REPORT ADOPTED BY THE BOARD OF DIRECTORS TVS CREDIT SERVICES LIMITED AT ITS MEETING HELD ON WEDNESDAY, AUGUST 5, 2026, IN ACCORDANCE WITH SECTION 232(2)(c) OF THE COMPANIES ACT, 2013 IN CONNECTION WITH THE DRAFT COMPOSITE SCHEME OF AMALGAMATION AMONGST STPL TRADING AND SERVICES PRIVATE LIMITED AND HOME CREDIT INDIA FINANCE PRIVATE LIMITED AND TVS HOUSING FINANCE PRIVATE LIMITED AND TVS CREDIT SERVICES LIMITED AND THEIR RESPECTIVE SHAREHOLDERS

1. Background

1.1. The Board of Directors of TVS Credit Services Limited ("**Company**" / "**Transferee Company 2**") ("**Board**") at its meeting held on **August 5, 2026** have approved the draft Composite Scheme of Amalgamation amongst STPL Trading and Services Private Limited ("**Transferor Company 1**") and Home Credit India Finance Private Limited ("**Transferee Company 1**" / "**Transferor Company 2**") and TVS Housing Finance Private Limited ("**Transferor Company 3**") and TVS Credit Services Limited ("**Transferee Company 2**") and their respective shareholders under sections 230 to 232 and other applicable provisions of the Companies Act, 2013 ("**Act**") ("**Scheme**").

1.2. Pursuant to Section 232(2)(c) of the Act, the Board of the Company is required to adopt a report explaining the effect of the Scheme on each class of shareholders, key managerial personnel ("**KMPs**"), promoters and non-promoter shareholders of the Company laying out in particular the share exchange ratio and specifying any special valuation difficulties and the same is required to be circulated as part of the notice of the meeting(s) of the shareholders and creditors (if any) to be held for the purpose of approving the Scheme.

1.3. Pursuant to Clause 2(d) of Para A of Part I of Annex XII-A of the SEBI Master Circular No. SEBI/HO/DDHS/DDHS-PoD-1/P/CIR/2025/0000000103 dated 11th July 2025 ("**SEBI Circular on NCDs**"), the Board of the Company is required to recommend the draft scheme, taking into consideration, inter-alia, the valuation report and ensuring that the scheme is not detrimental to the holders of the NCDs.

1.4. This report of the Board is accordingly being made in pursuance to the requirements of Section 232(2)(c) of the Act and SEBI Circular on NCDs.

1.5. The Scheme provides for:

(i) the amalgamation of the Transferor Company 1 with the Transferee Company 1;
(ii) the amalgamation of the Transferor Company 2 and Transferor Company 3 with the Company; and
(iii) various other consequential matters or otherwise integrally connected herewith.

1.6. The following documents were, *inter alia,* made available to the Board, duly initialed by the Company Secretary of the Company for the purpose of identification:

(i) Draft Scheme;

(ii) Valuation Report(s) dated 5th August 2026 issued by Bansi S. Mehta Valuers LLP (Reg. No.: IBBI Registration Number: IBBI/RV-E/06/2022/172), Registered Valuer ("**Valuation Report**"), in connection with the Scheme;

Corp. Office: No. 29, Jayalakshmi Estates, Third Floor, Haddows Road, Nungambakkam, Chennai - 600 006. Phone: 044-2828 6500 Fax: 044-2828 6570
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Customer Correspondence Address : Bristol Towers, 2nd Floor, No.10, South Phase, Thiru-Vi-Ka Industrial Estate, Guindy, Chennai-600 032.
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(iii) Fairness Opinion Report(s) dated 5th August 2026 issued by JM Financial Limited, SEBI registered Category-I Merchant Banker (SEBI Merchant registration No. INM000010361), an independent SEBI registered Merchant Banker ("**Merchant Banker**") ("**Fairness Opinion**"); and

(iv) Certificate issued by Brahmayya & Co., Chartered Accountants (ICAI Firm Registration No. 000511S) and Suri & Co., Chartered Accountants (ICAI Firm Registration No. 004283S), Statutory Auditors of the Company, confirming the accounting treatment in the prescribed manner in the Scheme is in compliance with the accounting standards prescribed under Section 133 of the Act and other generally accepted accounting principles, and payment/ repayment capability of the Company against outstanding listed non-convertible debentures of the Company.

2. Rationale of the Scheme

The Parties to the Scheme are under common control. To simplify the group structure, it is proposed to consolidate these entities. The rationale and the benefits of the Scheme, are as set out below:

(i) streamlining of the group corporate structure and consolidation of assets and liabilities, leading to synergies of operations and resulting in the expansion and long-term sustainable growth, which will enhance value for various stakeholders of the Parties;
(ii) simplification of corporate structure by reducing the multiplicity of legal and regulatory compliances through rationalization;
(iii) reduction of administrative responsibilities, multiplicity of records and legal and regulatory compliances, cost savings and elimination of duplicate expenses;
(iv) achieve optimal and efficient utilization of capital, enhance operational and management efficiencies; and
(v) consolidating the NBFCs within the group in terms of RBI directions.

3. Valuation Report

The valuation report has been issued by Bansi S Mehta Valuers LLP, Registered Valuer. JM Financial Limited, Independent SEBI Registered Merchant Banker has issued its fairness opinion on the share exchange ratio determined by the Registered Valuer.

3.1 Upon Amalgamation of the Transferor Company 2 with the Company:

3.1.1 Immediately upon effectiveness of Part III of the Scheme and in consideration of and subject to the provisions of this Scheme, the Company shall, without any further application, act, deed, consent, acts, instrument or deed, issue and allot equity shares, to the shareholders of the Transferor Company 2 whose names are recorded in the register of members and records of the depository as members of the Transferor Company 2, as on the Effective Date (*as defined in the Scheme*), as under:

9.94 (Nine Point Nine Four) equity shares of INR 10 each fully paid up of the Transferee Company 2 for every 180 (One Hundred and Eighty) equity shares of INR 10 each fully paid up of the Transferor Company 2;

3.1.2 The share exchange ratio as stated above has been determined basis the value of shares of the Transferor Company 2 and the Company estimated as on 31st March

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2027. It is clarified that the share exchange ratio shall be updated and revised by the registered valuer, basis the fair value of shares of the Transferor Company 2 and determined as on the end of the financial quarter immediately preceding the Effective Date. For this purpose, the registered valuer will determine the value adopting similar methodologies and approaches/multiples as undertaken at the time of the approval of this Scheme by the Board of the respective Parties.

3.1.3 The Consideration Shares for Transferor Company 2 (*as defined in the Scheme*) shall be subject to the provisions of the memorandum of association and articles of association of the Company and shall rank *pari passu* in all respects with any existing shares of the Company, including with respect to dividend, bonus, right shares, voting rights and other corporate benefits attached to the shares of the Company.

3.2 **On Amalgamation of the Transferor Company 3 with the Company:**

3.2.1 Since the Transferor Company 3 is a wholly owned subsidiary of the Company, upon amalgamation of the Transferor Company 3 with the Company, no consideration shall be issued by the Company.

3.3 The Valuation Report and the Fairness Opinion have been duly considered by the Board, and the Board has come to the conclusion that share exchange ratio specified in the Scheme is fair and reasonable.

3.4 No special valuation difficulties were reported.

4. <u>Effect of the Scheme on the equity shareholders (promoter and non-promoter) of the Company</u>

4.1 On Amalgamation of the Transferor Company 2 with the Company

4.1.1 In terms of Part III of the Scheme, as consideration for amalgamation of the Transferor Company 2 with the Company, all the equity shareholders of the Transferor Company 2, as on the Effective Date (*as defined in the Scheme*) shall receive Consideration Shares for Transferor Company 2.

4.1.2 Upon the Scheme becoming effective, the Transferor Company 2 shall be dissolved without being wound up and the shareholders of the Transferor Company 2 shall become shareholders of the Company.

4.2 On Amalgamation of the Transferor Company 3 with the Company

4.2.1 Since the Transferor Company 3 is a wholly owned subsidiary of the Company, upon the Scheme becoming effective, the shares held by the Company in the Transferor Company 3 will stand cancelled and no consideration shall be issued by the Company.

4.2.2 Upon the Scheme becoming effective, the Transferor Company 3 shall be dissolved without being wound up.

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5. Impact of the Scheme on the NCDs, safeguards for the protection of the NCD holders and exit offer to NCDs holders

5.1. Pursuant to this Scheme, there will be no change in terms and conditions of the NCDs of the Company.

5.2. Pursuant to the Scheme, the NCD holders of the Company as on the Effective Date will continue to hold NCDs of the Company, without any interruption, on same terms, including the coupon rate, tenure, redemption price, quantum, and nature of security, ISIN, etc.

5.3. Upon the Scheme becoming effective, the listed NCDs will continue to be freely tradable and listed on NSE, thereby providing liquidity to the holders of the NCDs and accordingly, no exit offer is required to be provided to holders of NCDs of the Company. Accordingly, the Scheme will not have any adverse impact on the holders of the NCDs of the Company.

5.4. A certificate dated 5th August 2026 from Brahmayya & Co., Chartered Accountants (ICAI Firm Registration No. 000511S) and Suri & Co., Chartered Accountants (ICAI Firm Registration No. 004283S), Statutory Auditors of the Company, confirming the accounting treatment in the prescribed manner in the Scheme is in compliance with the accounting standards prescribed under Section 133 of the Act and other generally accepted accounting principles, and payment/ repayment capability of the Company against outstanding listed non-convertible debentures of the Company.

6. Effect of the Scheme on the Key Managerial Personnel ("KMP") of the Company

6.1. Pursuant to the Scheme, there is no adverse impact on the KMPs of the Company.

6.2. Further none of the KMPs of the Company have any interest in the Scheme except to the extent of the equity shares held by them, if any, in the Company.

7. Adoption of the Report by the Directors

7.1. The Board has come to the conclusion that the Scheme is fair and not detrimental to the stakeholders of the Company, including NCD holders of the Company.

7.2. In the opinion of the Board, the Scheme will be of advantage and beneficial to the Company, its shareholders and other stakeholders.

By Order of the Board of Directors

For and on Behalf of
TVS Credit Services Limited

Sd/-
Name: Ashish Sapra
Director and Chief Executive Officer
DIN: **09805893**

Place: **Chennai**
Date: **5th August 2026**

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