulsorily Convertible Preference Shares of ₹ 10 each (CCPS)

(i) Reconciliation of shares outstanding at the beginning and at the end of reporting year

Particulars	As at March 31, 2026		As at March 31, 2025	
	No of Shares	Amount	No of Shares	Amount
Opening Balance	-	-	29,699	0.03
Add: Issued during the year	-	-	-	-
Less: Conversion of CCPS into Equity shares (refer note 12.2.12(ix) below)	-	-	(29,699)	(0.03)
Closing Balance	-	-	-	-

12.2.6 Series C1 Compulsorily Convertible Preference Shares of ₹ 10 each (CCPS)

(i) Reconciliation of shares outstanding at the beginning and at the end of reporting year

Particulars	As at March 31, 2026		As at March 31, 2025	
	No of Shares	Amount	No of Shares	Amount
Opening Balance	-	-	20,688	0.02
Add: Issued during the year	-	-	-	-
Less: Conversion of CCPS into Equity shares (refer note 12.2.12(ix) below)	-	-	(20,688)	(0.02)
Closing Balance	-	-	-	-

12.2.7 Series D Compulsorily Convertible Preference Shares of ₹ 10 each (CCPS)

(i) Reconciliation of shares outstanding at the beginning and at the end of reporting year

Particulars	As at March 31, 2026		As at March 31, 2025	
	No of Shares	Amount	No of Shares	Amount
Opening Balance	-	-	88,040	0.09
Add: Issued during the year	-	-	-	-
Less: Conversion of CCPS into Equity shares (refer note 12.2.12(ix) below)	-	-	(88,040)	(0.09)
Closing Balance	-	-	-	-

12.2.8 Series E Compulsorily Convertible Preference Shares of ₹ 10 each (CCPS)

(i) Reconciliation of shares outstanding at the beginning and at the end of reporting year

Particulars	As at March 31, 2026		As at March 31, 2025	
	No of Shares	Amount	No of Shares	Amount
Opening Balance	-	-	1,93,789	0.19
Add: Issued during the year	-	-	-	-
Less: Conversion of CCPS into Equity shares (refer note 12.2.12(ix) below)	-	-	(1,93,789)	(0.19)
Closing Balance	-	-	-	-

Note - 12 EQUITY SHARE CAPITAL (Amounts in ₹ crores, unless otherwise stated)

12.2.9 Series E1 Compulsorily Convertible Preference Shares of ₹ 10 each (CCPS)

(i) Reconciliation of shares outstanding at the beginning and at the end of reporting year

Particulars	As at March 31, 2026		As at March 31, 2025	
	No of Shares	Amount	No of Shares	Amount
Opening Balance	-	-	51,359	0.05
Add: Issued during the year	-	-	-	-
Less: Conversion of CCPS into Equity shares (refer note 12.2.12(ix) below)	-	-	(51,359)	(0.05)
Closing Balance	-	-	-	-

12.2.10 Series E2 Compulsorily Convertible Preference Shares of ₹ 10 each (CCPS)

(i) Reconciliation of shares outstanding at the beginning and at the end of reporting year

Particulars	As at March 31, 2026		As at March 31, 2025	
	No of Shares	Amount	No of Shares	Amount
Opening Balance	-	-	2,04,391	0.20
Add: Issued during the yer	-	-	-	-
Less: Conversion of CCPS into Equity shares (refer note 12.2.12(ix) below)	-	-	(2,04,391)	(0.20)
Closing Balance	-	-	-	-

12.2.11 Series F Compulsorily Convertible Preference Shares of ₹ 1 each (CCPS)

(i) Reconciliation of shares outstanding at the beginning and at the end of reporting year

Particulars	As at March 31, 2026		As at March 31, 2025	
	No of Shares	Amount	No of Shares	Amount
Opening Balance	-	-	-	-
Add: Issued during the year (refer note 12.2.12(iii) below)	-	-	74,148	0.01
Less: Conversion of Series F CCPS into Equity shares (refer note 12.2.12(vii) below)	-	-	(74,148)	(0.01)
Closing Balance	-	-	-	-

12.2.12 Compulsorily Convertible Preference Shares of ₹ 10 each (CCPS)

(i) Reconciliation of shares outstanding at the beginning and at the end of reporting year

Particulars	As at March 31, 2026		As at March 31, 2025	
	No of Shares	Amount	No of Shares	Amount
Opening Balance (refer note 12.2.12(ii) below)	-	-	18,088	0.02
Add: Issued during the year (Series G) (refer note 12.2.12(v) below)	-	-	1,65,28,925	16.53
Less: Conversion of CCPS into Equity shares (refer note 12.2.12(viii) below)	-	-	(1,65,47,013)	(16.55)
Closing Balance	-	-	-	-

(ii) Rights, preferences & restrictions attached to the above 12.2.2 to 12.2.10 and 12.2.12 (except Series G) classes of shares

(a) Preference share holders were entitled to receive a dividend at the rate of 0.001% per annum on each preference share held by such holder, if declared by the Board of Directors. In the event the Company declares a dividend on the Equity Shares at a rate which is higher than the rate mentioned herein, the holders of Preference Shares shall be entitled to receive, in priority to the holders of Equity Shares, a dividend at a rate per preference share as would equal the product of (i) the higher dividend rate payable on each equity share and (ii) the number of equity shares issuable upon conversion of such preference share. All dividends to such shareholders shall be non-cumulative.

(b) On the occurrence of a liquidation event, the preference share holders were entitled to receive out of the proceeds or assets of the Company available for distribution to its shareholders, on a pari passu basis and prior and in preference to any distribution of proceeds of such liquidation event to the holders of equity shares by reason of their ownership thereof, an amount per share equal to the sum of the applicable original issue price, plus declared but unpaid dividends thereon.

(c) Preference shares were to be converted to such number of equity shares (refer note 12.2.12 (ix)), at the conversion ratio then in effect:
• In the event the preference share holder requires Company to convert all or a part of such preference shares held by such holder;
• upon the earlier of (i) the closing of an IPO, or (ii) the date, or the occurrence of an event, specified by vote or written consent or agreement of the requisite number of investors.
• upon the date that is twenty (20) years after the date on which such series of Preference Shares were first issued by the Company.

(d) Holders of preference shares enjoyed such voting rights available to the extent permissible under law, carry voting rights as if the preference shares have been fully converted into equity shares. Each preference share shall entitle the holder to the number of votes equal to the number of whole or fractional equity shares into which such preference share could then be converted. If applicable law does not permit any holder of preference shares to exercise voting rights on all or any matters submitted to the vote of the Shareholders of the Company (including the holders of equity shares) (the "Non-Voting Preference Shares"), then until the conversion of all such Non-Voting Preference Shares into equity shares, each shareholder shall vote in accordance with the instructions of the holders of such Non-Voting Preference Shares at a general meeting of the shareholders or provide proxies without instructions to the holders of the Non-Voting Preference Shares for the purposes of a general meeting of the shareholders, in respect of such number of equity shares held by each of them such that a relevant percentage of the equity shares of the Company are voted in the manner required by the holders of the Non-Voting Preference Shares.

(iii) The Board of Directors of the Company in its meeting held on May 16, 2024 and shareholders of the Company in the Extraordinary General Meeting held on May 28, 2024 approved the issuance of 74,148 Series F Compulsory Convertible Preference Shares ("Series F CCPS") with face value of ₹ 1 per share at a premium of ₹ 11,673 per share, aggregating to ₹ 11,674 per share for cash on preferential basis. The Board of Directors vide their resolution dated July 09, 2024 allotted 74,148 Series F – CCPS of face value of ₹ 1 each with a premium of ₹ 11,673 per share to the Promoters, Tarun Sanjay Mehta and Swapnil Babanlal Jain, and considering the terms of the conversion of Series F CCPS linked with achievement of internal rate of return, the same has been accounted as share based payments in accordance "IND AS 102- Share-based Payment" under the head other equity (refer note 12.2.12 (vii)).

(iv) Rights, preferences & restrictions attached to the Series F CCPS

(a) Preference share holders were entitled to receive a dividend at the rate of 0.001% per annum on each preference share held by such holder, if declared by the Board of Directors. In the event the Company declares a dividend on the Equity Shares at a rate which is higher than the rate mentioned herein, the holders of Preference Shares were entitled to receive, in priority to the holders of Equity Shares, a dividend at a rate per preference share as would equal the product of (i) the higher dividend rate payable on each equity share and (ii) the number of equity shares issuable upon conversion of such preference share. All dividends to such shareholders shall be non-cumulative.

(b) On the occurrence of a liquidation event, the preference share holders were entitled to receive out of the proceeds or assets of the Company available for distribution to its shareholders, on a pari passu basis and prior and in preference to any distribution of proceeds of such liquidation event to the holders of equity shares by reason of their ownership thereof, an amount per share equal to the sum of the applicable original issue price, plus declared but unpaid dividends thereon.

(c) Preference shares were to be converted up to a maximum of 1,93,52,628 equity shares (refer note 12.2.12. (vii)) upon meeting the conversion criteria upon occurrence of either of the following, whichever is earlier –
(i) An IPO of the Company prior to agreed date; or
(ii) An Exit Event as specified in the terms of issue of CCPS prior to the agreed date
(iii) upon the date that is twenty (20) years after the date on which such series of Preference Shares were first issued by the Company.

(d) Holders of preference shares enjoyed such voting rights available to the extent permissible under law, carry voting rights as if the preference shares have been fully converted into equity shares. Each preference share entitled the holder to the number of votes equal to the number of whole or fractional equity shares into which such preference share would be converted. If applicable law did not permit any holder of preference shares to exercise voting rights on all or any matters submitted to the vote of the Shareholders of the Company (including the holders of equity shares) (the "Non-Voting Preference Shares"), then until the conversion of all such Non-Voting Preference Shares into equity shares, each shareholder shall vote in accordance with the instructions of the holders of such Non-Voting Preference Shares at a general meeting of the shareholders or provide proxies without instructions to the holders of the Non-Voting Preference Shares for the purposes of a general meeting of the shareholders, in respect of such number of equity shares held by each of them such that a relevant percentage of the equity shares of the Company are voted in the manner required by the holders of the Non-Voting Preference Shares.

Ather Energy Limited (formerly known as Ather Energy Private Limited)
Notes to the financial statements for the year ended March 31, 2026

Note - 12 EQUITY SHARE CAPITAL (Amounts in ₹ crores, unless otherwise stated)

(v) The Board of Directors vide their resolution dated July 29, 2024 approved the issue of 1,65,28,925 Series G CCPS of face value of ₹ 10 each at a premium of ₹ 353 per share to India – Japan Fund (Represented by and acting through its investment manager, National Investment and Infrastructure Fund Limited). Further, our Board of Directors by the resolution dated 04 September 2024, allotted 1,65,28,925 to Series G CCPS at an issue price of ₹ 363 for an aggregate consideration of ₹ 600 crores. Considering the terms of the conversion of Series G CCPS into variable number of equity shares, the same has been accounted as Financial liability under the head "Borrowings" in accordance with IND AS 32 - Financial Instruments - Presentation" (refer note 12.2.12 (viii)).

(vi) Rights, preferences & restrictions attached to the Series G CCPS

(a) Preference share holders were entitled to receive a dividend at the rate of 0.001% per annum on each preference share held by such holder, if declared by the Board of Directors. In the event the Company declared a dividend on the Equity Shares at a rate which is higher than the rate mentioned herein, the holders of Preference Shares were to be entitled to receive, in priority to the holders of Equity Shares, a dividend at a rate per preference share as would equal the product of (i) the higher dividend rate payable on each equity share and (ii) the number of equity shares issuable upon conversion of such preference share. All dividends to such shareholders shall be non-cumulative.

(b) On the occurrence of a liquidation event, the preference share holders were entitled to receive out of the proceeds or assets of the Company available for distribution to its shareholders, on a pari passu basis and prior and in preference to any distribution of proceeds of such liquidation event to the holders of equity shares by reason of their ownership thereof, an amount per share equal to the sum of the applicable original issue price, plus declared but unpaid dividends thereon.

(c) Preference shares were to be converted up to a maximum of 3,18,26,050 equity shares (refer note 12.2.12 (viii)), at the conversion ratio then in effect:
• In the event the preference share holder requires Company to convert all or a part of such preference shares held by such holder;
• upon the earlier of (i) filing of UDRHP, or (b) a subsequent equity fund raise for a minimum amount of USD 75 million or (iii) the date, or the occurrence of an event, specified by vote or written consent or agreement of the requisite number of investors.

(d) Holders of preference shares enjoyed such voting rights available to the extent permissible under law, carry voting rights as if the preference shares have been fully converted into equity shares. Each preference share entitled the holder to the number of votes equal to the number of whole or fractional equity shares into which such preference share could then be converted. If applicable law does not permit any holder of preference shares to exercise voting rights on all or any matters submitted to the vote of the Shareholders of the Company (including the holders of equity shares) (the "Non-Voting Preference Shares"), then until the conversion of all such Non-Voting Preference Shares into equity shares, each shareholder shall vote in accordance with the instructions of the holders of such Non-Voting Preference Shares at a general meeting of the shareholders or provide proxies without instructions to the holders of the Non-Voting Preference Shares for the purposes of a general meeting of the shareholders, in respect of such number of equity shares held by each of them such that a relevant percentage of the equity shares of the Company are voted in the manner required by the holders of the Non-Voting Preference Shares.

(vii) The Board of Directors vide their resolution dated February 25, 2025 approved the conversion of 74,148 Series F CCPS into 1,93,52,628 equity shares in the conversion ratio of 261:1 with the face value of ₹ 1 each ranking pari-passu with the existing equity shares of the Company.

(viii) The Board of Directors vide their resolution dated March 08, 2025 approved the conversion of 1,65,28,925 Series G CCPS into 2,24,65,447 fully paid up equity shares of face value of ₹ 1 each ranking pari-passu with the existing equity shares of the Company.

(ix) Further, the Board of Directors vide their resolution dated March 08, 2025 approved the conversion of Series Seed One, Series Seed Two, Series Seed Three, Series Seed Four, Series A, Series B, Series B1, Series C, Series C1, Series D, Series E, Series E1, Series E2 and Series Bonus CCPS (collectively referred as "Outstanding CCPS") issued and allotted by the Company from time to time aggregating to 8,33,449 Outstanding CCPS of the Company into 21,80,17,998 fully paid up equity shares of face value of ₹ 1 each ranking pari-passu with the existing equity shares of the Company. The conversion ratio for each of the series of CCPS is as below:

Particulars	Outstanding CCPS	Conversion Ratio	Numbers of resulting Equity shares
Compulsorily Convertible Preference shares of ₹ 37 each	23,490	261:1	61,30,890
Series A Compulsorily Convertible Preference Shares of ₹ 1 each	74,732	261:1	1,95,05,052
Series B Compulsorily Convertible Preference Shares of ₹ 10 each	99,826	261:1	2,60,54,586
Series B1 Compulsorily Convertible Preference Shares of ₹ 10 each	29,347	277.57764:1	81,46,071
Series C Compulsorily Convertible Preference Shares of ₹ 10 each	29,699	261.01756:1	77,51,961
Series C1 Compulsorily Convertible Preference Shares of ₹ 10 each	20,688	261.0378:1	54,00,351
Series D Compulsorily Convertible Preference Shares of ₹ 10 each	88,040	261:1	2,29,78,440
Series E Compulsorily Convertible Preference Shares of ₹ 10 each	1,93,789	261:1	5,05,78,929
Series E1 Compulsorily Convertible Preference Shares of ₹ 10 each	51,359	261:1	1,34,04,699
Series E2 Compulsorily Convertible Preference Shares of ₹ 10 each	2,04,391	261:1	5,33,46,051
Compulsorily Convertible Preference Shares of ₹ 10 each	18,088	261:1	47,20,968

12.3 Details of Shares held by Shareholders holding more than 5% of the aggregate shares in the Company

Particulars	As at March 31, 2026		As at March 31, 2025	
	No of Shares	% Holding	No of Shares	% Holding
EQUITY SHARE CAPITAL				
12.3.1 Equity Shares of ₹ 1 each				
Swapnil Babanlal Jain	1,92,57,732	5.03%	2,05,17,732	7.06%
Tarun Sanjay Mehta	1,92,57,732	5.03%	2,05,17,732	7.06%
Hero MotoCorp Limited	11,50,83,252	30.07%	11,50,83,252	39.60%
Caladium Investment Pte Ltd	3,54,10,916	9.25%	4,65,14,376	16.00%
SBI Small Cap Fund	2,75,58,296	7.20%	-	0.00%
India-Japan Fund	2,24,65,447	5.87%	2,24,65,447	7.73%
National Investment And Infrastructure Fund II	-	-	2,04,12,027	7.02%
Internet Fund III Pte. Ltd.	-	-	1,97,60,832	6.80%

12.4 Details of equity Shares held by Promoters*
As at March 31, 2026

Particulars	No. of shares at the end of the year	% of total shares	% change during the year
Nominal value of ₹ 1 each			
Tarun Sanjay Mehta	1,92,57,732	5.03%	-28.71%
Swapnil Babanlal Jain	1,92,57,732	5.03%	-28.71%
Hero MotoCorp Limited	11,50,83,252	30.07%	-24.05%
Mehta Family Trust (Represented by Tarun Sanjay Mehta) (Promoter group)	5,83,000	0.15%	-43.45%
Tarun Swarna Family Trust (Represented by Tarun Sanjay Mehta) (Promoter group)	5,22,000	0.14%	-24.05%
Swapnil Jain Family Trust (Represented by Swapnil Babanlal Jain) (Promoter group)	6,52,500	0.17%	-24.05%
Jain Family Trust (Represented by Swapnil Babanlal Jain) (Promoter group)	6,52,500	0.17%	-24.05%

As at March 31, 2025

Particulars	No. of shares at the end of the year	% of total shares	% change during the year
Nominal value of ₹ 1 each			
Tarun Sanjay Mehta	2,05,17,732	7.06%	-82.50%
Swapnil Babanlal Jain	2,05,17,732	7.06%	-80.31%
Hero MotoCorp Limited	11,50,83,252	39.60%	100.00%
Mehta Family Trust (Represented by Tarun Sanjay Mehta) (Promoter group)	7,83,000	0.27%	-90.03%
Tarun Swarna Family Trust (Represented by Tarun Sanjay Mehta) (Promoter group)	5,22,000	0.18%	-90.03%
Swapnil Jain Family Trust (Represented by Swapnil Babanlal Jain) (Promoter group)	6,52,500	0.22%	100.00%
Jain Family Trust (Represented by Swapnil Babanlal Jain) (Promoter group)	6,52,500	0.22%	100.00%

* Promoters as defined in the Companies Act, 2013.

(Amounts in ₹ crores, unless otherwise stated)

Note - 13 OTHER EQUITY	As at March 31, 2026	As at March 31, 2025
(i) Securities Premium		
Balance at the beginning of the year	4,009.06	3,332.66
Add : Addition during the year on fresh issue of shares	2,617.82	-
Less : Utilisation towards share issue expense	(88.13)	-
Add : Issue of equity shares on settlement of stock options during the year (refer note 12.1.1(i)(b))	-	16.94
Add : Transfer on account of exercise of employee stock options	125.30	-
Less : Issue of bonus equity shares by utilisation of security premium during the year (refer note 12.1.1(i)(c))	-	(2.97)
Add : Conversion of Series F CCPS classified as stock options into Equity shares (refer note 12.2.12 (vii))	-	85.65
Add : Conversion of Series G CCPS classified as financial liability into Equity shares (refer note 12.2.12 (viii))	-	597.75
Add : Utilisation of Securities Premium for Conversion of CCPS into Equity shares (refer note 12.2.12 (ix))	-	(20.97)
Balance at the end of the year	**6,664.05**	**4,009.06**
(ii) Retained earnings		
Balance at the beginning of the year	(3,732.16)	(2,909.26)
Add : Loss for the year	(517.17)	(812.28)
Add : Other Comprehensive gain / (loss)	0.42	(4.64)
Add : Transfer from stock option outstanding account on cancellation/cash settlement	-	(5.98)
Balance at the end of the year	**(4,248.91)**	**(3,732.16)**
(iii) Stock Options Outstanding Reserve		
Balance at the beginning of the year	187.03	121.66
Less :Issue of equity shares on settlement of stock options during the year (refer note 12.1.1(i)(b))	-	(17.01)
Add : Charge against share based payments during the year	58.43	83.03
Add : Modification of terms of employee share based payments	-	5.11
Add : Issue of compulsorily convertible preference shares during the year (refer note 12.2.12(iii))	-	86.56
Less: Conversion of Series F CCPS classified as stock options into Equity shares (refer note 12.2.12 (vii))	-	(87.59)
Less : Stock options settled/cancelled during the year	-	(10.71)
Add : Transfer to retained earnings on cancellation/cash settlement.	-	5.98
Less: Transfer on account of exercise of employee stock options	(126.24)	-
Balance at the end of the year	**119.22**	**187.03**
	2,534.36	**463.93**

Nature and purpose of other reserve

(i) Securities Premium

Securities premium is used to record the premium received on issue of shares. It is utilised in accordance with the provisions of the Companies Act, 2013.

(ii) Retained earnings

Retained earnings are the accumulated profits / (loss) earned by the Company till date, less transfer to general reserves, dividend and other distributions made to the shareholders.

(iii) Stock Options Outstanding Reserve

The fair value of the equity-settled share based payment transactions with employees is recognised in statement of profit and loss with corresponding credit to stock options outstanding reserve. The amount of cost recognised is transferred to equity share capital and security premium on exercise of the related stock options.

Note - 14 BORROWINGS		As at March 31, 2026	As at March 31, 2025
Non-current (at amortised cost)			
Secured			
(a) Non convertible debentures		-	116.86
(b) Term loans			
(i) from banks		367.42	-
	Total	**367.42**	**116.86**
Current (at amortised cost)			
Secured			
(a) Loans repayable on demand			
(i) from banks		-	85.62
(b) Current maturities of long term debt			
Non convertible debentures		-	241.18
Term loan			
(i) from banks		145.65	6.19
	Total	**145.65**	**332.99**
		513.07	**449.85**

Note:

Above amounts are net off unamortised borrowing costs.

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(Amounts in ₹ crores, unless otherwise stated)

(i) Terms and repayment:

(a) Secured term loans from banks and others carry interest rate ranging from 8.85% p.a to 9.5% p.a. These loans are repayable in monthly / quarterly installments as per the terms of the respective loan agreements. Tenure of these loans are ranging from 2.5 to 4 years.

(b) The Company has availed short term credit facilities in the form of working capital loans to meet the working capital requirements of the Company and these facilities carry an floating interest from 8.4% p.a. to 10.5% p.a. These are repayable on demand.

(c) The Company has issued redeemable Non-convertible debentures for the purpose of general corporate purposes and the terms of the debentures are as below:

Face value (₹)	Number of debentures	Allotted on	Outstanding as at 31 March 2026*	Outstanding as at 31 March 2025*	Interest rate	Repayment
1,00,000	2,000	05 February 2025	-	20.00	14.85% p.a. payable on monthly basis	Redeemable in 20 equal installments of ₹ 1,00,00,000, each commencing from May 01, 2025 #
1,00,000	2,000	19 November 2024	-	18.95	14.85% p.a. payable on monthly basis	Redeemable in 19 equal installments of ₹ 1,05,20,000, each commencing from April 01, 2025 #
1,00,000	10,000	13 June 2024	-	100.00	14.50% p.a. payable on monthly basis	Redeemable in 21 equal installments of ₹ 476,19,048 each commencing from April 30, 2025 #
1,00,000	5,000	30 May 2024	-	47.62	14.50% p.a. payable on monthly basis	Redeemable in 21 equal installments of ₹ 238,09,524 each commencing from March 31, 2025 #
1,00,000	5,000	30 May 2024	-	47.62	14.50% p.a. payable on monthly basis	Redeemable in 21 equal installments of ₹ 238,09,524 each commencing from March 31, 2025 #
1,00,000	6,000	24 July 2024	-	48.00	14.85% p.a. payable on monthly basis	Redeemable in 20 equal installments of ₹ 300,00,000 each commencing from January 01, 2025 #
1,00,000	6,000	04 May 2024	-	36.00	14.85% p.a. payable on monthly basis	Redeemable in 20 equal installments of ₹ 300,00,000 each commencing from September 01, 2024 #
1,00,000	2,000	28 April 2024	-	9.00	14.85% p.a. payable on monthly basis	Redeemable in 20 equal installments of ₹ 100,00,000 each commencing from June 01, 2024
1,00,000	3,000	28 April 2024	-	13.50	14.85% p.a. payable on monthly basis	Redeemable in 20 equal installments of ₹ 150,00,000 each commencing from June 01, 2024
1,00,000	5,000	11 August 2023	-	7.16	14.85% p.a. payable on monthly basis	Redeemable in 21 equal installments of ₹ 2,38,00,000 each commencing from November 01, 2023
1,00,000	5,000	18 August 2023	-	7.16	14.85% p.a. payable on monthly basis	Redeemable in 21 equal installments of ₹ 2,38,00,000 each commencing from November 01, 2023
1,00,000	1,500	02 September 2023	-	2.14	14.85% p.a. payable on monthly basis	Redeemable in 21 equal installments of ₹ 71,42,857 each commencing from November 01, 2023
1,00,000	1,500	02 September 2023	-	2.14	14.85% p.a. payable on monthly basis	Redeemable in 21 equal installments of ₹ 71,42,857 each commencing from November 01, 2023

*Excluding amount of unamortised processing charges and provision of back-end fees

#During the year ended March 31, 2026, the Company has made prepayment of non convertible debentures amounting to ₹ 220.91 crores (March 31, 2025 : ₹ Nil).

(ii) Term of security:

(a) Term loans and Working capital loans from banks:

Term Loan : First pari passu charge on Movable / Immovable Property, Plant and Equipment of the company both present and future, Pari passu charge on brand and trademark/IPR/Intangibles of the technology stock/product suite if any. Second pari passu charge on current assets both present and future.

Working Capital Loans : Pari passu charge on Current Assets of the company both present and future, Pari passu charge on Brand and Trademark / IPR / Intangibles of the technology stock / product suite, Cash margin of 25% by way lien on fixed deposits

(b) Non-convertible debentures

First Pari-passu charge on existing and future property, plant and equipment, Cash and cash equivalents & all intellectual property rights, Second pari-passu charge on existing and future Current assets of the company

(iii) Additional disclosures:

1. The Company has borrowings from banks on the basis of security of current assets and the statements of current assets filed by the Company with banks are in agreement with the books of accounts.
2. The Company has utilised the borrowings for the purpose for which it was taken.
3. Charges or satisfaction of charges are registered with ROC within the statutory period, there are no charges or satisfaction yet to be registered with ROC beyond the statutory period as at March 31, 2026.
4.The Company has not been declared wilful defaulter by any bank or financial institution or government or any government authority.

Note - 15 LEASE LIABILITIES		As at March 31, 2026	As at March 31, 2025
Non-current			
Lease liability (Refer note 2(b))		120.62	143.08
	Total	**120.62**	**143.08**
Current			
Lease liability (Refer note 2(b))		30.53	26.29
	Total	**30.53**	**26.29**

(Amounts in ₹ crores, unless otherwise stated)

Note - 16 OTHER FINANCIAL LIABILITIES		**As at March 31, 2026**	**As at March 31, 2025**
Non-current			
Deposits received from dealers		6.93	11.94
	Total	**6.93**	**11.94**
Current			
Payable to employees		40.51	23.98
Payable on purchase of Property, Plant and Equipment		10.43	10.23
Payable towards refund of charger price to customer (refer note below)		9.81	10.50
Deposits received from dealers		7.60	-
Other Liabilities		5.48	0.71
	Total	**73.83**	**45.42**

Note:

In response to a show cause notice ("SCN") dated March 29, 2023 from IFCI Limited on behalf of the Ministry of Heavy Industries ("MHI") in relation to certain matters under the FAME II and Phased Manufacturing Program ("PMP") guidelines, the Company vide its undertaking dated May 23, 2023, without prejudice agreed to voluntarily refund the price of the "Off board chargers" to all customers who purchased an off board charger as an accessory prior to April 12, 2023.

As at March 31, 2026, the Company has refunded an amount of ₹ 147.97 crores (upto March 31, 2025: ₹ 147.28 crores) to the customers for liability towards "Off-board chargers". Against the outstanding liability of ₹ 9.81 crores as at March 31, 2026, a deposit is maintained in a bank account managed by IFCI Limited, which will be refunded back to the Company on actual payment of charger refund to customers and on submission of relevant documents of such refund.

Note - 17 PROVISIONS		**As at March 31, 2026**	**As at March 31, 2025**
Non-current			
Provision for Employee benefits			
Provision for Gratuity (refer note 34)		38.15	26.12
Provision for compensated absences		23.29	17.67
		61.44	43.79
Other provisions			
Provision for warranties (refer note (a) below)		30.21	32.28
Provision for site-restoration expense (refer note (b) below)		3.75	3.14
		33.96	35.42
	Total	**95.40**	**79.21**
Current			
Provision for Employee benefits			
Provision for Gratuity (refer note 34)		2.93	1.66
Provision for compensated absences		4.22	3.10
		7.15	4.76
Other provisions			
Provision for warranties (refer note (a) below)		115.96	109.72
Provision for repair and others (refer note (c) below)		1.85	4.38
		117.81	114.10
	Total	**124.96**	**118.86**

(a) Movement of provision for warranty	**As at March 31, 2026**	**As at March 31, 2025**
Opening Balance	142.00	107.61
Addition during the year	65.09	80.74
Unwinding of interest	6.39	8.24
Utilised during the year	(66.77)	(37.76)
Unused amounts reversed during the year	(0.54)	(16.83)
Closing balance	146.17	142.00
Non Current	30.21	32.28
Current	115.96	109.72

(b) Movement of site-restoration expense	**As at March 31, 2026**	**As at March 31, 2025**
Opening Balance	3.14	2.75
Addition during the year	0.28	0.41
Unwinding of interest	0.38	0.29
Unused amounts reversed during the year	(0.05)	(0.31)
Closing balance	3.75	3.14
Non Current	3.75	3.14
Current	-	-

(Amounts in ₹ crores, unless otherwise stated)

(c) Movement of provision for repairs and others	As at March 31, 2026	As at March 31, 2025
Opening Balance	4.38	8.99
Addition during the year	-	0.35
Utilised during the year	(2.53)	(3.11)
Unused amounts reversed during the year	-	(1.85)
Closing balance	1.85	4.38
Non Current	-	-
Current	1.85	4.38

Note - 18 OTHER LIABILITIES		As at March 31, 2026	As at March 31, 2025
Non-current			
Subsidy received from Government (refer note below)		2.10	2.10
Deferred Government Grant		0.21	1.04
Deferred revenue		160.96	80.21
	Total	**163.27**	**83.35**
Current			
Statutory dues payable		25.22	14.52
Interest payable to vendors registered under the MSMED Act		3.35	2.63
Deferred revenue		35.79	22.08
Advance received from customers		125.89	49.49
	Total	**190.25**	**88.72**

Note: The Company had received an amount towards incentive under the Tamil Nadu Electric Vehicle Policy 2019 subject to fulfilment of certain conditions. Pending fulfilment of the attached conditions, the Company has disclosed the incentive received as other liabilities in line with Ind AS-20.

Note - 19 TRADE PAYABLES		As at March 31, 2026	As at March 31, 2025
Total outstanding dues of micro and small enterprises (MSME)		58.06	48.35
Total outstanding dues of creditors other than micro and small enterprises		771.96	512.55
	Total	**830.02**	**560.90**

(a)Trade Payables ageing as at March 31, 2026

Particulars	Outstanding for the following periods from the due date					Total
	Not due	Less than 1 year	1-2 Years	2-3 years	More than 3 years	
Undisputed						
- MSME	37.76	20.26	0.01	0.03	-	58.06
- Others	389.50	136.48	3.07	0.11	0.07	529.23
Disputed						
- MSME	-	-	-	-	-	-
- Others	-	-	-	-	-	-
Total	**427.26**	**156.74**	**3.08**	**0.14**	**0.07**	**587.29**
Accrued expenses						**242.73**
					Total	**830.02**

(b)Trade Payables ageing as at March 31, 2025

Particulars	Outstanding for the following periods from the due date					Total
	Not due	Less than 1 year	1-2 Years	2-3 years	More than 3 years	
Undisputed						
- MSME	34.58	13.65	0.12	0.00	-	48.35
- Others	226.18	129.29	0.30	0.06	0.02	355.85
Disputed						-
- MSME	-	-	-	-	-	-
- Others	-	-	-	-	-	-
Total	**260.76**	**142.94**	**0.42**	**0.06**	**0.02**	**404.20**
Accrued expenses						**156.70**
					Total	**560.90**

(c) Relationship with struck off Companies

Based on the information available with the Company, balances outstanding with nature of transaction with struck off companies are as below :

Name of struck off Company	Nature of transactions	Balance outstanding as at March 31, 2026	Balance outstanding as at March 31, 2025	Relationship with the Struck off Company, if any
Dynaspede Integrated Systems (P) Limited	Advance to Vendor	-	0.00	-
Sew Eurodrive India Private Limited	Trade Payables	-	-	-

DETAILS OF DUES TO MICRO AND SMALL ENTERPRISES AS PER THE MICRO, SMALL AND MEDIUM ENTERPRISES DEVELOPMENT ACT, 2006

Particulars	As at March 31, 2026	As at March 31, 2025
(i) Principal amount remaining unpaid to suppliers	58.06	48.35
(ii) Interest due on unpaid principal amount to suppliers	0.03	0.03
(iii) The amount of interest paid along with the amounts of the payment made to the suppliers beyond the appointed day	-	-
(iv) The amount of interest due and payable for the period of delay in making payment (without adding the interest under MSME Development Act)	0.73	0.82
(v) The amount of interest accrued and remaining unpaid	3.35	2.63
(vi) Amount of further interest remaining due and payable even in the succeeding year.	-	-

Dues to Micro and Small Enterprises have been determined to the extent such parties have been identified on the basis of information collected by the Management.

(Amounts in ₹ crores, unless otherwise stated)

Note - 20 REVENUE FROM OPERATIONS		For the year ended March 31, 2026	For the year ended March 31, 2025
Revenue from sale of product and services			
Sale of finished products		3,207.99	1,998.44
Sale of stock-in-trade		176.15	107.11
Sale of service		278.38	145.07
Other operating revenue		9.24	4.39
	Total	**3,671.76**	**2,255.01**

A. Reconciliation of Revenue from operations with the contracted price:

Description		For the year ended March 31, 2026	For the year ended March 31, 2025
Contract price		4,136.39	2,625.47
Less: Trade discounts, Incentives, etc		(464.63)	(370.46)
	Total	**3,671.76**	**2,255.01**

B. Disaggregation of revenue:

The Company has performed a disaggregated analysis of revenues considering the nature, amount, timing and uncertainty of revenues. This includes disclosure of revenues by geography and timing of recognition. Refer note 33 for revenue by geography.

C. Assets and liabilities related to contracts with customers:

Description		As at March 31, 2026	As at March 31, 2025
Contract assets			
Trade receivable		8.30	11.84
		8.30	**11.84**
Contract liabilities			
Advance from customers		125.89	49.49
Deferred revenue		196.75	102.29
	Total	**322.64**	**151.78**

D. Revenue recognised in the below mentioned year that was included in the contract liability balance at the beginning of the year:

Description	For the year ended March 31, 2026	For the year ended March 31, 2025
Revenue recognised from contract liabilities at the beginning of the year	49.49	93.90

E. Movement in deferred revenue during the year:

Description	For the year ended March 31, 2026	For the year ended March 31, 2025
Opening balance	102.29	47.90
Add: Net addition during the year	122.73	71.33
Less: Revenue recognised during the year	(28.27)	(16.94)
Closing balance	**196.75**	**102.29**

F. Timing of revenue recognition:

Description		For the year ended March 31, 2026	For the year ended March 31, 2025
Good and services transferred at a point in time		3,643.49	2,238.07
Service transferred over time		28.27	16.94
	Total	**3,671.76**	**2,255.01**

Note - 21 OTHER INCOME		For the year ended March 31, 2026	For the year ended March 31, 2025
Interest income			
Interest on term deposit		131.77	15.48
Unwinding of interest on financial assets measured at amortised cost		1.55	3.53
Income on financial assets carried at fair value through profit or loss			
Net gain on disposal / fair valuation of investments carried at fair value through profit & loss		17.20	21.82
Other non-operating income			
Provision/Liability no longer required written back		0.02	7.54
Gain on termination of lease		-	0.26
Other non operating income		0.78	1.58
	Total	**151.32**	**50.21**

(Amounts in ₹ crores, unless otherwise stated)

Note - 22 COST OF MATERIAL CONSUMED		For the year ended March 31, 2026	For the year ended March 31, 2025
Raw Materials and components consumed:			
Inventory at the beginning of the year		177.00	98.91
Add: Purchases during the year		2,838.96	1,904.97
Less: Inventory at the end of the year		(207.81)	(177.00)
	Total	**2,808.15**	**1,826.88**

Note - 23 PURCHASE OF STOCK-IN-TRADE		For the year ended March 31, 2026	For the year ended March 31, 2025
Purchase of stock-in-trade		97.04	100.67
	Total	**97.04**	**100.67**

Note - 24 CHANGE IN INVENTORIES OF FINISHED GOODS, STOCK-IN-TRADE AND WORK-IN-PROGRESS		For the year ended March 31, 2026	For the year ended March 31, 2025
Inventories at the beginning of the year			
- Finished Goods		32.36	8.92
- Work-in-Progress		-	0.04
- Stock-in-trade		35.43	8.79
		67.79	**17.75**
- Stock-in-trade capitalised		**(1.62)**	**(0.76)**
Inventories at the end of the year			
- Finished Goods		42.12	32.36
- Work-in-Progress		1.75	-
- Stock-in-trade		29.88	35.43
		73.75	**67.79**
	Total	**(7.58)**	**(50.80)**

Note - 25 EMPLOYEE BENEFITS EXPENSE		For the year ended March 31, 2026	For the year ended March 31, 2025
Salaries and wages (Refer note (i) below)		457.75	360.10
Employee share based payment expenses, net		58.43	83.14
Contribution to provident and other funds		21.58	17.27
Gratuity (refer note 34)		12.01	7.36
Staff welfare expenses		34.14	20.80
		583.91	488.67
Less : Transfer to intangible assets under development		(102.31)	(76.29)
	Total	**481.60**	**412.38**

Notes:

(i) The above amount is net of capitalisation for the year ended March 31, 2026 : ₹ 6.31 crores (for the year ended March 31, 2025 : ₹ Nil) to Capital work-in-progress.

Note - 26 FINANCE COSTS		For the year ended March 31, 2026	For the year ended March 31, 2025
Interest cost on financial liabilities at amortised cost:			
Interest on borrowings (Refer note (i) below)		44.39	75.61
Interest on lease liabilities (Refer note (ii) below)		18.57	18.90
Interest on delayed payments to vendors registered under the MSMED Act		0.73	0.82
Interest on others		6.77	10.66
Exchange differences regarded as an adjustment to borrowing costs		0.36	1.24
Other borrowing costs		11.38	3.39
	Total	**82.20**	**110.62**

Notes:

(i) The above amount is net of capitalisation for the year ended March 31, 2026 : ₹ 1.69 crores (for the year ended March 31, 2025 : ₹ Nil) to Intangible assets under development.

(ii) The above amount is net of capitalisation for the year ended March 31, 2026 : ₹ 0.02 crores (for the year ended March 31, 2025 : ₹ Nil) to Capital work-in-progress.

Note - 27 DEPRECIATION AND AMORTISATION EXPENSE		For the year ended March 31, 2026	For the year ended March 31, 2025
Depreciation of property, plant and equipment (refer note 2(a))		77.85	44.25
Depreciation of right-of-use assets (refer note 2(b))		33.06	30.18
Amortization of other intangible assets (refer note 2(d))		61.98	96.59
	Total	**172.89**	**171.02**

(Amounts in ₹ crores, unless otherwise stated)

Note - 28 OTHER EXPENSES*	**For the year ended March 31, 2026**	**For the year ended March 31, 2025**
Advertisement and marketing	198.69	144.59
Consumables	20.62	22.03
Freight and carriage outwards	57.71	33.64
Electricity charges	20.18	11.44
Insurance	2.34	4.51
Legal, professional and consultancy charges	52.29	50.86
Contractual manpower charges	69.55	30.46
Warranty cost	60.35	60.17
Web server charges and subscriptions	33.42	28.54
Rent and maintenance	29.41	15.30
Repairs and maintenance		
- Plant & machinery	3.09	1.17
- Vehicles	0.36	0.67
- Others	3.17	4.82
Charging infrastructure maintenance charges	5.35	4.87
Communication charges	17.50	15.30
Software license fee	41.09	30.65
Travelling and conveyance	38.75	37.24
Recruitment / training expenses	3.12	4.57
Security charges	6.52	5.00
Assets discarded	0.18	1.27
Foreign exchange loss	7.56	2.62
(Reversal) / Allowance for doubtful advance and receivables, (net)	(1.72)	8.90
Sundry balances written off	0.02	0.01
Rates and taxes	8.18	5.76
Payment to auditors		
- Statutory audit fee and others**	0.75	0.50
- Certification fees	0.01	0.08
- Reimbursement	0.06	0.05
Miscellaneous expenses	22.36	21.71
Total	**700.91**	**546.73**

*Total other expenses are net of capitalisation for the year ended March 31, 2026 : ₹ 67.47 crores (for the year ended March 31, 2025 : ₹ 35.22 crores) to Intangible assets under development.

** Above fees for the year ended March 31, 2025 does not include fees of ₹ 2.40 crores which are considered as share issue expenses under other current asset.

Note - 29 EXCEPTIONAL ITEMS	**For the year ended March 31, 2026**	**For the year ended March 31, 2025**
Impact of New Labour Codes (refer note below)	5.04	-
	5.04	**-**

Note:

On November 21, 2025, the Government of India notified provisions of the Code on Wages, 2019, the Industrial Relations Code, 2020, the Code on Social Security, 2020 and the Occupational Safety, Health and Working Conditions Code 2020, ("Labour Codes") which consolidate twenty-nine existing labour laws into a unified framework governing employee benefits during employment and post-employment. The labour codes, amongst other things introduces changes, including a uniform definition of wages and enhanced benefits relating to compensated absences. The Company has assessed the financial implications of these changes which has resulted in an increase in liability by ₹ 5.04 crores towards gratuity and compensated absences. Considering the impact arising out of an enactment of the new legislation is an event of non-recurring nature, the Company has presented this incremental amount as Exceptional Item in the Statement of Profit and Loss for the year ended March 31, 2026. The Company continues to monitor the finalization of Central / State rules and clarifications from the Government on other aspects of the New Labour Codes and will evaluate further impact, if any, on the measurement of liability pertaining to employee benefits.

(Amounts in ₹ crores, unless otherwise stated)

Note - 30 IMPAIRMENT TESTING OF TANGIBLE ASSETS, INTANGIBLE ASSETS AND INTANGIBLES ASSETS UNDER DEVELOPMENT

The Company does its impairment evaluation on an annual basis and based on such evaluation, the estimated recoverable amount of the Cash Generating Unit (CGU) exceeded its carrying amount. For the purpose of impairment testing, tangible assets, intangible assets (Product Design & Development) and intangible assets under development are allocated to the CGU. For this, the Company as a whole is considered as CGU.

The recoverable amount of the above CGU has been determined based on 'value in use' model, where in the value of cash generating unit is determined as a sum of the net present value of the projected post tax cash flows for a period of 5 years and terminal value. The terminal value of cash generating unit is arrived at by extrapolating cash flows of latest forecasted year to perpetuity using a constant long-term growth rate.

Determination of value in use involves significant estimates and assumptions that affect the reporting CGU's expected future cash flows. The Company has performed sensitivity analysis for all key assumptions and concluded that it is unlikely to cause the carrying amount of the CGU exceed its estimated recoverable amount. The key assumptions used for the calculations on an annual basis were as follows:

Particulars	**As at March 31, 2026**	**As at March 31, 2025**
Discount rate	15.49%	18.30%
Long-term growth rate	5.00%	5.00%

Note: The actual results of operations and cash flows could be different from the estimates.

Note - 31 EARNINGS PER SHARE

Particulars	**For the year ended March 31, 2026**	**For the year ended March 31, 2025**
Loss for the year attributable to owners of the Company	(517.17)	(812.28)
Weighted average number of equity shares outstanding during the year	36,97,60,420	25,19,24,661
Earnings/ (loss) per share basic and diluted (in ₹) (face value of ₹ 1 each)	(13.99)	(32.24)

Notes:

(a) There are potential equity shares as on March 31, 2026 and March 31, 2025 in the form of stock options issued. As these are antidilutive, they are ignored in the calculation of diluted earning per share and accordingly the diluted earning per share is the same as basic earning per share.

(b) The Board of Directors of the Company in its meeting held on June 18, 2024 and shareholders of the Company in the Extraordinary General Meeting held on June 21, 2024 approved the issuance of bonus equity share of ₹ 1 each in the ratio of 260:1 and 224:1 for the Equity shares of ₹ 1 each and for the equity shares of ₹ 37 each respectively and also approved the sub-division of 3,530 equity shares of ₹ 37 each into 1,30,610 equity shares of ₹ 1 each. The number of shares used for the calculation of earnings per share, and the earnings per share (including that in the comparative year), have been adjusted for pursuant to Paragraph 64 of Ind AS 33 - "Earnings Per Share", prescribed under Section 133 of the Companies Act, 2013.

Note - 32 TAX EXPENSE

(a) Effective tax rate

Particulars	**For the year ended March 31, 2026**	**For the year ended March 31, 2025**
Loss before tax	(517.17)	(812.28)
Tax @ 31.20%	(161.36)	(253.43)
Tax effect of :		
Expenses disallowed/(allowed) for tax	0.30	(1.44)
Deferred tax asset not recognised on account of absence of certainty on availability of future taxable profit	162.60	249.20
Others	(1.54)	5.67
Tax expense	-	-

(b) Un-recognised deferred tax assets and liabilities
Deferred tax assets and liabilities are attributable to the following:

Particulars	**As at March 31, 2026**	**As at March 31, 2025**
Deferred tax liabilities		
Right of use assets	38.46	46.22
	38.46	46.22
Deferred tax assets		
Property, plant and equipment	16.67	10.02
Carry forward business losses and unabsorbed depreciation	1,185.27	1,051.75
Lease liabilities	47.16	52.84
Provisions for employee benefits	25.98	21.03
Others	40.26	24.86
	1,315.34	1,160.50
Unrecognised deferred tax assets (net)	**1,276.88**	**1,114.28**

The Company has not recognised deferred tax asset of ₹ 1,276.88 crores (March 31, 2025: ₹ 1,114.28 crores) generated mainly on account of carried forward loss (including unabsorbed depreciation) as there is no reasonable certainty that sufficient future taxable income will be available against which such deferred tax asset can be realised.

Note - 33 OPERATING SEGMENTS

The Company primarily operates in the automotive segment. The automotive segment includes all activities related to development, design, manufacture, assembly and sale of vehicles, as well as sale of related parts and accessories. The board of directors of the Company, which has been identified as being the chief operating decision maker (CODM), evaluates the Company's performance, allocate resources based on the analysis of the various performance indicator of the Company as a single unit.

Therefore, based on the guiding principles given in Ind AS 108 on 'Operating Segments', the Company's business activity fall within a single operating segment, namely automotive segment.

Geographical information

Particulars	**For the year ended March 31, 2026**	**For the year ended March 31, 2025**
Revenue from contracts with customers		
India	3,625.60	2,240.63
Other countries	46.16	14.38
	3,671.76	**2,255.01**

Particulars	**As at March 31, 2026**	**As at March 31, 2025**
Non-current assets		
India	1,301.79	910.45
Other countries	-	-
	1,301.79	**910.45**

Information about major customers

No single customer accounted for more than 10% of the revenue for the year ended March 31, 2026 and March 31, 2025.

(Amounts in ₹ crores, unless otherwise stated)

Note - 34 EMPLOYEE BENEFIT PLANS

A. Contribution to provident fund (Defined contribution):

The Company make contributions to provident fund which is a defined contribution plan and the Company has no obligation other than to make the specified contributions. During the year, the Company has charged ₹ 16.76 crores (March 31, 2025 : ₹ 13.64 crores) to the statement of profit and loss towards defined contribution plans.

B. Gratuity (Defined benefit plan):

The Company provides for gratuity for employees in India as per the Code on Social Security, 2020. Employees who are in continuous service for a period of 5 years are eligible for gratuity. The amount of gratuity payable on retirement / termination / death / disablement is the employees last drawn wages per month computed proportionately for 15 days salary multiplied for the number of years of service. The Gratuity plan of the Company is unfunded.

Changes in the present value of obligation

Particulars	**For the year ended March 31, 2026**	**For the year ended March 31, 2025**
Present value of defined benefit obligation at the beginning of the year	27.78	17.23
Expenses recognised in statement of profit and loss		
Current service cost	9.80	6.17
Past Service Cost	3.40	-
Interest expense	2.04	1.19
Re-measurement or actuarial (gain) / loss arising from		
Demographic assumptions	-	0.81
Financial assumptions	(1.14)	3.03
Experience adjustments	0.72	0.80
Benefit payments	(1.52)	(1.45)
Present value of defined benefit obligation at the end of the year	**41.08**	**27.78**
Fair value of plan assets as at the end of the year	**-**	**-**
Net liability recognised in the Balance Sheet	**41.08**	**27.78**
Current portion of the above	2.93	1.66
Non current portion of the above	38.15	26.12

Expense recognised in the statement of profit and loss

Particulars	**For the year ended March 31, 2026**	**For the year ended March 31, 2025**
Current service cost	9.80	6.17
Past service cost and (gain)/losses from settlements	3.40	-
Net interest expense	2.04	1.19
Total	15.24	7.36

Remeasurement effects recognised in other comprehensive income

Particulars	**For the year ended March 31, 2026**	**For the year ended March 31, 2025**
Actuarial (gain) and loss arising form changes in financial assumptions	(1.14)	3.03
Actuarial (gain) and loss arising form demographic assumptions	-	0.81
Actuarial (gain) and loss arising form experience adjustments	0.72	0.80
Remeasurement (gain)/loss recognised in other comprehensive income	(0.42)	4.64

The significant actuarial assumptions used for the purposes of the actuarial valuations were as follows:

Particulars	**As at March 31, 2026**	**As at March 31, 2025**
Discount rate	6.95%	6.60%
Salary escalation rate	12% until 4 years inclusive, then 10%	12% until 5 years inclusive, then 10%
Attrition rate	12.50%	12.50%
Mortality rate	Indian Assured Lives Mortality (2012-14) Ultimate table	

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

Particulars	**For the year ended March 31, 2026**	**For the year ended March 31, 2025**
Discount rate		
100 bps Increase	(2.98)	(2.15)
100 bps Decrease	3.41	2.47
Salary escalation rate		
100 bps Increase	2.14	1.66
100 bps Decrease	(2.11)	(1.62)
Attrition rate		
25% Increase	(1.25)	(1.38)
25% Decrease	1.21	1.54

The above sensitivity analyses are based on a change in an assumption while holding all other assumptions constant. In practice this is unlikely to occur, and changes in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions, the same method (present value of the defined benefit obligation calculated with the projected unit credit method at the end of the reporting period) has been applied for calculation of the defined benefit liability recognised in the Balance sheet.

The methods and types of assumptions used in preparing the sensitivity analyses did not change compared to previous year.

(Amounts in ₹ crores, unless otherwise stated)

Maturity profile of defined benefit obligation:

Particulars	As at March 31, 2026	As at March 31, 2025
Within 1 year	2.93	1.66
1-5 year	18.46	11.70
5-10 year	16.34	10.86
10 years and above	41.81	29.79
Weighted average duration	7.75 years	8.29 years

Note - 35 CONTINGENT LIABILITIES AND COMMITMENTS (to the extent not provided for):

A. Particulars	As at March 31, 2026	As at March 31, 2025
Contingent liabilities		
(a) Claims against the Company not acknowledged as debt (Custom Duties, GST, Income tax & other litigation) (refer note below)	62.31	61.17
Commitments		
(a) Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances)	505.15	39.76

Note :

(i) The Company received a pre - show cause intimation notice dated March 21, 2024 and subsequently a show cause notice dated April 16, 2024 ("SCN") from the Office of the Assistant Commissioner, Chennai under section 73 of the Central Goods and Services Tax Act, 2017 read with rules and regulations, made thereunder. The GST department had taken up the scrutiny in accordance with the above section and observed discrepancies in the input tax credit availed for the Fiscal year 2022-2023 and raised a demand of ₹ 59.81 crores. Against this demand, the Company filed a reply dated May 14, 2024 explaining the fact that input tax credit has been availed in accordance with law and which was also reconciled with annual return and hence there was no discrepancy noticed. However, thereafter, an order was issued against the Company dated November 04, 2024 confirming the above stated demand. The Company has filed an application for rectification before the Assistant Commissioner, Nungambakkam, Tamil Nadu (the "AC") of the order issued, on the grounds that the order has been passed without consideration of the submissions made. The Company does not foresee the demand materialising as the allegations made are merely on the manner of disclosures made by the Company in the Annual return filed for the said fiscal period. The matter is currently pending further adjudication.

B. The Ministry of Environment, Forest and Climate Change (MoEFCC) notified the Battery Waste Management Rules, 2022, on August 22, 2022 and issued amendments to the same from time to time. These regulations apply to producers (Manufacturers and Importers included), dealers, consumers, and entities involved in the collection, segregation, transportation, refurbishment, and recycling of all types of waste batteries. These regulations have significant implications for the Company being the producer of the batteries (obligation to be met even if the entity ceases operations). Further guidance or details regarding the practical challenges and concerns related to waste collection and the associated costs are awaited. Consequently, the Company is unable to reliably estimate a range of possible outcomes and potential impacts of these rules as at March 31, 2026. The Company will continue to assess its ability to measure the obligation as and when further guidance/details are available from the Ministry.

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(Amounts in ₹ crores, unless otherwise stated)

Note - 36 RELATED PARTY DISCLOSURES

List of related parties with whom transactions occurred during the year ended March 31, 2026 and year ended March 31, 2025 and/or has an outstanding balance as of March 31, 2026 and March 31, 2025 and their relationship.

Party which has significant influence

1. Hero MotoCorp Limited

Party over which Hero MotoCorp Limited has significant influence

1. Hero FinCorp Limited

Key Managerial Personnels (KMPs)

1. Tarun Sanjay Mehta - Executive Director and Chief Executive Officer
2. Swapnil Babanlal Jain - Executive Director and Chief Technical Officer
3. Kaushik Dutta - Independent Director (w.e.f. May 06, 2024)
4. Neelam Dhawan - Independent Director (w.e.f. August 27, 2024)
5. Sanjay Nayak - Independent Director (w.e.f. August 27, 2024)
6. Pankaj Sood - Non-executive Director
7. Ram Kuppuswamy - Non-executive Director
8. Vivek Anand - Non-executive Director (w.e.f. November 10, 2025)
9. Niranjan Kumar Gupta - Non-executive Director (upto May 06, 2025)
10. Nilesh Shrivastava - Director (upto May 27, 2025)
11. Puja Aggarwal - Company Secretary and Compliance Officer
12. Sohil Dilipkumar Parekh - Chief Financial Officer

Entity in which KMP / Close member of KMP has significant influence

1. Mehta Family Trust (Represented by Tarun Sanjay Mehta)
2. Tarun Swarna Family Trust (Represented by Tarun Sanjay Mehta)
3. Swapnil Jain Family Trust (Represented by Swapnil Babanlal Jain)
4. Jain Family Trust (Represented by Swapnil Babanlal Jain)

Related party transactions:	**For the year ended March 31, 2026**	**For the year ended March 31, 2025**
Issue of compulsorily convertible preference shares (CCPS)#		
Tarun Sanjay Mehta	-	43.28
Swapnil Babanlal Jain	-	43.28
Issue of equity shares on account of exercise of stock options (refer note 12.1.1(i)(b))		
Tarun Sanjay Mehta	-	10.74
Swapnil Babanlal Jain	-	10.74
Settlement on account of exercise of stock options		
Tarun Sanjay Mehta	-	5.37
Swapnil Babanlal Jain	-	5.37
Issue of bonus equity shares (refer note 12.1.1(i)(c))		
Hero MotoCorp Limited	-	0.03
Tarun Sanjay Mehta	-	1.03
Swapnil Babanlal Jain	-	1.03
Mehta Family Trust (Represented by Tarun Sanjay Mehta)	-	0.08
Tarun Swarna Family Trust (Represented by Tarun Sanjay Mehta)	-	0.05
Swapnil Jain Family Trust (Represented by Swapnil Babanlal Jain)	-	0.07
Jain Family Trust (Represented by Swapnil Babanlal Jain)	-	0.07
Repayment of term loan		
Hero FinCorp Limited	-	107.63
Interest on term loan*		
Hero FinCorp Limited	-	8.01
Finance charges on relinquishment of right to subscribe liability		
Hero FinCorp Limited	-	0.46
Deposit refunded by lender		
Hero FinCorp Limited	-	2.44
Interest subvention		
Hero FinCorp Limited	-	0.23
Revenue from charging infrastructure usage		
Hero MotoCorp Limited	4.63	1.37
Expense on charging infrastructure usage		
Hero MotoCorp Limited	0.95	0.67

(Amounts in ₹ crores, unless otherwise stated)

Related party transactions:	**For the year ended March 31, 2026**	**For the year ended March 31, 2025**
Commission income		
Hero FinCorp Limited	0.04	0.01
Fair valuation impact/cancellation of right to subscribe liability		
Hero FinCorp Limited	-	(2.53)
Sitting fee paid to Independent Directors		
Neelam Dhawan	0.28	0.12
Sanjay Nayak	0.22	0.09
Kaushik Dutta	0.23	0.17
Remuneration paid to Independent Directors ##		
Neelam Dhawan	0.68	-
Sanjay Nayak	0.61	-
Kaushik Dutta	0.65	-
Managerial remuneration paid to key managerial personnel		
Short-term employee benefits**	8.47	7.61
Share based payments	4.10	4.39

Balances outstanding with respect to related parties	**As at March 31, 2026**	**As at March 31, 2025**
Receivable towards income accounted		
Hero MotoCorp Limited	1.18	0.18
Hero FinCorp Limited	-	0.00
Payable towards expenses accounted		
Hero MotoCorp Limited	0.25	0.07
Liability towards key managerial personnel**		
Employee benefits	3.28	2.00
Share based payments	3.74	3.67
Remuneration payable to Independent Directors		
Neelam Dhawan	0.37	-
Sanjay Nayak	0.33	-
Kaushik Dutta	0.32	-
Sitting Fees payable to Independent Directors		
Neelam Dhawan	0.01	-
Kaushik Dutta	0.02	-

During the year ended March 31, 2025, the Company has converted CCPS into equity shares and as a result of which 96,76,314 equity shares, 96,76,314 equity shares and 11,37,45,626 equity shares have been alloted to Tarun Sanjay Mehta, Swapnil Babanlal Jain and Hero Motocorp Limited respectively.

* Excludes ₹ Nil during year ended March 31, 2026 (March 31, 2025 : ₹ 0.57 crores) charged to statement of profit & loss on account of effective interest rate calculation as per Ind AS.

Includes remuneration approved and paid for financial year ended March 31, 2025

** The Actuarial Valuation Report of Gratuity and Compensated absence liabilities are taken for the entire Company without any bifurcation to any specific employee, hence it is not included in related party transaction.

Note: All related party transactions were entered at an arm's length basis and in the ordinary course of business.

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(Amounts in ₹ crores, unless otherwise stated)

Note - 37 FINANCIAL INSTRUMENTS - FAIR VALUE MEASUREMENT

i) The carrying value of financial assets by categories is as follows:

Particulars	As at March 31, 2026	As at March 31, 2025
Measured at fair value through statement of profit and loss (FVTPL)		
Investment in mutual funds	552.01	41.00
	552.01	**41.00**
Measured at amortised cost		
Trade receivables	8.30	11.84
Cash and cash equivalents	111.94	69.80
Other balances with banks	711.21	300.63
Loans	0.17	0.42
Other financial assets	1,344.82	168.45
	2,176.44	**551.14**

ii) The carrying value of financial liabilities by categories is as follows:

Particulars	As at March 31, 2026	As at March 31, 2025
Measured at amortised cost		
Borrowings	513.07	449.85
Lease liabilities	151.15	169.37
Trade payables	830.02	560.90
Other financial liabilites	80.76	57.36
	1,575.00	**1,237.48**

The management assessed that carrying value of cash and cash equivalent, other balances with banks, trade receivables, trade payables, other financial assets, other financial liabilities, lease liabilities and borrowings approximates their fair value largely due to short-term maturities of these instruments.

iii) Fair value hierarchy

The section explains the judgement and estimates made in determining the fair value of the financial instruments that are:

a) recognised and measured at fair value.

b) measured at amortised cost and for which fair values are disclosed in the financial statement.

To provide an indication about the reliability of the inputs used in determining fair value, the Company has classified its financial instruments into three levels as mentioned under Indian accounting standards.

Level 1 - Quoted prices (unadjusted) in active markets for identical assets or liabilities. This category consists of quoted equity share, quoted debt instruments and mutual fund investments. The fair values of investments in units of mutual fund are based on the Net Asset Value (NAV) as per the fund statement.

Level 2 - This level includes financial assets and liabilities, measured using inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices).

Level 3 - This level includes financial assets and liabilities measured using inputs that are not based on observable market data (unobservable inputs). Fair values are determined in whole or in part, using a valuation model based on assumptions that are neither supported by prices from observable current market transactions in the same instrument nor are they based on available market data.

There are certain financial assets and liabilities which are measured at fair value at the end of each reporting year. Following table gives information about how the fair values of these financial assets and liabilities are determined:

Particulars	Fair value as at March 31, 2026		
	Level 1	**Level 2**	**Level 3**
Financial assets and measured at fair values			
Investments	552.01	-	-

Particulars	Fair value as at March 31, 2025		
	Level 1	**Level 2**	**Level 3**
Financial assets and measured at fair values			
Investments	41.00	-	-

There were no transfers between level 1 and level 2 for recurring fair value measurements during the above year.

There were no significant inter-relationships between unobservable inputs that materially affects fair values.

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(Amounts in ₹ crores, unless otherwise stated)

Note - 38 FINANCIAL RISK MANAGEMENT FRAMEWORK

The Company's activities expose it to a variety of financial risks: credit risk, liquidity risk and market risk. In order to manage the aforementioned risks, the Company operates a risk management policy and a program that performs close monitoring of and responding to each risk factors. The Company is constantly evaluating micro and macro economic factors influencing the business including, economical, geo-political and other risks which may have a bearing on the business or operations. The Company is of the view that the impact of these risks would not have a material impact on the business in medium to long term business plans. The Company continuously monitor these risks and other developments to identify significant uncertainties.

A. CREDIT RISK

Credit risk arises when a counterparty defaults on its contractual obligations to pay resulting in financial loss to the Company. The Company has adopted a policy of dealing with creditworthy counterparties, as a means of mitigating the risk of financial loss from defaults. This information is supplied by independent rating agencies wherever available and if not available, the Company uses other publicly available financial information and its own trading records to rate its major customer. The Company's exposure and credit ratings of its counterparties are continuously monitored and the aggregate value of transactions concluded is spread amongst approved counterparties. The Company usually collects advances from the customers and hence these risk would not have material impact on the business.

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

B. LIQUIDITY RISK

(i) Liquidity risk management

Ultimate responsibility for liquidity risk management rests with the board of directors, which has established an appropriate liquidity risk management framework for the management of the Company's short, medium and long-term funding and liquidity management requirements. The Company manages liquidity risk by maintaining adequate reserves, banking facilities and reserve borrowing facilities, by continuously monitoring forecast and actual cash flows, and by matching the maturity profiles of financial assets and liabilities.

The above borrowings of the Company with carrying value of ₹ 513.07 crores are in compliance with the quarterly / annual covenant requirement as applicable for the respective lending arrangements. Basis the Management's estimates, the Company will meet the financial and non financial covenants for a period of twelve months from the end of the reporting year.

(ii) Maturities of financial liabilities

The following tables detail the Company's remaining contractual maturity for its non-derivative financial liabilities with agreed repayment periods. The amount disclosed in the tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Company can be required to pay. The contractual maturity is based on the earliest date on which the Company may be required to pay.

Particulars	Carrying value	Less than 1 Year	1-5 Years	5 years and above	Total
As at March 31, 2026					
Trade Payable	830.02	826.73	3.29	-	**830.02**
Borrowings	513.07	191.24	404.47	-	**595.71**
Lease liabilities	151.15	45.96	89.92	94.39	**230.27**
Other financial liabilities	80.76	80.76	-	-	**80.76**
	1,575.00	**1,144.69**	**497.68**	**94.39**	**1,736.76**
As at March 31, 2025					
Trade Payable	560.90	560.40	0.50	-	**560.90**
Borrowings	449.85	370.37	121.49	-	**491.86**
Lease liabilities	169.37	43.90	118.54	108.20	**270.64**
Other financial liabilities	57.36	57.36	-	-	**57.36**
	1,237.48	**1,032.03**	**240.53**	**108.20**	**1,380.76**

C. MARKET RISK

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: interest rate risk, currency risk and other price risk such as equity price risk. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return. All such transactions are carried out within the guidelines set by the Board of Directors and Risk Management Committee.

There has been no significant changes to the Company's exposure to market risk or the methods in which they are managed or measured.

i. Interest Rate Risk

Interest rate risk is the risk that the future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's main interest rate risk arises from long term borrowings and short term borrowings with variable rates. The Company constantly monitors the credit markets and rebalances its financing strategies to achieve an optimal maturity profile and financing costs.

Interest rate risk exposure

Particulars	As at March 31, 2026	As at March 31, 2025
Floating rate borrowings	513.07	91.81

Sensitivity analysis

A reasonably possible change of 100 basis points (bps) in interest rates at the reporting date would have increased / (decreased) in equity and profit or loss by the amounts shown below. This analysis assumes that all other variables, in particular foreign currency exchange rates, remain constant.

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
(Increase) or decrease in loss		
Interest rates – increase by 100 basis points (100 bps)	(5.13)	(0.92)
Interest rates – decrease by 100 basis points (100 bps)	5.13	0.92

ii. Currency Risk

The Company undertakes transactions denominated in foreign currencies; consequently, exposures to exchange rate fluctuations arise. The Company's exposure to currency risk relates primarily to the Company's operating activities and borrowings when transactions are denominated in a different currency from the Company's functional currency.

(Amounts in ₹ crores, unless otherwise stated)

Foreign currency sensitivity

The following table details the Company's sensitivity to a 1% increase and decrease in the ₹ against the relevant foreign currencies. (+) / (-) 1% is the sensitivity rate used when reporting foreign currency risk internally to key management personnel and represents management's assessment of the reasonably possible change in foreign exchange rates. The sensitivity analysis includes only outstanding foreign currency denominated monetary items and adjusts their translation at the reporting year end for a 1% change in foreign currency rates. A positive number below indicates an increase in loss whereas a negative number below indicates reduction in loss to the company on account of weakening / strengthening of functional currency by 1% against the relevant foreign currency.

Particulars	USD	EURO
As at March 31, 2026		
A. Exposure		
In foreign currency (absolute numbers)		
Trade payables	1,49,82,830	1,18,738
Trade receivable	74,797	-
Other receivable	39,235	-
In functional currency (₹ in crores)		
Trade payables	141.82	1.29
Trade receivable	0.71	-
Other receivable	0.37	-
Increase or (decrease) in loss for the year ended March 31, 2026		
B. Sensitivity analysis		
1% Increase (in functional currency, ₹ in crores)		
Trade payables	1.42	0.01
Trade receivable	(0.01)	-
Other receivable	(0.00)	-
1% Decrease (in functional currency, ₹ in crores)		
Trade payables	(1.42)	(0.01)
Trade receivable	0.01	-
Other receivable	0.00	-
As at March 31, 2025		
A. Exposure		
In foreign currency (absolute numbers)		
Trade payables	63,32,506	2,600
Trade receivable	5,46,570	-
Borrowings	53,54,250	-
In functional currency (₹ in crores)		
Trade payables	54.19	0.02
Trade receivable	4.68	-
Borrowings	45.82	-
Increase or (decrease) in loss for the year ended March 31, 2025		
B. Sensitivity analysis		
1% Increase (in functional currency, ₹ in crores)		
Trade payables	0.54	0.00
Trade receivable	(0.05)	-
Borrowings	0.46	-
1% Decrease (in functional currency, ₹ in crores)		
Trade payables	(0.54)	(0.00)
Trade receivable	0.05	-
Borrowings	(0.46)	-

iii. Other price risk

The Company's exposure to price risk arises for investment in mutual funds held by the Company. To manage its price risk arising from investments in mutual funds, the Company diversifies its portfolio.

Note - 39 CAPITAL MANAGEMENT

The Company’s capital management objectives are:

- to ensure the Company’s ability to continue as a going concern
- to provide an adequate return to shareholders by pricing products and services commensurately with the level of risk.
- to augment requisite resources for future infrastructure requirements

For the purpose of debt to total equity ratio, debt considered is long-term borrowings (including current maturities), short-term borrowings and current and non-current lease liabilities. Total equity comprise of issued share capital and all other equity reserves.

The Company sets the amount of capital in proportion to its overall financing structure, i.e. equity and financial liabilities. The Company manages the capital structure and makes adjustments to it in the light of changes in economic conditions and the risk characteristics of the underlying assets.

Particulars	As at March 31, 2026	As at March 31, 2025
Total equity attributable to the equity shareholders	2,572.63	492.99
Total Equity (a)	**2,572.63**	**492.99**
Long term borrowings (including current maturities)	513.07	364.23
Short term borrowings	-	85.62
Lease liabilities	151.15	169.37
Total debt (b)	**664.22**	**619.22**
Debt to equity ratio (b)/(a)	**0.26**	**1.26**

Note - 40 ADDITIONAL REGULATORY REQUIREMENT

The following are analytical ratios for the year ended March 31, 2026 and March 31, 2025 :

(Amounts in ₹ crores, unless otherwise stated)

Ratio	Numerator	Denominator	March 31, 2026	March 31, 2025	% Variance	Reason for variance
Current ratio - (no. of times)	Current assets	Current liabilities	2.42	0.99	144.44%	Increase is mainly on account of increase in current assets during the current year, pursuant to surplus fund of IPO parked in term deposits (Refer note 43)
Debt-equity ratio - (no. of times)	Non-current borrowings (+) current borrowings (+) lease liability	Total equity	0.26	1.26	-79.37%	Decrease is mainly on account of increase in total equity pursuant to IPO (Refer note 43)
Debt service coverage ratio - (no. of times)	Profit/(loss) before depreciation & amortisation + finance costs + exceptional items and tax	Interest expenses + Principal repayments of long-term debt + payment of lease liabilities	(0.52)	(1.38)	-62.32%	Improvement mainly on account of reduction in loss during the year.
Return on equity ratio - (no. of times)	Loss for the year	Average Equity	(0.34)	(1.56)	-78.21%	Improvement mainly on account of reduction in loss during the year and increase in average equity pursuant to IPO (Refer note 43).
Inventory turnover ratio - (no. of times)	Cost of goods sold	Average inventory	11.01	10.39	5.97%	-
Trade receivable turnover ratio - (no. of times)	Revenue from operations	Average trade receivables	364.62	336.56	8.34%	-
Trade Payable turnover ratio - (no. of times)	Total purchases & other expenses, other than non-cash expenses	Average trade payable	5.14	5.15	-0.19%	-
Net capital turnover ratio - (no. of times)	Revenue from operations	Average working capital (i.e. Current assets (-) Current liabilities)	3.74	33.00	-88.67%	Decrease in working capital turnover ratio is mainly due to increase in average working capital on account of increase in current assets pursuant to surplus fund of IPO parked in term deposits partially offset by increase in revenue from operations during the year.
Net profit/(loss) ratio (%)	Loss for the year	Revenue from operations	-14.09%	-36.02%	-60.89%	Improvement mainly due to decrease in loss and increase in revenue from operation for the year.
Return on capital employed (%)	Earning before interest and tax	Capital employed (i.e. Tangible net worth + debt)	-14.24%	-80.11%	-82.22%	Improvement in return on capital employed is due to reduction in losses during the year.
Return on investment	Net gain on disposal / fair valuation of investments carried at fair value through profit & loss	Time weighted average investment	6.57%	7.24%	-9.25%	-

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(Amounts in ₹ crores, unless otherwise stated)

Note - 41

a. Details of the stock option plans of the Company

Areas	Employee stock option plan	Founders stock option plan
Exercise of options while in employment	In an event or at the discretion of the Board	Prior to a Liquidity event
Resignation / Termination (other than due to Breach)	Allowed to carry vested options till exercise event	Allowed to carry vested options till liquidity event
Retirement	Allowed to carry vested options till exercise event	Not applicable
Death	Unvested options shall vest immediately and nominee allowed to carry vested options till exercise event	Unvested options shall vest immediately and nominee allowed to carry vested options till liquidity event
Termination due to permanent incapacity	Unvested option shall be vested immediately and allowed to carry vested options till exercise event	Unvested options shall vest immediately allowed to carry vested options till liquidity event.
Abandonment	Vested and unvested options shall be cancelled	Options Lapse
Any other reasons	At the discretion of the Board	At the discretion of the Board
Reconstruction	As per the recommendation by Nomination and Remuneration Committee ("NRC")	As defined in Liquidity event
Lapse	**Vested Options** : Failure to Exercise within designated five-year Exercise Period / Abandonment / Breach of Conduct **Unvested Options** : Abandonment / Breach of Conduct / Resignation/Termination	Termination due to breach
Lock in Period	Not applicable	Not defined

The activity of the Plans are as follows:

Particulars	Shares arising out of Employee stock option plan (refer note 12.1.1(i)(c))		Shares arising out of Founders stock option plan (refer note 12.1.1(i)(b&c))	
	As at March 31, 2026	As at March 31, 2025	As at March 31, 2026	As at March 31, 2025
Outstanding at the beginning of the year	1,65,31,312	46,579	-	3,476
Granted/adjustment	13,63,537	26,78,257	-	-
Increased consequent to issue of bonus shares (refer note 12.1.1(i)(c)))	-	1,39,78,777	-	9,03,760
Exercised	(1,02,13,496)	-	-	(9,07,236)
Cancelled	(5,51,000)	(1,72,301)	-	-
Cash settled	-	-	-	-
Outstanding at the end of the year	**71,30,353**	**1,65,31,312**	**-**	**-**
Exercisable at the end of the year	**42,53,133**	**1,06,81,730**	**-**	**-**
Weighted average remaining contractual life	**3.18 years**	**2.54 years**	**-**	**-**

The fair value for the above stock options on the date of grant using the Black Scholes Merton Model with the following assumptions

Particulars	Employee stock option plan	
	As at March 31, 2026	As at March 31, 2025
Weighted average share price (₹)	251.29	1 to 299*
Exercise Price (₹)	0.0038 to 1*	0.0038 to 1*
Expected Volatility	35%	35%
Expected life of the Options	5-8 years	5-8 years
Expected Dividends (%)	0%	0%
Risk free interest rate (%)	6.76% - 7.25%	6.92% - 7.41%

* Include impact of issue of bonus share

Notes:

(a) The Board of Directors vide their resolution dated July 09, 2024 allotted 74,148 Series F – CCPS of face value of ₹ 1 each with a premium of ₹ 11,673 per share and the said CCPS accounted as share based payments considering the terms of the issue of Series F CCPS in accordance "IND AS 102-Share-based Payment" under the head other equity. Further, the Board of Directors vide their resolution dated February 25, 2025 approved the conversion of 74,148 Series F CCPS into 1,93,52,628 equity shares in the conversion ratio of 261:1 with the face value of ₹ 1 each ranking pari-passu with the existing equity shares of the Company. The conversion ratio of the CCPS into Equity Shares have been adjusted as per Bonus issuance.

b. Details of the cash settled share based payment plans of the Company

Areas	Stock Appreciation Rights Plan 2020 ("Ather SARs 2020")	Founders stock option plan
Exercise of options while in employment	Cash Settlement on Liquidity Events	Prior to a Liquidity event
Resignation / Termination (other than due to Breach)	Allowed to carry vested SARs till liquidity event	Allowed to carry vested options till liquidity event
Retirement	Allowed to carry vested SARs till liquidity event	Not Applicable
Death	Unvested options shall vest immediately and nominee allowed to carry vested options till liquidity event	Unvested options shall vest immediately and nominee allowed to carry vested options till liquidity event
Termination due to permanent incapacity	Unvested options shall vest immediately and allowed to carry vested options till liquidity event	Unvested options shall vest immediately allowed to carry vested options till liquidity event.
Abandonment	Vested and unvested options shall be cancelled	Options Lapse
Any other reasons	At the discretion of the Committee	At the discretion of the Board
Reconstruction	As defined in Liquidity event	As defined in Liquidity event
Lapse	Resignation/ Termination due to breach	Termination due to breach
Lock in Period	Not applicable	Not defined

(Amounts in ₹ crores, unless otherwise stated)

The activity of the Plans are as follows:

Particulars	Shares arising out of Ather SARs 2020		Shares arising out of Founders stock option plan	
	As at March 31, 2026	As at March 31, 2025	As at March 31, 2026	As at March 31, 2025
Outstanding at the beginning of the year	-	3,752	-	1,738
Increased consequent to issue of bonus shares (refer note 12.1.1(i)(c)))	-	9,75,520	-	4,51,880
Granted/adjustment	-	-	-	-
Settled / adjustment	-	(9,79,272)	-	(4,53,618)
Outstanding at the end of the year	-	-	-	-
Weighted average remaining contractual life	-	-	-	-

Notes :

(a) The Board of Directors of our Company in its meeting held on June 18, 2024 and shareholders of our Company in the Extraordinary General Meeting held on June 21, 2024 approved the issuance of bonus equity share of ₹ 1 each in the ratio of 260:1 and 224:1 for the equity shares of ₹ 1 each and for the equity shares of ₹ 37 each respectively and also approved the sub-division of 3,530 equity shares of ₹ 37 each into 1,30,610 equity shares of ₹ 1 each. The conversion ratio of the Compulsory Convertible Preference Shares into Equity Shares and the employee stock options along with its price per option was adjusted accordingly.

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(Amounts in ₹ crores, unless otherwise stated)

Note 42

As of balance sheet date, the Company has an aggregate sum of ₹ 0.09 crores equivalent to USD 8,916.42 and EURO 450.00 (March 31, 2025: ₹ 0.17 crores equivalent to USD 17,920.07 and EURO 1,700) payable to overseas Companies towards import of goods and services which are outstanding beyond the prescribed time limit for payment as per the extant Foreign Exchange Management Act (FEMA) regulations.

Note 43 - INITIAL PUBLIC OFFER PROCEEDS UTILISATION

During the year ended March 31, 2026, the Company has completed Initial Public Offer ("IPO") of 92,867,945 equity shares of face value of ₹ 1 each at an issue price of ₹ 321 per share, comprising of fresh issue of 8,18,16,199 shares, out of which 8,17,16,199 equity shares were issued at an offer price of ₹ 321 per equity share to all the allottees and 1,00,000 equity shares were issued at an offer price of ₹ 291 per equity share, after a discount of ₹ 30 per equity share to employees aggregating to ₹ 2,626.00 crores and offer for sale of 1,10,51,746 equity shares by the selling shareholders aggregating to ₹ 354.80 crores. Pursuant to the IPO, the equity shares of the Company are listed on the National Stock Exchange ("NSE") and Bombay Stock Exchange ("BSE") on May 06, 2025.

Details of utilisation of IPO proceeds of ₹ 2,626.00 crores as at March 31, 2026 is summarized as below:

Particulars	Proposed utilisation as per offer document	Utilised upto March 31, 2026	Unutilised upto March 31, 2026
Capital expenditure to be incurred by Company for establishment of an E2W factory in Maharashtra, India	927.20	139.63	787.57
Repayment/ pre-payment, in full or part, of certain borrowings	40.00	40.00	-
Investment in research and development	750.00	272.42	477.58
Expenditure towards marketing initiatives	300.00	90.44	209.56
General corporate purposes	498.80	358.50	140.30
Issue Expenses	110.00	107.94	2.06
Total	**2,626.00**	**1,008.93**	**1,617.07**

Out of the above unutilised IPO proceeds as at March 31, 2026, ₹ 1,615.00 crores is temporarily invested in fixed deposits with scheduled commercial banks, ₹ 2.06 crores is lying in public offer account and ₹ 0.01 crores is lying in monitoring account.

Note 44

Pursuant to China's imposition of an export ban on certain categories of heavy rare earth magnets, there has been a disruption in the global supply chain and the Company's operation was impacted to some extent. The Company, through its motor suppliers, had to make temporary adjustments and deviations from Phased Manufacturing Program ("PMP") guidelines in the manufacturing process for traction motors (specifically concerning the domestic fitment of magnets). While this being a temporary change affecting the Company's ability to submit demand incentive claims under the PM E-DRIVE scheme, the Company has decided to defer submission of claims for demand incentives and revenue recognition to the extent of ₹ 24.52 crores on these specific vehicles sold during the year ended March 31, 2026.

Note 45

During the year ended March 31, 2026, the Board of Directors of the Company approved for the incorporation of two Wholly Owned Subsidiary ("WOS") companies,

a) A Corporate Agent WOS to offer and facilitate insurance policies which will enable the Company to streamline its insurance offerings, enhance customer experience and generate a recurring revenue stream by leveraging its existing user base.

b) A Hong Kong based WOS to support the Company's critical procurement functions and enhance supply chain resilience within the Asia-Pacific (APAC) region.

Note 46

According to the management's evaluation of events subsequent to the balance sheet date, there were no significant adjusting events that occurred other than those disclosed/given effect to, in these financial statements as of March 31, 2026.

Note 47

There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

Note 48 : Other statutory disclosures

A. The Company has not advanced or loaned or invested funds (either borrowed funds or share premium or any other sources or kind of funds) to any other persons or entities, including foreign entities (Intermediaries) with the understanding (whether recorded in writing or otherwise) that the Intermediary shall;

i. directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company (Ultimate Beneficiaries) or

ii. provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries

B. The Company has not received any fund from any persons or entities, including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Company shall;

i. directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or

ii. provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

Note 49

As at March 31, 2026, there are no proceedings initiated or pending against the Company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules made thereunder.

Note 50

The Company has not traded or invested in Crypto currency or Virtual Currency during the year ended March 31, 2026 and March 31, 2025.

Note 51

The Company has not entered into any scheme of arrangement which has an accounting impact during the year ended March 31, 2026 and March 31, 2025.

Note 52

There is no income surrendered or disclosed as income during the year ended March 31, 2026 and March 31, 2025 in the tax assessments under the Income Tax Act, 1961, that has not been recorded in the books of account.

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

MEHTA TARUN SANJAY
Digitally signed by MEHTA TARUN SANJAY
Date: 2026.05.04 11:18:39 +05'30'

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

SWAPNIL BABANLAL JAIN
Digitally signed by SWAPNIL BABANLAL JAIN
Date: 2026.05.04 11:20:20 +05'30'

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

SOHIL DILIPKUMAR PAREKH
Digitally signed by SOHIL DILIPKUMAR PAREKH
Date: 2026.05.04 10:42:49 +05'30'

Sohil Dilipkumar Parekh
Chief Financial Officer

PUJA AGGARWAL
Digitally signed by PUJA AGGARWAL
Date: 2026.05.04 11:26:20 +05'30'

Puja Aggarwal
Company Secretary and Compliance Officer

Date: May 04, 2026
Place: Bengaluru