

REPORT ON
IN RELATION TO THE
THE SCHEME OF ARRANGEMENT
BETWEEN
TVS HOLDINGS LIMITED
AND
ITS SHAREHOLDERS

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1. Glossary of Abbreviations

| Abbreviation | Definition |
|-----------------------------|---|
| Bonus RPS | Cumulative Non-Convertible Redeemable Preference Shares of TVSH proposed to be issued as Bonus shares |
| BSE | BSE Limited |
| ICAI | Institute of Chartered Accountants of India |
| IVS | ICAI Valuation Standards |
| NCD Holders | Holders of NCDs |
| NCDs | Non-Convertible Debentures |
| NSE | National Stock Exchange of India Limited |
| Report Date | September 22, 2025 |
| Scheme | Proposed Scheme of arrangement for issue of Bonus RPS under Section 230 to 232 of the Companies Act, 2013 |
| SEBI Master Circular – Debt | SEBI Circular No. SEBI/HO/DDHS/DDHS-PoD-1/P/CIR/2025/0000000103 dated July 11, 2025, as amended from time to time |
| the Company | TVS Holdings Limited |
| the Management | Management of TVS Holdings Limited |
| this Report or our Report | Report |
| TVSH | TVS Holdings Limited |



2. Background And Terms of Engagement

- 2.1 TVS Holdings Limited (TVSH) (CIN: L64200TN1962PLC004792) is a company incorporated under the Companies Act, 1956 with its registered office at "Chaitanya" No. 12, Khader Nawaz Khan Road, Nungambakkam, Chennai 600 006. TVSH is a Systemically Important Non-Deposit taking Non-Banking Finance Company, as defined under Section 45-IA of the Reserve Bank of India (RBI) Act, 1934. The Company is categorised as "NBFC - Core Investment Company (NBFC-CIC)" vide RBI circular DNBR (PD) CC.No.097/03.10.001/2018-19 dated 22 February 2019. Effective 01 October 2022, the Company has been categorised as NBFC-Middle Layer under the RBI Scale Based Regulation dated 22 October 2021.
- 2.2 The Authorised Share Capital and Issued, Subscribed and Paid-up Share Capital of the Company as on September 22, 2025, based on the information provided by the Company was as follows:

| Share Capital | Amount (INR in Crores) |
|--|------------------------|
| Authorised | |
| 9,22,00,000 Equity Shares of INR 5 each | 46.10 |
| 2,30,00,00,000 Preference shares of INR10 each | 2,500.00 |
| Total | 2,546.10 |
| Issued, subscribed and paid-up | |
| 2,02,32,104 Equity Shares of INR 5 each | 10.12 |
| Total | 10.12 |

The aforesaid share capital is held as follows:

| Particulars | Number of Shares | Percentage of shareholding |
|-----------------------------|--------------------|----------------------------|
| Promoter and Promoter Group | 1,50,63,398 | 74.15% |
| Public | 51,68,706 | 25.55% |
| Total | 2,02,32,104 | 100.00% |

Source: BSE filings

The equity shares of TVSH are listed on BSE and NSE.

- 2.3 The Company had issued NCDs which are listed on NSE. The details of the same as on the Report Date are as given below:

| NCD description | Number of NCD and face value per NCD | Amount in INR crores |
|---|--------------------------------------|----------------------|
| Unsecured | | |
| Non-Convertible Debentures (ISIN: INE105A08022) | 65,000 INR 1,00,000 per NCD | 650 |
| Non-Convertible Debentures (ISIN: INE105A08030) | 30,000 INR 1,00,000 per NCD | 300 |

- 2.4 TVSH proposes to issue Non-Convertible Redeemable Preference Shares of TVSH (Bonus RPS) to its equity shareholders as bonus in the ratio of 46:1 vide a scheme of arrangement under Sections 230 to 232 of the Companies Act, 2013 ("Scheme"). The terms of Bonus RPS, as provided to us, are mentioned in Appendix I.



This report should be read with the limitations detailed herein under

2.5 Rationale for the issuance of Bonus RPS as mentioned in the Scheme

- The Company has accumulated substantial surplus reserves from its retained profits over the years. The surplus reserves are in excess of the Company's current and foreseeable future business requirements.
- Further, upon taking into consideration the Company's foreseeable free cash inflows and availability of existing surplus reserves being more than what is required to fund the Company's future plans, the Company considers that these excess funds can be put to optimal use by rewarding its shareholders.
- Accordingly, the Company has proposed to distribute the surplus funds to its shareholders by issuing fully paid up Preference Shares by way of bonus in terms of this Scheme.
- The Preference Shares will be listed on the Stock Exchanges, providing shareholders with a near-cash (traded, encashable) instrument and providing the Company increased flexibility in managing its liquidity until redemption.
- In view of the abovementioned reasons, the Company considers it prudent to optimally utilize its surplus reserves by distributing a considerable portion of the same to its equity shareholders. For the purpose of maintaining high level of corporate governance and transparency, the Company proposes issuance of Preference Shares by way of bonus to its equity shareholders under Sections 230 to 232 of the Act which will be subject to necessary statutory, regulatory and corporate approvals.

2.6 Accordingly, TVSH would issue 93.06 crores Bonus RPS redeemable at INR 10 per share.

2.7 In this regard, we have been called upon by the Management of TVSH, vide Engagement Letter dated 19th September 2025, to provide our opinion with respect to the Scheme of Arrangement in terms of Master Circular dated July 11, 2025, on Non-convertible Securities, Securitised Debt Instruments and/or Commercial Paper. Accordingly, this report sets out the findings of our exercise. We have considered the Report Date of September 22, 2025.

3 Data Obtained

- 3.1. We have called for and obtained such data, information, etc. as were necessary for the purpose of our assignment, which have been, as far as possible, made available to us by the Management. **Appendix II** hereto broadly summarises the data obtained.
- 3.2. For the purpose of our assignment, we have relied on such data summarised in the said Appendix and other related information and explanations provided to us in this regard.

4. Consideration of Factors

- 4.1. As mentioned earlier, pursuant to the Scheme, Bonus RPS would be issued to the shareholders of TVSH as on the Record date as specified in the Scheme. The ratio proposed for the issue of Bonus RPS is 46:1, i.e. 46 Bonus RPS shall be allotted for each equity share held in TVSH. Thus, only the shareholders of TVSH would be allotted Bonus RPS. Thus, there would be no change in shareholding of TVSH.
- 4.2. From the foregoing, it is evident that Bonus RPS would be issued to all the shareholders of TVSH on the Record Date. Accordingly, the question or aspect of adjusting the equities between two or more disparate groups of shareholders is not relevant in this case due to no impact on the shareholding of TVSH.



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- 4.3. Further, the Management believes that the company will generate strong free cash flow from redemption of instruments held by it. Thus, the company believes the cash flow will be in excess of its cash requirements in the near future.
- 4.4. Insofar as the NCD Holders of TVSH are concerned, it may be noted that the Bonus RPS proposed to be issued would rank subservient to the NCDs in the priority of claims. Existing NCD holders of TVSH would continue to hold the same NCDs without any change in the terms. The RPS would be redeemed out of the cash flows from redemption of the instruments held by it.
- 4.5. It may be noted that the ICAI had issued IVS on June 10, 2018 effective for all the valuation reports issued on or after July 1, 2018. IVS are mandatory for all valuations done under the Companies Act, 2013 by registered valuers who are members of the ICAI Registered Valuer Organisation, and recommendatory for valuation carried out under other statutes/ requirements. However, as the current exercise does not entail valuation, the question of following IVS does not arise.

5. Conclusion

- 5.1 Based on the foregoing, in our opinion, the issuance of Bonus RPS to the equity shareholders of TVSH would have no impact on its NCD holders.
- 5.2 Considering that the scheme does not amount to an exchange of NCDs, we have not carried out any valuation of the same. Also, as stated in para 2.7 above we are only required to comment on the impact of the scheme on the NCD holders.

In the given scenario our observation on the various methods of valuation is as follows:

| Valuation Approach | TVSH | |
|------------------------|---------------|----------------|
| | Value per NCD | Weight |
| Asset Approach | X | A |
| Income Approach | X | B |
| Market Approach | X | C |
| Relative Value per NCD | X | |
| Exchange Ratio | | Not Applicable |

6. Limitations And Disclaimers

Our Report is subject to the scope of limitations detailed hereinafter.

- 6.1. This report is subject to the scope of limitations detailed hereinafter. As such the report is to be read in totality and not in parts.
- 6.2. The Report is based on the information furnished to us being complete and accurate in all material respects.
- 6.3. We have relied on the written representations from the Management that the information contained in this report is materially accurate and complete in the manner of its portrayal and therefore forms a reliable basis for the opinion.

This report should be read with the limitations detailed herein under



- 6.4. The information presented in this Report does not reflect the outcome of any due diligence procedures.
- 6.5. Our scope of work does not enable us to accept responsibility for the accuracy and completeness of the information provided to us. We have, therefore, not performed any audit, review or examination of any of the historical information used and therefore, we do not express any opinion with regard to the same.
- 6.6. Any person/ party intending to provide finance / deal in the shares / business of the Company shall do so after seeking their own professional advice and after carrying out their own due diligence procedures to ensure that they are making an informed decision.
- 6.7. Our recommendation is based on the regulatory environment that existed around the time of the Report Date.
- 6.8. We have no obligation to update this Report because of events or transactions occurring subsequent to the date of this Report.
- 6.9. We have not carried out any physical verification of the assets and liabilities of company and take no responsibility for the identification of such assets and liabilities.
- 6.10. This Report does not look into the business/commercial reasons behind the proposed transaction nor the likely benefits arising out of it. Similarly, it does not address the relative merits of the proposed transaction as compared with any other alternative business transaction, or other alternatives, or whether or not such alternatives could be achieved or are available.
- 6.11. This Report is meant for the purpose mentioned in Paragraph 2.7 and should not be used for any purpose other than the purpose mentioned therein. This Report should not be copied or reproduced without obtaining our prior written approval for any purpose other than the purpose for which it is prepared.
- 6.12. *Disclosure of RV Interest or Conflict, If Any And Other Affirmative Statements*
We do not have any financial interest in the Companies, nor do we have any conflict of interest in carrying out this exercise.

7. Gratitude

We are thankful to the Management for furnishing data, information, etc. often at a very short notice, without which our completing the present assignment would not have been possible.

For Bansi S. Mehta Valuers LLP

Registered Valuer

IBBI Registration Number: IBBI/RV-E/06/2022/172

DR Desai

Drushti R. Desai

IBBI Registration Number: IBBI/RV/06/2019/10666

Partner

Date: September 22, 2025

UDIN: 25102062BMLDOC9558

This report should be read with the limitations detailed herein under



APPENDIX – I: Terms of Bonus RPS

Terms of issue of the Non-Convertible Redeemable Preference Shares are as under:

| Sr No | Particulars | Details |
|-------|--------------------|--|
| 1. | Issuer | TVS Holdings Limited |
| 2. | Type of instrument | Cumulative Non-Convertible Redeemable Preference Shares |
| 3. | Face value | INR 10 (ten) |
| 4. | Size of the Issue | INR 930.68 Cr |
| 5. | Bonus Ratio | 46:1 (46 Bonus RPS for every 1 equity share held) |
| 6. | Coupon Rate | 6% per annum |
| 7. | Tenure | The NCRPS shall be redeemed upon the expiry of fifteen (15) months from the date of allotment. Provided that the Board of Directors or any committee duly authorized by the Board in this regard, shall have the discretion to redeem the said NCRPS at any time after the expiry of twelve (12) months from the date of allotment. |
| 8. | Redemption | The Company shall redeem Preference Shares at INR 10 of nominal value |
| 9. | Credit Rating | To be obtained from a credit rating agency after Effective Date as defined in the Scheme |
| 10. | Listing | To be listed on the Stock Exchanges on which the equity shares of the Company are listed |



APPENDIX – II: Broad Summary of Data Obtained

From the Management:

1. Limited Reviewed Financial Statements of the Company for the period ended June 30, 2025.
2. Draft Scheme.
3. Proposed terms of Bonus RPS.
4. Answers to specific questions and issues raised by us to the Management after examining the foregoing data.
5. Other information as required by us from time to time.

