TVS CREDIT

Creating a future that belongs to all.

Annual Report 2022-23

TVS CREDIT

Empowering every Indian to face tomorrow with confidence.

The world is changing so fast, it has become impossible to predict tomorrow, let alone a more distant future. But one thing is certain: Indians will always want to do more, be more, achieve more. We at TVS Credit are right here to support and encourage them. Our insight-driven financial solutions, backed by cutting-edge technology and caring service, empower customers to face every new tomorrow with a confident smile.

In our Annual Report for FY 2022-23, you'll find out how each of our products helps Indians to prepare for a richer, more rewarding future. Of course, you'll also find out how we did in the past year. We're humbled to share that we've touched the lives of over 1 Crore customers so far, and our nationwide reach has crossed 40,000 touchpoints. Making intelligent use of digitalisation and data analytics remains a key focus, as does the rapid expansion of our partner network.

Before you dive into our detailed results, here are some highlights. Our Assets Under Management touched ₹20,602 Crore in March 2023, a rise of 48% over the previous year. Total Income went up by 51% to Rs ₹4,160 Cr, a rise of 51%, while Profit After Tax increased by 221% to touch ₹389 Crores. Happy reading. We hope you gain some valuable insights from our journey so far!

Empowering India.
One Indian at a time.

BOARD OF DIRECTORS

Sudarshan Venu, Chairman
Venu Srinivasan
R Gopalan
K N Radhakrishnan
V Srinivasa Rangan
B Sriram
Kalpana Unadkat

AUDIT COMMITTEE

R Gopalan, Chairman
V Srinivasa Rangan
K N Radhakrishnan

NOMINATION AND REMUNERATION COMMITTEE

Kalpana Unadkat, Chairperson
B Sriram
Sudarshan Venu

CORPORATE SOCIAL RESPONSIBILITY COMMITTEE

Venu Srinivasan, Chairman
R Gopalan
K N Radhakrishnan

RISK MANAGEMENT COMMITTEE

K N Radhakrishnan, Chairman
V Srinivasa Rangan
Kalpana Unadkat

ASSET LIABILITY MANAGEMENT COMMITTEE

B Sriram, Chairman
Sudarshan Venu
Ashish Sapra

INFORMATION TECHNOLOGY STRATEGY COMMITTEE

B Sriram, Chairman
Sudarshan Venu
K N Radhakrishnan
Ashish Sapra
Soujanya Alluri

CREDIT SANCTION COMMITTEE

B Sriram, Chairman
Sudarshan Venu
K Gopala Desikan
Ashish Sapra

STAKEHOLDERS RELATIONSHIP COMMITTEE

K N Radhakrishnan, Chairman
R Gopalan
Kalpana Unadkat

SENIOR MANAGEMENT COMMITTEE

Ashish Sapra, Chairman
Muralidhar Sripathi
R Ananthakrishnan
Shelvin Mathews
P V Kasturirangan
Pravin Patel
Charandeep Singh
Anjaneya Prasad
Roopa Sampath Kumar
Soujanya Aluri
Vikas Arora

CHIEF EXECUTIVE OFFICER

Ashish Sapra

CHIEF FINANCIAL OFFICER

Roopa Sampath Kumar

STATUTORY AUDITORS

Sundaram & Srinivasan
Chartered Accountants
23, C.P. Ramaswamy Road,
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Email ID: sundaramandsrinivasan1948@gmail.com

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Chartered Accountants
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T.Nagar, Chennai- 600017
Email ID: ganga@cngsn.com

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Email ID: bchandraandassociates@gmail.com

REGISTERED OFFICE

"Chaitanya"
No. 12, Khader Nawaz Khan Road,
Nungambakkam, Chennai - 600 006
Tel.: 044 - 28332115 Fax: 044 - 28332113
CIN: U65920TN2008PLC069758
Email ID: secretarial@tvscredit.com
Website: www.tvscredit.com

BANKERS / FINANCIAL INSTITUTIONS

Axis Bank Limited
Aditya Birla Finance Limited
Bank of Baroda
Bank of Maharashtra
Bajaj Finance Limited
Canara Bank
DCB Bank Limited
DBS Bank Limited
Deutsche Bank
Federal Bank Limited
HDFC Bank Limited
HDFC Mutual Fund
HSBC Limited
Indian Bank
IndusInd Bank
IDBI Bank Limited
ICICI Prudential Mutual Fund
Kotak Mahindra Bank Limited
Karur Vysya Bank Limited
MUFG Bank Limited
South Indian Bank Limited
State Bank of India
SBI Mutual Fund
SBI Life Insurance Company Limited
Sumitomo Mitsui Banking Corporation
Tata Capital Financial Services Limited
Union Bank of India

SUBSIDIARY COMPANIES

Harita Two Wheeler Mall Private Limited
Harita ARC Private Limited
TVS Housing Finance Private Limited

DEBENTURE TRUSTEES

Beacon Trusteeship Limited
Registered office and Corporate office
4C & D Siddhivinayak Chambers,
Gandhi Nagar, Opp. MIG Cricket Club,
Bandra (East), Mumbai – 400 051
Tel: +91-022-2655 8759
Fax: +91-022-4918 6060
Email ID: compliance@beacontrustee.co.in

STOCK EXCHANGE

National Stock Exchange of India Limited
Mumbai
Non-Convertible Debentures of the Company are listed

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NOTICE is hereby given that the Fifteenth Annual General Meeting of Shareholders of the Company will be held at the Registered Office of the Company at "Chaitanya", No.12, Khader Nawaz Khan Road, Nungambakkam, Chennai – 600 006 on Monday the 17th July 2023 at 10.00 A.M. to transact the following business:

ORDINARY BUSINESS

1. **To consider and if thought fit, to pass with or without modification, the following resolution as an ordinary resolution.**

   "RESOLVED THAT the standalone and consolidated audited financial statements for the year ended 31st March 2023, together with the Directors' Report and the Auditors' Report thereon as circulated to the members and presented to the meeting be and are hereby approved and adopted."

2. **To consider and if thought fit, to pass with or without modification, the following resolution as an ordinary resolution.**

   "RESOLVED THAT Mr.Venu Srinivasan (holding DIN: 00051523), Director, who retires by rotation and being eligible, offers himself for re-appointment, be and is hereby re-appointed as a Director of the Company."

By order of the Board
For TVS Credit Services Limited

Place : Chennai
Date : 3rd May, 2023

Anand Vasudev
Company Secretary

NOTES:

1. A member entitled to attend and vote at the meeting is entitled to appoint one or more proxies to attend and vote instead of himself and the proxy or proxies so appointed need not be a member or members, as the case may be, of the Company. The instrument appointing the proxy and the power of attorney or other authority, if any, under which it is signed or a notarially certified copy of that power of attorney or other authority shall be registered office of the Company, not later than 48 hours before the time fixed for holding the meeting. A person shall not act as a proxy for more than 50 members and holding in aggregate not more than ten percent of the total voting share capital of the Company. However, a single person may act as a proxy for a member holding more than ten percent of the total voting share capital of the Company provided that such person shall not act as a proxy for any other person.

Encl: Proxy form

TVS CREDIT SERVICES LIMITED

Registered Office: "Chaitanya", No.12, Khader Nawaz Khan Road, Nungambakkam, Chennai – 600 006
CIN: U65920TN2008PLC069758; Website : www.tvscredit.com; Email ID: secretarial@tvscredit.com
Phone No.: 044-28332115, Fax : 044-28332113

PROXY FORM

FORM No. : MGT 11

[Pursuant to Section 105(6) of the Companies Act, 2013 and
Rule 19(3) of the Companies (Management and Administration) Rules, 2014]

CIN	:	**U65920TN2008PLC069758**	E-Mail ID	:	
Name of the Company	:	**TVS Credit Services Limited**	Folio No.	:	
Registered Office	:	Chaitanya", No.12, Khader Nawaz Khan Road, Nungambakkam, Chennai – 600 006	DP ID / Client ID No. of Shares	: :	
Name of the Member(s)	:				
Registered Address	:				

I/We being the Member(s) of TVS Credit Services Limited holding __________ Equity Shares, hereby appoint:

1. Name:	2. Name:	3. Name:
Address:	Address:	Address:
Email ID:	Email ID:	Email ID:
Signature .... Or failing him	Signature .... Or failing him	Signature .... Or failing him

as my/our Proxy to attend and vote (on a poll) on my/our behalf at the 15th ANNUAL GENERAL MEETING of the Company to be held at Chaitanya", No.12, Khader Nawaz Khan Road, Nungambakkam, Chennai – 600 006 on Monday, 17th July, 2023 at 10.00 A.M. and at any adjournment thereof in respect of such resolutions as are indicated below:

S.No.	Resolutions	Vote	
Ordinary Business		For	Against
1.	Adoption of both standalone and consolidated audited financial statements of the Company for the financial year ended 31st March 2023 together with the reports of the Board of Directors' and Auditors' thereon.		
2.	Re-appointment of Mr Venu Srinivasan as director, who retires by rotation.		

Signed this .... day of 2023

Affix Revenue Stamp of ₹1

Signature of Member

Signature of Proxy holder

Notes:

1. This form of Proxy in order to be effective should be duly completed and deposited at the Registered office of the Company at "Chaitanya", No.12, Khader Nawaz Khan Road, Nungambakkam, Chennai – 600 006, not less than 48 hours before the commencement of the meeting.

2. It is optional to put a ✓ in the appropriate column against the resolutions indicated in the box. If you leave the 'For' or 'Against' column blank against any or all the resolutions, your Proxy will be entitled to vote in the manner as he/she thinks appropriate.

The Directors have the pleasure of presenting the Fifteenth Annual Report and the audited accounts of the Company for the year ended 31st March, 2023.

1. BUSINESS AND FINANCIAL PERFORMANCE

The highlights of the financial performance of the Company are given below:

₹ in Crore

Particulars	Year ended	
	31st March, 2023	31st March, 2022
Revenue from Operations	4,155.62	2,746.45
Other Income	4.70	8.94
Total Income (A)	**4,160.32**	**2,755.39**
Finance Costs	1,168.28	742.93
Fees & Commission, Employee Benefit, Administrative & Other Operating Expenses	1,830.19	1,282.99
Impairment of Financial Instruments	629.14	554.15
Depreciation and Amortisation Expenses	21.43	19.12
Total Expenses (B)	**3,649.04**	**2,599.19**
Profit/(Loss) before Tax & Exceptional Item (A)-(B)	**511.28**	**156.20**
Less: Exceptional Item	-	5.00
Profit/(Loss) before Tax	**511.28**	**151.20**
Less: Tax Expense		
- Current Tax	197.78	64.84
- Deferred Tax	(75.17)	(34.36)
Profit/(Loss) after Tax	**388.67**	**120.72**
Other Comprehensive Income	5.80	29.21
Total Comprehensive Income	**394.47**	**149.93**
Balance brought forward from Previous Year	634.77	508.99
Transfer to Statutory Reserve	(77.73)	(24.15)
Surplus/(Deficit) carried to Balance sheet	**951.51**	**634.77**

Company's Performance

The Company registered a growth of 73% in disbursements, with disbursals of ₹21,652 Cr as against ₹12,533 Cr during the previous year. The Company ended the year with Assets Under Management (AUM) of ₹20,602 Cr as against ₹13,911 Cr as of the end of the previous year, registering a growth of 48%. AUM of the Company is well diversified with various portfolios and % of total loans as of 31st March, 2023 are as follows: Retail Finance business - Two-Wheeler Loans (27%) and Used Car Loans (9%), Commercial Finance business - Tractor Loans (30%), Used Commercial Vehicle Loans (11%) and Business Loans (3%) and Consumer Finance business – Consumer Durable Loans (6%) and Personal Loans (14%).

Total income during the financial year 2022-23 increased to ₹4,160 Cr from ₹2,755 Cr, an increase of 51% over the previous year. The profit before tax and exceptional items for the year stood at ₹511 Cr as against ₹156 Cr during the previous year, a growth of 227%.

The above financial performance is based on Indian Accounting Standards - (IND-AS). The Company has adopted (IND-AS) from 1st April, 2018 with an effective transition date of 1st April, 2017 pursuant to MCA notification dated 31st March, 2016, and the financial statements have been prepared in accordance with Division III of Schedule III of Companies Act, 2013 notified by Ministry of Corporate Affairs (MCA) on 11th October, 2018.

Key Product-wise Performance during the Financial Year

Two-Wheeler Loans: The Company disbursed ₹4,606 Cr as against ₹3,365 Cr in the previous year, registering a growth of 37%. The Company continues to be the leading financier for TVS Motor Company Ltd, the holding Company.

Used Car Loans: The Company expanded its Used Car Loans business in southern states and disbursed ₹1,273 Cr as against ₹826 Cr in the previous year, registering a growth of 54%.

Tractor Loans: The Company disbursed ₹4,301 Cr of Tractor Loans consisting of both new and used tractors as against ₹2,344 Cr in the previous year, registering a growth of 83%.

Used Commercial Vehicle Loans: The Company scaled up its Used Commercial Vehicle Loans business during the year and disbursed ₹2,064 Cr as against ₹980 Cr in the previous year, registering a growth of 111%.

Business Loans: The Company scaled up its Business Loans portfolio and disbursed ₹2,501 Cr during the current year as against ₹1,662 Cr in the previous year, registering a growth of 50%.

Consumer Durable Loans: During the year, the Company disbursed ₹4,414 Cr to 23.11 lakh customers as against ₹2,235 Cr to 11.78 lakh customers in the previous year, registering a growth of 97%, with the customer base expanding by 96%.

Personal Loans: The Company scaled up the Personal Loans - Cross-Sell to existing customers and open market. The Personal Loans business had disbursements of ₹2,492 Cr as against ₹1,122 Cr in the previous year, registering a growth of 122%.

2. MANAGEMENT DISCUSSION AND ANALYSIS REPORT

The fiscal year 2023 marked the first-year post-COVID-19 pandemic where India was fully operational throughout the year. While the fiscal year 2022 would be remembered for the unparalleled strength of the human population across the globe, the Indian economy emerged stronger due to the various initiatives taken by the Government – fiscal, monetary, and non-monetary measures coupled with mass vaccination coverage which provided a strong foundation as India embarked into fiscal 2023.

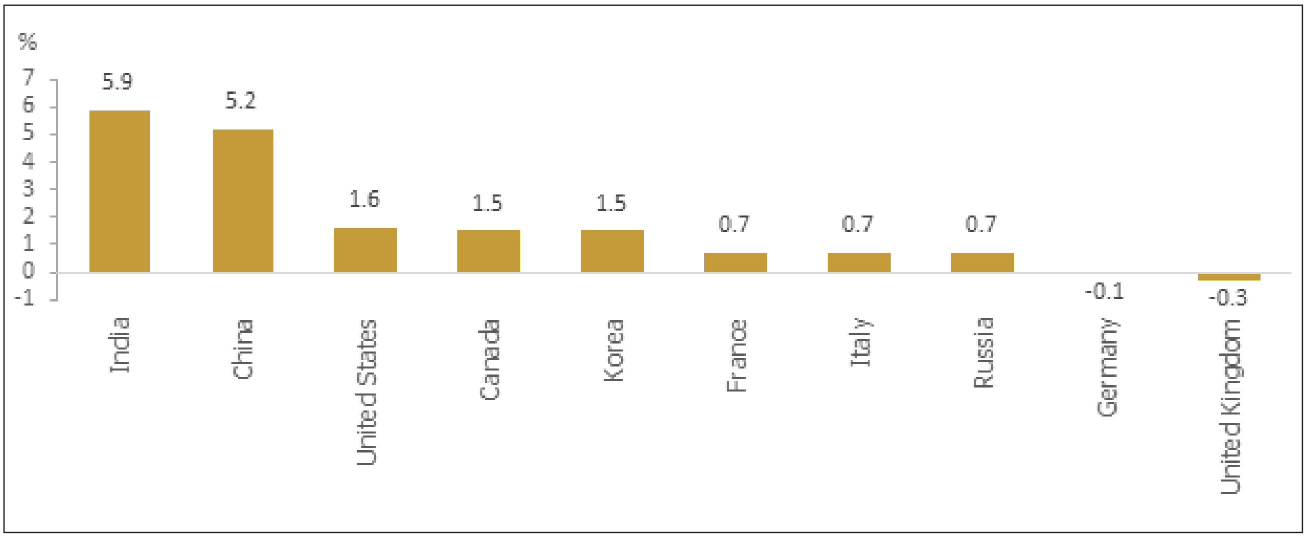
India achieved Robust Economic Growth during Fiscal 2023 compared to other Nations

With robust growth during fiscal 2023, India is regarded as one of the fastest-growing major economies, and as per the reports released by International Monetary Fund in September 2022, India overtook the United Kingdom to become the fifth-largest economy in the world on nominal GDP (US dollars). This marks a fast climb from the ninth position a decade ago.

During this year, the Indian economy displayed a fair degree of resilience when nations across the globe battled the four Cs – COVID-19 pandemic, Conflict (geo-political), Climate change, and Central Banks' synchronised policy rate hikes to curb inflation. The global economy witnessed various macroeconomic events such as geo-political frictions supply chain disruptions, persisting commodity inflation, lower global demand, global bank crisis, and tightening monetary conditions across the advanced economies, which had a cascading impact on emerging and developing nations.

Despite these headwinds, India recorded a higher economic growth rate compared with many other global economies owing to various factors such as healthy domestic demand, strong investment activity, increase in Government push for capital expenditure (CapEx), relatively accommodative financial conditions, growth in contact-based services, active and strong Government policies and initiatives and overall normal monsoons for the fourth time in a row. The above factors would provide the ignition to lift the economy towards its goal of $5 trillion nominal GDP from an estimated $3.4 trillion this fiscal year.

GDP Growth (constant prices) for Major Global Economies (CY 2023)



Source: IMF, CRISIL MI&A

The Indian economy has seen a broad-based recovery across sectors and is positioned to ascend to the pre-pandemic growth path in the fiscal year 2023. This recovery continues to demonstrate its strong economic fundamentals, stable political leadership, growing young population, skilled and educated workforce, and access to vast natural resources.

As per the official data revisions released in February 2023 by the National Statistical Office, the real GDP growth estimate for fiscal 2023 is pegged at 7.0%, revealing that the economy was more resilient than estimated earlier. This has, however, reduced from 9.1% in fiscal 2022 on account of the base effect.

Rural India supported agricultural sector grew by 3.5%, augmented by an above-normal monsoon, record rabi crop acreage for wheat and oilseeds, high crop prices, and increased MSP support. However, in fiscal 2023 due to the relatively slow recovery of the rural non-agricultural sector, the overall growth recovery of rural was slower than urban. The service sector growth was robust at 9% in fiscal 2023, supported by contact intensive services sector, which offset the moderation in the manufacturing sector. It may be worthwhile to note that India's service exports have continued to increase during this year despite external pressures.

The economy also witnessed enhanced employment generation this year, as reflected in the declining rural unemployment rates. Factors such as improvement in income prospects in both rural and urban areas and easy credit boosted consumer confidence and the growth in consumption demand in the country.

Further, the rebound in consumption during this year has been supported by the release of "pent-up" demand, a phenomenon influenced by a rise in the share of consumption in disposable income. The consumption was also augmented by India's large, young, and rising share of the upper middle-income population (with a high propensity to spend).

Digital Architecture

India's digital architecture has strengthened significantly over the last five to six years, including the universe of finance, payment systems, nationwide identification framework, distribution of welfare schemes, logistics, etc. This has been ably supported by a sharp rise in mobile phone subscribers (~700 million) and increasing internet penetration across India. These factors have played a vital role in driving the remarkable growth of digital payments, exemplified by the substantial increase in UPI transactions from 2.2 billion in December 2020 to an impressive 7.8 billion in December 2022.

Government Initiatives

The Government has made a significant push towards building infrastructure which includes ₹7.28 lakh Cr public capital expenditure during fiscal 2023, with the highest ever outlay for public capital expenditure of ₹10 lakh Cr being earmarked for fiscal 2024. This consistent infrastructure budget is expected to revitalise the economy in the short term and improve quality of life in the mid to long term.

RBI has been actively intervening to balance growth, contain rising inflation, depreciating currency against the US dollar, and capital formation by maintaining a tighter policy stance during this fiscal year. The inflation was driven by core and food inflation which adversely impacted low-income consumers. The retail inflation is expected to be within the RBI's tolerance target range for the next fiscal year at 4-5% from the current year estimates of 6.8% this fiscal year.

Economic Growth to Remain Stable in Fiscal 2024

The International Monetary Fund (IMF) projects India to remain the fastest-growing major economy in the world in the calendar year 2023, and this position is likely to continue in fiscal 2024. As per the recent RBI monetary policy, GDP growth for fiscal 2024 is estimated to be around 6.5% in fiscal 2024.

Growth in fiscal 2024 is expected to be supported by the following factors:

- Increase in urban discretionary consumption demand, especially in contact-intensive services such as travel, tourism, and hospitality sectors
- Rising middle Indian population (defined as households with annual income between ₹2 lakh to ₹10 lakh)
- Higher disposable income among the mid-income group by introducing tax reforms driving higher consumption
- Improving consumer sentiment as indicated by RBI's Consumer Confidence survey
- Expected moderation in global crude oil prices
- Improved investment climate with an expected increase in FDIs and strong governance framework in banking and financial services and capital markets in India
- Highest ever CapEx outlay of ₹10 lakh Cr allocated in the Central Government budget for fiscal 2024

Union Budget 2023-2024 has highlighted the Government's renewed CapEx thrust, the largest in 15 years at a record 4.5% of the GDP, with sectors such as railways, highways, and petroleum benefiting the most. In fiscal 2024, Production-Linked Incentive (PLI) driven exports will be the single growth driver for India, helping increase overall exports by 2-4%. The Government has launched PLI Schemes for six of India's top 10 export verticals, which would likely propel incremental exports this year. Further policy pushes and new-age opportunities are expected to lead CapEx growth in fiscal 2024. Policies aimed at a greater formalisation of the economy would help accelerate per-capita income growth.

Rural Demand to Witness Strong Recovery with Expected Decline in Overall Inflation

Rural demand remained strong in fiscal 2023 owing to the continued resilience of the agricultural sector and allied activities and the rise in farm-based employment. The growth in the agricultural sector in fiscal 2023 was higher as compared to fiscal 2022 on account of agricultural activities continuing unhindered, supported by normal monsoon, increased financial support through Mahatma Gandhi National Rural Employment Guarantee Act (MNREGA) and the PM-Kisan Scheme, and other Government policies, which resulted in timely supply of seeds and fertilisers despite continued disruptions since COVID.

The Union Budget 2023-2024 has also introduced various initiatives aimed at strengthening the rural sector. The Government allocated funds of ₹1.6 trillion to the Ministry of Rural Development and has introduced the Agriculture Accelerator Fund to encourage innovative start-ups in rural areas. It will also launch the Atmanirbhar Bharat Horticulture Clean Plant Programme to boost the production of high-value horticulture crops. Moreover, the Government has indicated funding of ₹20 lakh Cr towards agricultural credit for the husbandry, dairy, and fishery sectors.

Rising Middle India Population to Propel Economic Growth

The proportion of middle India has been on the rise over the last decade and is expected to grow further with continuous increase in GDP and household incomes, improvement in literacy levels, increasing access to information and awareness aided by digital infrastructure, and an increase in the availability of basic necessities. As per CRISIL Research estimates, there were 41 million households in India in this category as of fiscal 2012, and by fiscal 2030, the number is projected to increase to 181 million. This massive growth in the number of middle-income households is expected to generate increased opportunities for the Company, given that the businesses are closely linked to the consumption demand over the coming years.

A large number of the households which have entered the middle-income bracket in the last few years are likely to be from semi-urban and rural areas, which are key focus areas for the Company. Other indicators such as bank deposits, the proportion of sales of e-retailers coming from small cities and towns, smartphone ownership, internet users, and the proportion of users accessing social media indicate a similar trend. These structural changes will create more growth opportunities for the Company as it strives to expand its distribution presence deeper into semi-urban and rural areas.

RISKS AND CONCERNS

The key challenges which might impact growth during next year would be elevated inflation, aggressive rate hikes by major central banks, including the repo rate increase, and tricky geopolitical situations and its likely impact on volatility in crude and commodity prices. However, there is some optimism on the domestic inflation front, which is expected to moderate to 5% in fiscal 2024 from 6.8% this fiscal owing to various Government initiatives and high base effect.

NBFCs Witnessed Double-Digit Growth in Fiscal 2023; Retail Credit Drove Overall Credit Growth

NBFCs, aided by their remarkable resilience, have registered their presence in the financial ecosystem, clocking a compound annual growth rate of 13% to an estimated ₹33 trillion at the end of fiscal 2023 from assets under management of less than ₹2 trillion at the turn of the century. The NBFC sector, which witnessed moderated growth in the last few years, recorded the highest year-on-year growth of 14% in fiscal 2023. The growth was largely driven by the retail segment, estimated to have grown by 16% year-on-year, led by higher consumer demand. Major NBFCs in the market have shifted towards retailisation and unsecured Consumer Loans to drive growth and profitability through digital channels. This has resulted in an increase in the share of Retail Credit in overall NBFC credit and is expected to strengthen further in fiscal 2024.

Within Retail Credit, the Auto segment loan book grew at a healthy pace of 13-15% in fiscal 2023 from a subdued 5% level during the previous two fiscals. Among Auto segments, the loan book for Commercial Vehicle (CV) segment grew at 10-11% year-on-year, driven by strong demand from the infrastructure sector, as well as demand for fleet replacement and focus on last-mile connectivity. On the other hand, pent-up demand and model launches boosted Passenger Car and Utility Vehicle (UV) year-on-year growth at 16-17%.

The two-wheeler disbursements are expected to have increased by 25% in fiscal 2023 on account of healthy sales volume driven by normal monsoon and improved income sentiment. Consumer Durables and Micro, Small, and Medium Enterprises Loans also witnessed strong growth owing to a pick-up in consumption demand and additional working capital requirement due to high inflation.

NBFCs (especially retail-focussed ones) will remain a force to reckon with in the Indian credit landscape, given their inherent strength of providing last-mile funding and catering to customer segments that are difficult to address. In fact, banks' exposure towards NBFCs continued to grow to around ₹12 trillion at the end of March 2023 from ₹5 trillion at the end of March 2018, highlighting the latter's importance and growth prospects over the medium term.

Improved Profitability for NBFCs Amid Focus on Collections and Technology Innovations

Soaring inflationary pressures in fiscal 2023 resulted in RBI reversing its accommodative monetary policy stance. As of March 2023, the benchmark repo rate has already been increased by 250 bps to 6.5% from 4%.

Though the rise in interest rates has led to NBFC debt being repriced at a higher cost, collection efficiency has improved in fiscal 2023 and is back to pre-pandemic levels in most segments. This was largely aided by recovery in the overall economy and lenders' cautious approach. Non-performing assets of NBFCs are likely to be around 4.8-5.0% in fiscal 2023, which is lower than 5.8% in fiscal 2022.

Despite borrowing costs spiralling upwards, the overall profitability of NBFCs is expected to sustain, primarily on account of lower credit costs due to improved collection efficiency and increasing focus on technology-driven solutions by enhancing digitisation across the value chain.

The Company has taken various initiatives to strengthen its credit underwriting and has developed risk monitoring and collection models that have resulted in strong collection efficiency. Furthermore, the Company, given its strong parentage and access to funding, views the changes in the NBFC business landscape as an opportunity to build a stronger presence in its focus business segment through strategic interventions and partnerships with other firms.

Company Disbursements Grew at a Healthy Pace of 73% Year on Year in Fiscal 2023

As credit demand witnessed a spike in fiscal 2023, the Company registered an extremely strong 73% growth in disbursements year-on-year. The assets under management of the Company grew by 48% to ₹20,602 Cr as of March 2023 as compared to ₹13,911 Cr in the previous fiscal year. The Company has crossed the benchmark of 10 million customers as of the end of fiscal 2023. The loan portfolio of the Company is well diversified with various products grouped under Retail Finance, Consumer Finance, and Commercial Finance business as of March 2023.

The Company undertook a number of initiatives related to expanding its business and customer acquisition channels, strengthening its underwriting process, sharpening its collections and analytics focus, and augmenting the skills of its human resources, which would further enhance the long-term growth, efficiency, and resilience of the business over the next few years.

In terms of geographical footprint, the Company has increased its presence in Madhya Pradesh, Gujarat, Kerala, Rajasthan, Goa, and Haryana, which resulted in the Company's portfolio becoming well-diversified. The southern states of Tamil Nadu, Pondicherry, Kerala, Karnataka, Andhra Pradesh, and Telangana accounted for 40% of the Company's AUM as of March 2023. No single state accounted for more than 15% of our portfolio as of March 2023.

Disbursement in the Retail Finance business comprising of Two-Wheeler Loans and Used Car Loans witnessed a growth of 40% year-on-year in fiscal 2023. The Company focussed on increasing the active base of OEMs and channel partners in fiscal 2023, and during fiscal 2024, the efforts to ramp up the tie-ups with OEMs, partners, and alliances would continue. The Company witnessed an increase in penetration for Two-wheeler Loans and Used Car Loans in the existing market in fiscal 2023 and plans to enter into new geographies and continue deepening its footprint in existing geographies in fiscal 2024.

The Company significantly scaled up its Consumer Finance business comprising Consumer Durable Loans, Personal Loans, and InstaCard through tie-ups with more OEMs and channel partners, deeper penetrations in existing geographies and expansion into new geographies, and an increase in the cross-sell of Personal Loans to existing customers. In aggregate, the Consumer Finance business registered a disbursement growth of 106% year-on-year in fiscal 2023.

The total customer acquisitions in the Consumer Durable Loans business reached 5 million since its inception. During this fiscal, the Company focussed on building deeper reach in certain geographies, enhancing OEM tie-ups across products, and started to expand in the financing of white goods, including laptops. The business from newer geographies contributed to around 15-17% of the business. Further, the Company would continue to focus on increasing Personal Loan financing from cross-sell to existing customers.

Post the RBI guidelines on Prepaid Payment Instruments, the Company has aligned the InstaCard programme accordingly and has changed it from an open-looped card to a close-looped card with restricted usage within the network. The Company is working with multiple partners to increase the usage categories for customers.

Disbursement in Commercial Finance business comprising of Tractor Loans, Used Commercial Vehicle Loans, and Business Loans, witnessed a growth of 78% year-on-year in fiscal 2023. During fiscal 2023, the Company expanded its Tractor Loans business by strengthening its partnerships with leading tractor manufacturers in the country thereby establishing a stronger presence in the market.

The Company has started expanding its agriculture-linked financing, specifically focussing on Implements financing business in the rural and semi-urban markets, which would increase both the repeat business as well as add new clientele. Further, the Company has created a content-rich digital platform that is expected to increase customer experience and generate digital leads for the Company. This platform enables prospective customers to research and compare tractors online. In fiscal 2023, the Company also piloted Small and Light Commercial Vehicle Loans (SLCVs) and started tie-ups with partners to address asymmetries in logistics.

Continued Focus on Collections, Technology, and Distribution supported the Company's Growth Performance

The Company's sharp focus on collections, increasing distribution reach, and investing in appropriate technology tools stood in good stead in this fiscal. There has been a significant improvement in portfolio quality across all the business segments. The Company has categorised the borrowers into multiple risk deciles or categories based on their origination characteristics and repayment patterns to focus on accounts that are likely to show a higher propensity for delays and defaults. Further, requisite actions at relatively earlier stages were undertaken when an account was overdue so as to enhance collections and recovery. The Company continued to tie up with various UPI, payment gateways, and payment wallets in order to increase digital collections.

On the business underwriting and collections front, machine learning, artificial intelligence, and analytics are increasingly being leveraged across various products with the objective of focussing on the right customers and enhancing customer lifetime value.

On the distribution front, there has been a deeper penetration into the existing geographies and a focus on augmenting the partnerships and tie-ups to enhance reach and business in a cost-effective manner. Continuous adoption of technology across the business was the other major focus area that has helped the Company to perform better in this fiscal.

Recovery Management

The Company continues to leverage technology and analytics to improve the efficiency and effectiveness of the collection process. During fiscal 2023, the Company implemented a new litigation management system that enables the Company to organise its legal operations, such as sending legal notices and also increase productivity which is now system driven in a time-bound manner. The system also helped the Company to comprehensively maintain all the legal cases in a single platform.

Increased use of Data and Analytics across the Business Segments

The Company aims at continuously leveraging analytical tools effectively and increasing its focus on the use of data and analytics through the expanded use of Machine Learning (ML) models in decisioning across products and functions. The Company has instituted a robust governance framework around the development and use of ML models.

The Company introduced a two-minute credit underwriting model for Two-Wheeler Loan customers during this fiscal. This model uses a minimum set of fields/data sets for risk differentiation, thereby reducing the credit processing time and enhancing productivity significantly.

In addition, credit underwriting models were deployed in Used and New Tractor Loans, Used Car Loans, Consumer Durable Loans, and Personal Loans (PL) Cross-Sell. The Company completed the development of ML models that predict customer repayment behaviour across all stages of delinquencies, which immensely helped the collections teams to focus on collections efforts better.

The Company has also created a residual price estimation model for all the seized vehicles. This model helps the Company in attracting appropriate bids for all the repossessed vehicles from third parties and enables the field force in better negotiations. The Company has also created a Bidder Win-back programme which helps the business team with relevant data for better negotiations and bidding processes.

The Company has also invested in mitigating fraud risk with the launch of alert mechanisms to combat potential fraud at the customer, dealer, or employee level. The Company has also put a fraud detection algorithm for overall enterprise operations. Fraud identification techniques have also been implemented to reduce the occurrence of such fraudulent activities.

Building Digital Capability for Growth

During the year, the Company significantly focussed on building system capabilities that would improve the customer and dealer experience across all the product journeys. Automation projects across underwriting and business process have ensured that the customer wait time has considerably reduced, thereby improving dealer efficiencies and conversions. Going forward, the Company is focussing on unifying the journey for the customer across all products.

The Company has accelerated the Cloud transformation journey, which would enable the Company access to flexible, scalable, and on-demand IT resources and focus on building businesses that deliver great customer experiences. The Company has also taken steps to strengthen the cyber security framework to enhance controls over data management.

Marketing and Branding Initiatives

In fiscal 2023, the Company made noteworthy progress in providing best in class user experience for its customers and channel partners and raising brand awareness among the targeted audience through various marketing initiatives. The Company achieved a three-fold increase in digital business sourcing and introduced multiple digital products and marketing campaigns that extended the reach and facilitated hassle-free online customer journeys by focussing on digitising services and providing self-service options.

Increasing Reach and Building a Strong Brand Equity

The Company has successfully implemented innovative ambient branding strategies across its 40,000 channel partner points to enhance brand visibility and saliency. The Company has executed several highly successful social media campaigns, such as Magical Diwali, Triple Khushiyan Campaign, and Women's Day campaign, specifically tailored to engage GenZ and millennial audiences. These campaigns have increased engagement and followers across multiple platforms resulting in an impressive average monthly online reach of 10.6 million.

Increasing Digital Penetration in Business Acquisitions

During fiscal 2023, the Company saw a sizeable increase in business contribution through digital channels, with a major share coming from Two-Wheeler Loans and Cross-Sell initiatives. The Company also witnessed growth in Saathi App (Customer App) downloads, which increased from 4.7 to 7.5 million. The monthly App users and website traffic also grew by 60%, with 3 million monthly visitors.

Continued Focus on Digitalisation for Improving Customer Experience

The Company has taken multiple steps towards digitisation and automation to enhance the customer experience. One such initiative was the launch of the AI-based email response through a bot, which resulted in a 68% first-level response rate since its launch. In addition, the Company has introduced Natural Language Processing (NLP) in many regional languages in its bot services (WhatsApp and Chat bot), along with digitised services.

Annual Campus Engagement Programme

The Company places a strong emphasis on engaging with college campuses to increase brand visibility among future employees and inspire talented youth to generate innovative solutions to business challenges. In fiscal 2023, the Company held the fourth edition of its annual campus engagement programme, E.P.I.C Season 4, which attracted over 40,000 student registrations from 2900+ leading colleges.

Human Resources

People remain the most valuable asset of the Company. The Company has developed a robust human resource management framework to maximise employee performance. The Company is professionally managed, with the Senior Management Team having rich and diversified experience and having between a long tenure with the Company. The Company has created a succession roadmap to build a leadership pipeline and has undertaken many initiatives to develop organisational leadership and culture.

As on 31st March, 2023, the Company had 19,198 employees on its rolls. The Company continues to undertake several initiatives under the three significant pillars – Technology, Analytics, and People. The Company duly complied with all the statutory compliances related to employment and labour laws.

Career Acceleration and Talent Development Initiatives

In fiscal 2023, the Company's Career Accelerator Programme (CAP) for field staff and business-critical functions enabled the promotion of suitable employees to internal roles at supervisory levels in the Company. This programme is focused on the development of appropriate skills and capabilities in employees. During this year, the Company also commenced the skill development programmes such as Key Talent Development (KTD) at middle management and senior management levels. Till fiscal 2023, 40% of employees were covered under these programmes, and the Company will be taking initiatives to increase the numbers in fiscal 2024.

Tech in Human Resources

During the year, the Company initiated the Employee Pulse Survey, wherein all the conversations with the employees happen through a WhatsApp bot. This enabled the HR team to gather information about the mood of the employees and helps in addressing any employee concerns effectively.

Quality

In the journey towards excellence, the Company continues to focus on quality. The Company carries out periodic assessments of gaps and takes immediate actions to address such identified gaps, which has resulted in strengthening the process across the Company. The Company obtained ISO Quality ISO 9001/2008 and ISO/IEC 27000:2013 recertification for management systems from Bureau Veritas for all processing hubs and central operations.

Awards and Recognitions

During fiscal 2023, the Company was honoured with various awards and recognitions. Some of the key awards are listed below:

- 'India's Leading BFSI and FinTech Company' by Dun & Bradstreet at their BFSI and FinTech Summit 2023
- 'Best BFSI Brands -2023' award for the fourth consecutive year at the Economic Times Awards
- 'Best Place to Work for in Financial Services Industry (Large category) in India 2022' by AmbitionBox
- 'Best Use of Personalised MarTech' award at the Financial Express FuTech Awards 2022 for its App communication campaign
- 'Best Visibility & Visual Merchandising Campaign 2022' by RMAI for the 'Khushiyaan Triple Offer campaign for Two-Wheeler Loans
- The Public Relations Council of India (PRCI) awarded the Company 11 excellence awards for customer and employee communication campaigns, marketing collaterals, and HR digital transformation initiatives.
- E.P.I.C Challenge has made it through to the elite list of Top 25 Prestigious B-School and E-School Competitions 2023 under the UnStop Awards
- Platinum Award under Best Kaizen for Productivity at CII National Kaizen Circle Competition
- 4 awards under the Excellence & Distinguish award category from the Quality Circle Forum of India

Community Support Initiatives

As part of our community support programme, Saksham, the Company collaborated with Yuva Parivartan NGO to upskill students from low-income communities in Maharashtra (Pune - Jhunnar and Ambegaon) and Karnataka (Bangalore). Since 2018, the programme has been implemented across eight locations pan-India, impacting the lives of more than 800 people.

Funding

Over the last few years, the Company has enhanced its focus on diversification of borrowings across various sources by looking at not only the banking channel but also capital markets and external commercial borrowings. We managed to achieve significant success towards this endeavour in fiscal 2023.

During the year, the Company has raised fresh borrowings to the tune of ₹10,325 Cr (including long and short-term borrowings) to meet its business requirement. Out of the above, the Company also raised funds through Non-Convertible Debentures (NCDs) to the tune of ₹1,225 Cr with active participation from banks, mutual funds, and insurance companies. The Company also raised subordinated debt (Tier 2) to the extent of ₹600 Cr with participation from Mutual Funds and maiden participation from leading Insurance companies. More importantly, the Company was able to raise funds at competitive rates than the benchmark rates commensurate with similar rating category.

With equity infusion from promoters, participation from NBFCs, Banks, financial institutions, mutual funds, and insurance companies in the form of Tier I (Perpetual Debt Instrument) and Tier II capital (Subordinated Debt), the Company has an adequate Capital Adequacy Ratio (CAR). The CAR as on 31st March, 2023 stood at 18.75%.

During fiscal 2023, CRISIL and ICRA ratings have upgraded long-term ratings to AA (Stable) from AA- (Positive). Consequent to the SEBI order on Brickwork Ratings dated 6th October, 2022 the Company had withdrawn the bank loans and Tier I capital facilities rated by Brickworks post their reaffirmation of existing rating levels and allocated the rated facilities to ICRA and CRISIL. The Company continues to engage with credit rating agencies with a view to improving the credit rating and lowering the cost of funds.

The borrowing strategy of the Company has always been in tandem with assets composition with appropriate consideration for mitigation of interest rate and liquidity risk. Prudent Asset Liability Mix (ALM) aided the Company in having cumulative positive ALM mismatch across all tenure buckets as against negative mismatch stipulated by RBI/Internal guidelines. The liquidity position of the Company remains comfortable, with a focus on maintaining adequate liquidity buffers. The Company always maintains a minimum daily average Liquid Coverage Ratio (LCR) well above stipulated limits of 60% (Until 30th November, 2022)/70% (1st December, 2022 onwards) prescribed by the RBI. Besides, the liquidity ratios of the Company are within the approved tolerance limits set by the Asset Liability Committee of the Board.

All interest and principal repayments were paid on time. The assets of the Company, which are available by way of security, are sufficient to discharge the claims of the banks as and when they become due.

Credit Ratings

Facility	Rating
Commercial Paper	CRISIL A1+/ICRA A1+
Short term loan	ICRA A1+
Cash Credit/Working Capital Demand Loans	CRISIL AA (Stable)
Long Term Loans	CRISIL AA (Stable)/ICRA AA (Stable)
Non-Convertible Debentures – Long term	CRISIL AA (Stable)
Subordinated Debt (Tier II)	CRISIL AA (Stable)/BWR AA (Stable)
Perpetual Debt (Tier I)	CRISIL AA- (Stable)/ICRA AA- (Stable)

Share Capital

During the year under review, the Company issued and allotted 2,70,27,026 equity shares at a face value of ₹10 per share at a premium of ₹175 per share.

The paid-up capital of the Company accordingly stood increased from ₹201.19 Cr (20,11,96,900 equity shares of ₹10/- each) to ₹228.22 Cr (22,82,23,926 equity shares of ₹10/- each) as on 31st March, 2023.

Non-Convertible Debentures

During the year under review, the Company issued Non-Convertible Debentures (NCDs) of ₹1,825 Cr on a private placement basis. The NCDs have been listed on the Wholesale Debt Market segment of the National Stock Exchange of India Ltd (NSE). These NCDs have been rated as AA by CRISIL as of 31st March, 2023.

Dividend

The Directors have not proposed any dividend for the year under review, as the resources are required for the future growth of the business of the Company.

Transfer to Statutory Reserves

During the year, ₹77.73 Cr were transferred to the Statutory Reserve created as required under Section 45-IC of the Reserve Bank of India Act, 1934.

Public Deposits

The Company is a Systemically Important Non-Deposit taking Non-Banking Finance Company (NBFC-ND-SI) and has not accepted any deposits during the year under review. The Board has also passed a resolution for non-acceptance of deposits from the public.

Consolidated Financial Statements

The consolidated financial statements of the Company are prepared in accordance with the provisions of Section 129 of the Companies Act, 2013 (the Act, 2013), read with the Companies (Accounts) Rules, 2014 and Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 along with a separate statement containing the salient features of the financial performance of subsidiaries/associates in the prescribed form. The audited consolidated financial statements together with Auditors' Report, form part of the Annual Report.

The audited financial statements of the subsidiary companies will be made available to the Shareholders on receipt of a request from any Shareholder, and it has also been placed on the website of the Company. This will also be available for inspection by the Shareholders at the Registered Office during business hours, as mentioned in the Notice of AGM.

The consolidated Profit Before Tax of the Company and its subsidiaries amounted to ₹512 Cr for the financial year 2022-23 as compared to ₹152 Cr in the previous year.

Subsidiary Companies

The following companies are the subsidiaries of the Company as on 31st March, 2023, and these subsidiaries have not commenced operations yet.

S.No.	Name of the Companies
1.	Harita Two Wheeler Mall Private Limited
2.	Harita ARC Private Limited
3.	TVS Housing Finance Private Limited

Performance of Subsidiaries

A report on the performance of the subsidiary companies, including the salient features of the financial statements in Form AOC-I is attached and forms part of this Report (Annexure IV).

All the subsidiaries are yet to commence their operations.

Holding Company

TVS Motor Company Limited is the holding Company and holds 85.63% equity shares as on the date of this report.

Corporate Governance

Good corporate governance, acting in accordance with the principles of responsible management aimed at increasing enterprise value on a sustainable basis, is an essential requirement for the TVS Group.

The Company has a strong legacy of fair, transparent, and ethical governance practices. The Company's philosophy on corporate governance is founded on the fundamental ideologies of the Group viz., Trust, Value, Exactness, and Passion for Customers.

The Company constantly endeavours to improve on these aspects. The Company ensures good governance through the implementation of effective policies and procedures, which are mandated and reviewed by the Board and Committees of the Board.

The Company has experts in the banking industry and a well-informed Board. The Board, along with the Corporate Governance mechanism in place, undertakes its fiduciary duties to all its stakeholders.

The Company has framed internal Corporate Governance guidelines in compliance with the Directions issued by RBI for NBFCs, in order to enable the adoption of best practices and greater transparency in business operations. A report on Corporate Governance regarding compliance with the conditions of Corporate Governance as stipulated under RBI guidelines forms part of the Report and is annexed herewith as Annexure V.

Directors

Directors' Appointment / Re-appointment / Cessation

During the year under review, the Board of Directors, in their meeting held on 4th May, 2022, had appointed Mr.G Venkataraman, as an Additional Director and also as a Chief Executive Officer in the rank of Whole-Time Director effective 4th May, 2022 on the recommendation of the Nomination and Remuneration Committee (NRC) and the same was approved by the shareholders at the last (14th) Annual General Meeting held on 29th June 2022 including the appointment of Ms.Kalpana Unadkat as an Independent Director for a term of five consecutive years with effect from 28th July, 2022 who was appointed as an Additional and Independent Director at the Board Meeting held on 28th July 2021.

Mr.G Venkatraman resigned from the Board effective 31st August, 2022, and thereby he also ceased as a member of Committees where ever he holds membership.

The Board at its meeting held on 6th April 2023, appointed Mr Sudarshan Venu, as Chairman of the Company and Mr Venu Srinivasan, continues to be a Non-executive Director of the Company.

Directors Liable to Retire by Rotation

In terms of Section 152 of the Act, 2013 two-thirds of the total number of Directors i.e., excluding IDs, are liable to retire by rotation, and out of which, one-third are liable to retire by rotation at every Annual General Meeting. Mr.Sudarshan Venu is the Chairman of the Board, and he is not liable to retire by rotation as per the Articles of Association of the Company.

Mr.Venu Srinivasan, Non-Executive Director, who is liable to retire at the ensuing AGM and being eligible, offers himself for re-appointment.

The NRC, at their meeting held on 3rd May, 2023 recommended his re-appointment after evaluating his track record, integrity, and other fit and proper criteria as laid down under RBI guidelines.

Woman Director

In compliance with Section 149 of the Act 2013 read with the Companies (Appointment and Qualification of Directors) Rules, 2014, Ms.Kalpana Unadkat, is the Independent Woman Director of the Company.

Independent Directors

In accordance with Section 149(7) of the Act, 2013, all IDs have declared that they meet the criteria of independence as provided under Section 149(6) of the Act, 2013, and the Board confirms that they are independent of the management.

The detailed terms of appointment of IDs are disclosed on the Company's website in the following link www.tvscredit.com. All the IDs have been registered with the databank of Independent Directors developed by the Indian Institute of Corporate Affairs in accordance with the provisions of Section 150 of the Act, 2013 and obtained ID registration certificates.

Declaration and Undertaking

During the year, as per the directions of RBI on 'Non-banking Financial Companies – Corporate Governance (Reserve Bank) Directions, 2015, the Board obtained necessary annual' declarations of undertaking' from the Directors in the format prescribed by RBI.

Separate Meeting of IDs

During the year under review, a separate meeting of IDs was held on 21st March, 2023. All IDs were present, and they were enlightened about the objectives and process involved in evaluating the performance of the Board, Non-IDs, Chairman, and timeliness of the flow of information from management.

Based on the set of questionnaires, complete feedback on Non-Independent Directors and details of various activities undertaken by the Company were provided to IDs to facilitate their review/ evaluation.

Non-Independent Directors (Non-IDs)

IDs were accomplished with the criteria and methodology, and inputs for evaluation of Non-IDs, namely, Mr.Venu Srinivasan, Mr.Sudarshan Venu, and Mr.K N Radhakrishnan.

IDs evaluated the performance of all Non-IDs individually through a set of questionnaires. They reviewed the Non-IDs interaction during the Board/Committee meetings and thoughtful inputs given by them to improve risk management, internal controls, and contribution to the Company's growth.

IDs were satisfied fully with the performance of all Non-IDs.

Chairman

The IDs reviewed the performance of the Chairman of the Board after taking into account his performance and benchmarked the achievement of the Company with industry under the stewardship of the Chairman.

The IDs also placed on record their appreciation of the Chairman's high level of integrity, trust, confidentiality, impartial and judicious approach, transparency, and commitment to governance, setting high standards for the Company; Outstanding ability to motivate the Board's involvement and stimulate discussions particularly during a year of diverse challenges and tough state of the economy and clear initiatives for staying ahead of the competition.

IDs also recorded the growth story of the Company under the stewardship of the Chairman and the significant increase in turnover and profit.

Board

The IDs also evaluated the Board's composition, size, mix of skills and experience, its meeting sequence, the effectiveness of discussion, decision-making, and follow-up action so as to improve governance and enhance the personal effectiveness of Directors.

The evaluation process focused on Board dynamics. The Company has a Board with a wide range of expertise in all aspects of business and outstanding diversity of the Board with the presence of varied personalities from diverse fields, particularly from the banking and finance. The Board, upon evaluation, concluded that it is well balanced in terms of diversity of experience with experts in each domain viz., Automotive, Leadership/Strategy, Finance, Legal and Regulatory, and Governance. The Company endeavours to have a diverse Board representing a range of experience at policy-making levels in business and technology.

IDs recorded that they were always kept involved through open and free discussions and provided additional inputs in emerging areas being forayed into by the Company, and high levels of Corporate Governance in all management discussions and decisions were maintained.

The IDs unanimously evaluated the prerequisites of the Board viz., formulation of strategy, acquisition and allocation of overall resources, setting up policies, Directors' selection processes, and cohesiveness on key issues, and satisfied themselves that they were adequate.

They were satisfied with the Company's performance on all fronts and finally concluded that the Board operates with best practices.

Quality, Quantity, and Timeliness of the Flow of Information between the Company, Management, and the Board

All IDs have expressed their overall satisfaction with the support received from the management and the excellent work done by the management during the year under review and also, the relationship between the top management and Board is smooth and seamless.

The information provided for the meetings was clear, concise, and comprehensive to facilitate detailed discussions and periodic external presentations on specific areas, well supplemented the management inputs. The emerging e-technology was duly incorporated in the overall review of the Board.

Performance Evaluation of the Board

In terms of Section 134 of the Act, 2013, the Board has carried out an annual evaluation of its own performance and that of its Committees as well as the performance of the Directors individually (including Independent Directors).

The evaluation framework for assessing the performance of Directors comprises of various key areas such as attendance at Board and Committee Meetings, quality of contribution to Board discussions and decisions, strategic insights, or inputs regarding future growth of the Company and its performance, understanding of the industry and global trends, etc.

An evaluation framework based on well-defined and structured questionnaires covering various aspects of the Board's functioning such as adequacy of the composition of the Board and its Committees, Board culture, areas of responsibility, execution and performance of specific duties, obligations and governance, compliance, oversight of Company's subsidiaries, etc., and feedback by way of comments were sought from the Directors.

The performance evaluation of the Independent Directors was carried out by the entire Board, excluding the Director being evaluated.

Qualitative comments and suggestions of the Directors were taken into consideration by the Board. The Directors have expressed their satisfaction with the evaluation process. On the basis of the report of performance evaluation of directors, the Board noted and recorded that all the directors should extend and continue their term of appointment as Directors / Independent Directors, as the case may be.

Policy on Appointment and Remuneration of Directors, Key Managerial Personnel

In accordance with Section 178 of the Act, 2013 the NRC has formulated a Nomination and Remuneration Policy (NRC Policy) to ensure that Executive Directors and other employees are sufficiently compensated for their performance. The policy seeks to provide criteria for performance evaluation, disclosures on the remuneration of Directors, and criteria for making payments to Non-Executive Directors have been disclosed as part of the Corporate Governance Report attached herewith.

Key Managerial Personnel

Mr.Ashish Sapra, Chief Executive Officer, Ms.Roopa Sampath Kumar, Chief Financial Officer, and Mr.Anand Vasudev, Company Secretary, are the Key Managerial Personnel of the Company as on the date of this report.

During the year, Mr.V Gopalakrishnan resigned from the post of Chief Financial Officer effective 26th July, 2022 due to his various increased responsibilities within the Group, and Ms. Roopa Sampath Kumar was appointed as Chief Financial Officer of the Company. Mr.G Venkatraman resigned from the post of Chief Executive Officer effective 31st August, 2022, and Mr.Ashish Sapra was appointed as Chief Executive Officer of the Company effective 1st September 2022.

Statutory Auditors

Pursuant to the Reserve Bank of India ("RBI") Guidelines for Appointment of Statutory Central Auditors (SCAs)/Statutory Auditors (SAs) of Commercial Banks (excluding RRBs), Urban Co-operative Banks (UCBs) and NBFCs (including HFCs) dated 27th April, 2021, and Frequently Asked Questions dated 11th June, 2021 ("RBI Guidelines"), the statutory audit of Company, having asset size of ₹15,000 crore and above as at the end of previous year, be conducted under joint audit of a minimum of two audit firms.

In this regard, on the recommendation of the Board of Directors of the Company, members of the Company in their meeting held on 25th November, 2022, appointed M/s. CNGSN & Associates LLP, Chartered Accountants, Chennai having Firm Registration No.004915S allotted by the Institute of Chartered Accountants of India as Joint Statutory Auditors of the Company for a term of 3 consecutive years pursuant to Section 139 of the Act, 2013, at such remuneration in addition to applicable taxes, reimbursement of travelling and other expenses as may be mutually agreed between the Board of Directors of the Company and the Auditors.

On the recommendation of the Board of Directors of the Company, members of the Company in their meeting held on 12th November, 2021, appointed M/s. Sundaram & Srinivasan Chartered Accountants, Chennai having Firm Registration No.004207S allotted by the Institute of Chartered Accountants of India as Statutory Auditors of the Company for a term of 3 consecutive years pursuant to Section 139 of the Act, 2013, at such remuneration in addition to applicable taxes, reimbursement of travelling and other expenses as may be mutually agreed between the Board of Directors of the Company and the Auditors.

M/s. CNGSN & Associates LLP, Chartered Accountants, and M/s. Sundaram & Srinivasan, Chartered Accountants have jointly conducted the statutory audit.

The Company has obtained the necessary certificate under Section 141 of the Act, 2013, and as per the RBI Circular conveying their eligibility for being Statutory Auditors of the Company for the year 2023-24.

The Auditors' Reports for the financial year 2022-23 do not contain any qualifications, reservations, or adverse remarks, and the same is attached with the annual financial statements.

Secretarial Auditors

The Board of Directors in their meeting held on 4th May, 2022, on the recommendation of Audit Committee, has appointed B. Chandra & Associates, Company Secretaries, as Secretarial Auditor of the Company for the FY2022-23.

As required under Section 204 of the Act, 2013 the Secretarial Audit Report for the year 2022-23, given by them, is attached as Annexure VI to this report. The Secretarial Audit Report does not contain any qualifications, observations, or other remarks.

Secretarial Standards

The Company has complied with the applicable Secretarial Standards as amended from time to time.

3. DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to the requirement of Section 134(5) of the Act, 2013 with respect to Director's Responsibility Statement, it is hereby stated that:

a. In the preparation of the annual accounts for the year ended 31st March, 2023 the applicable accounting standards had been followed along with proper explanation relating to material departures, if any;

b. The Directors had selected such accounting policies and applied them consistently and made judgments and estimates that were reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit of the Company for that period;

c. The Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;

d. The Directors had prepared the accounts for the financial year ended 31st March, 2023 on a going concern basis;

e. that the Directors, had laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and are operating effectively; and

f. The Directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

4. Extract of Annual Return

Pursuant to the provisions of Section 134(3) (a) and Section 92(3) of the Act, 2013 read with Rule 12(1) of the Companies (Management and Administration) Rules, 2014, an extract of the Annual Return in the prescribed form (Annexure I) is available on the Company's website in the link as provided below:

www.tvscredit.com

5. Number of Meetings of the Board

The Board met 7 (seven) times during the financial year, the details of which are given in the Corporate Governance Report.

6. Corporate Governance

Board Meetings

During the year under review, the Board met seven times on 11th April 2022, 4th May 2022, 26th July 2022, 10th August 2022, 2nd November 2022, 23rd January 2023, and 21st March 2023, and the gap between the two meetings did not exceed one hundred and twenty days.

The Board Committees play a crucial role in the governance structure of the Company and have been constituted to deal with specific areas/activities in accordance with the requirements of the applicable provisions of the Act, 2013/Non-Banking Financial Companies – Corporate Governance (Reserve Bank) Directions 2015.

The Board has established the following Committees viz., Audit Committee, Nomination and Remuneration Committee (NRC), Corporate Social Responsibility Committee (CSR), Asset Liability Management Committee (ALCO), Risk Management Committee, Information Technology (IT) Strategy Committee, Senior Management Committee (SMC), Credit Sanction Committee and Stakeholders Relationship Committee (SRC).

Details of the Composition of Committees, roles and responsibilities and meetings, and the members' attendance are explained in the Corporate Governance Report attached with this report as Annexure-V.

Nomination and Remuneration Policy

Directors:

NRC will recommend the remuneration for Executive and Non-Executive Directors. This will be then approved by the Board and Shareholders. The Non-Executive Independent Directors are appointed to the Board of the Company in terms of regulatory requirements.

The Board has approved the payment of remuneration by way of profit-related commission to the Non-Executive Independent Directors, for the financial year 2022-23, based on the recommendation of the Nomination and Remuneration Committee. The approval of the Shareholders by way of a special resolution was obtained at the Twelfth Annual General Meeting held on 27th July, 2020 in terms of Sections 197 and 198 and any other applicable provisions of the Act, 2013.

Commission:

The Company benefits from the expertise, advice, and inputs provided by the IDs. The IDs devote their valuable time in deliberating on strategic and critical issues in the course of the Board/Committee meetings of the Company and give their valuable advice, suggestions, and guidance to the management of the Company from time to time hence IDs are being paid by way of commission.

As approved by the Shareholders at the Annual General Meeting of the Company held on 27th July, 2020 Non-Executive and Independent Directors are being paid commission, subject to a maximum, as determined by the Board, for each such Director from the financial year 2022-23.

Key Managerial Personnel:

The remuneration of employees largely consists of basic salary, perquisites, allowances, and performance incentives. Perquisites and retirement benefits are paid according to the Company's policy, subject to the prescribed statutory ceiling.

The components of the total remuneration vary for different grades and are governed by the industry pattern, qualification, and experience/merits, and performance of each employee. The Company, while deciding the remuneration package, takes into consideration the current employment scenario and remuneration package of the industry.

Criteria for Board Membership

Directors:

The Company will generally consider (i) Their relevant experience in Leadership/Strategy/Finance/ Governance/Legal and Regulatory or other disciplines related to Company's business and (ii) Having the highest personal and professional ethics, integrity, and values.

Independent Directors:

Independent Director is a director who has no direct or indirect pecuniary relationship with the Company and or any of its officers. They should meet all criteria specified in Section 148(6) of the Act, 2013, and the rules made thereunder.

Related Party Transactions:

All contracts/arrangements entered by the Company during the period ended 31st March, 2023 with related parties were in the ordinary course of business and at arm's length price in terms of Section 188 of the Act, 2013 read with the Companies (Meetings of Board and its powers) Rules, 2014.

Pursuant to the provisions of Section 134(h) of the Act, 2013 read with rule 8(2) of the Companies (Accounts) Rules 2014, the particulars of contracts or arrangements entered into by the Company with Related Parties have been done at arm's length and are in the ordinary course of business.

Hence, no particulars are being provided in Form AOC-2. Related Party disclosures, as per IND-AS have been provided in Notes to the financial statement.

Risk Management

The Company, being in the business of financing two-wheelers, used cars, new tractors and used tractors, three-wheelers, consumer durables, used commercial vehicles, and business loans, has to manage various risks. These risks include credit risk, liquidity risk, interest rate risk, and operational risk. In order to strengthen risk management, the Company has put in place Enterprise Risk Management Framework to promote a proactive approach to reporting, measuring, evaluating, and resolving risk associated with the business.

Risk assessment reports are periodically placed before the Risk Management Committee and the Asset Liability Management Committee for reviewing and monitoring these risks at periodic intervals.

Liquidity risk and interest rate risk arising out of maturity mismatch of assets and liabilities are managed through regular monitoring of the maturity profiles. Operational risks arising from inadequate or failed internal processes, people, and systems or from external events are adequately addressed by the internal control systems and are continuously reviewed and monitored. Standard Operating Procedures are well documented to ensure enhanced control over processes and regulatory compliance.

The Company is categorised as Middle Layer NBFC as per the Scaled Based Regulations Framework guidelines applicable to all NBFCs from 1st October, 2022. The Company has complied with the applicable requirements and implemented various policies and processes, including the Internal Capital Adequacy Assessment process, during this fiscal 2023.

7. Internal Control Systems

The Company's comprehensive and effective internal control system ensures smooth business operations, meticulously recording all transaction details and ensuring regulatory compliance, and protecting the Company's assets from loss or misuse.

The Board is accountable for evaluating and approving the effectiveness of the internal controls, including financial, operational, and compliance controls.

The internal control system is subject to continuous improvement, with system effectiveness assessed regularly. The internal control system is supported by an internal audit process for reviewing the adequacy and efficacy of the internal controls, including its system and processes and compliance with regulations and procedures. Information provided to management is reliable and timely. The Company ensures the reliability of financial reporting and compliance with laws and regulations.

The Company is strengthening the controls by leveraging technology and centralising processes, enhancing monitoring, and maintaining effective tax and treasury strategies.

The Audit Committee continues to monitor the effectiveness of internal control over the use of new technologies that impact the financial controls and reporting enterprise risk.

8. Internal Audit

As part of the effort to evaluate the effectiveness of the internal control systems, the Company's Internal audit function reviews all the control measures on a periodic basis as part of the Risk-based Internal Audit (RBIA) framework and recommends improvements, wherever appropriate. The Audit Committee regularly reviews the audit findings as well as the adequacy and effectiveness of the internal control measures.

The Company's Internal Audit function and structure are commensurate with its size, nature, and operations.

9. Corporate Social Responsibility Initiatives

CSR activities have already been textured into the Company's value system through Srinivasan Services Trust (SST), established in 1996 with the vision of building a self-reliant rural community.

Over 27 years of service, SST has played a pivotal role in changing the lives of people in rural India by creating self-reliant communities that are models of sustainable development.

The Committee formulated and recommended a CSR Policy in terms of Section 135 of the Act, 2013 along with a list of projects/programmes to be undertaken for CSR spending in accordance with the Companies (Corporate Social Responsibility Policy) Rules, 2014. The projects/programmes undertaken by SST and other eligible Trusts fall within the CSR activities as specified under Schedule VII to the Act, 2013.

Based on the recommendation of the CSR Committee, the Board has approved the projects/ programmes carried out as CSR for an amount of ₹5 Cr for undertaking similar programmes/projects constituting more than 2% of the average net profits of the Company, made during the three immediately preceding financial years, towards CSR spending for the financial year 2022-23 and the Company has met the CSR spending through the Srinivasan Services trust registered with the Ministry of Corporate Affairs.

Presently, SST works with communities and Governments to empower India's rural poor through awareness, skills, and training programmes. SST also does this by helping them find solutions that are sustainable in areas ranging from economic development and infrastructure to healthcare and education. SST encourage them to alter their attitudes and take ownership of changes that bring about lasting development.

SST is working in thousands of villages spread across Tamil Nadu, Karnataka, Maharashtra, Himachal Pradesh, and Andhra Pradesh. SST has focussed on the areas of economic development, healthcare, education, environment, social, infrastructure, and water conservation actively in many villages. So far in the last 27 years, across SST, more than 60,000 women have been organised into Self-Help Groups (SHGs), 2,500 village Government infrastructures have been repaired and renovated, and more than 290 water bodies have been desilted, to name a few of the activities.

SST won the FICCI CSR Awards 2022 for "Fight against COVID-19" during the year. The FICCI (Federation of Indian Chambers of Commerce and Industry) CSR Awards recognise individuals and organisations that have made significant contributions to India's development and growth. All of the projects undertaken through SST, for its CSR obligations, are within the limit and do not require impact assessment.

The work SST has been doing has matured into a model centred on community participation in all its projects. SST's focus is to bring about sustainable development in villages. The key focus areas are women empowerment, repairing and renovating the village government infrastructure like the balwadis, primary schools, health centres, and veterinary centres, creation of water conservation structures, desilting of water bodies and preserving the environment. SST encourages the community to alter their attitudes and take ownership of changes that bring about lasting development.

To bring in expertise in specific intervention areas like education, health, and hygiene SST is working in collaboration with organisations like Agastya International Foundation, Villmart, Navsahyog Foundation, Gramalaya.

All of the projects undertaken through SST, are within the limit of ₹1 Cr individually and do not require impact assessment.

However, an impact study carried out by the Institute of Rural Management (IRMA), has revealed that in the villages, in Tiruvannamalai district, where SST has been working show a household income growth of about 141% in 5 years (2017-2022) as compared only to a 38% household income growth in neighbouring areas.

The study also highlights the overall behavioural changes in the community in their approach to development in being more independent and adopting sustainable approaches rather than over-dependence on external factors to bring about the change.

Another study by the Centre for Water Resources (CWR), Anna University on 3 minor irrigation (MI) tanks in Krishnagiri, Tiruvannamalai, and Tirunelveli districts revealed that partial desilting of water bodies has made the water available for more than one cropping season, 79% of farmers adopted changes in the cropping pattern and cultivating more than one season. The underground water storage capacity has improved, and there is an increase in water levels in bore wells and open wells in the area.

As required under Section 135 of the Act, 2013 read with Rule 8 of the Companies (Corporate Social Responsibility Policy) Rules, 2014, the annual Report on CSR, containing the particulars of the projects/ programmes approved and recommended by the CSR Committee and approved by the Board for the financial year 2022-23 are given by way of Annexure III attached to this Report.

It may also be noted that the CSR Committee has approved the projects or programmes to be undertaken by the SST and other eligible trusts for the year 2023-24, preferably in local areas, including the manner of execution, modalities of utilisation of funds and implementation schedules and also monitoring and reporting mechanism for the projects or programmes, as required under the Companies Amendment Act, 2020.

10. Policy on Vigil Mechanism

The Board has adopted a Policy on Vigil Mechanism in accordance with the provisions of the Act, 2013, which provides a formal mechanism for all Directors, Employees, and other Stakeholders of the Company, to report to the management their genuine concerns or grievances about unethical behaviour, actual or suspected fraud and any violation of the Company's Code of Business Conduct or Ethics Policy.

The policy also provides direct access to the Chairperson of the Audit Committee to make protective disclosures to the management about grievances or violations of the Company's Code of Business Conduct and Ethics. The policy is disclosed on the Company's website in the following link www.tvscredit.com.

11. Sexual Harassment Policy

The Company has in place a Sexual Harassment Policy in line with the requirements of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) (POSH) Act, 2013. The Company has an Internal Complaints Committee as required under POSH. During the year, no complaints were received.

12. General Disclosures

During the year, there were no transaction requiring disclosure or reporting in respect of matters relating to:

(a) There are no significant and material orders passed by the regulators or courts or tribunals which would impact the going concern status of the Company and its future operations.

(b) issue of equity shares with differential rights as to dividend, voting or otherwise;

(c) issue of shares (including sweat equity shares) to employees of the Company under any scheme;

(d) pendency of any proceeding under the Insolvency and Bankruptcy Code, 2016 and

(e) instance of one-time settlement with any bank or financial institution.

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

The Company, being a non-banking finance Company, does not have any manufacturing activity, and hence the reporting on "Conservation of Energy and Technology Absorption" does not arise.

Foreign currency expenditure in FY23 is ₹80.20 Cr (previous year ₹35.19 Cr). The Company did not have any foreign exchange earnings.

14. Material Changes and Commitments:

There have been no material changes and commitments affecting the financial position of the Company which have occurred between the end of the financial year of the Company to which the financial statements relate and to the date of the report.

15. Employees' Remuneration:

Details of Employees receiving remuneration in excess of the limits prescribed under Section 197 of the Act, 2013 read with Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 are annexed as a statement and given in Annexure-II. In terms of the first proviso to Section 136(1) of the Act, 2013 the Annual Report, excluding the aforesaid annexure, is being sent to the Shareholders of the Company. The annexure is available for inspection at the Registered Office of the Company as mentioned in the Notice of AGM, and any Shareholder interested in obtaining a copy of the said annexure may write to the Company Secretary at the Registered Office of the Company.

16. Details of Loans/Guarantees/Investments Made

Furnishing the details of investments under Section 186 of the Act, 2013 for the financial year 2022-23 does not arise since the Company has not made any investment during the year under review.

In terms of Rule 11(2) of the Companies (Meetings of Board and its Powers) Rules, 2014 NBFC Companies are excluded from the applicability of Section 186 of the Act, 2013, where the loans, guarantees and securities are provided in the ordinary course of its business.

On loans granted to the employees, the Company has charged interest as per its remuneration policy, in compliance with Section 186 of the Act, 2013.

17. Reporting of Fraud

The Auditors of the Company have not reported any fraud as specified under Section 143(12) of the Act, 2013.

18. Maintenance of Cost Records

The maintenance of cost records has not been specified by the Central Government under Section 148(1) of the Act, 2013 for the business activities carried out by the Company.

19. Adherence to RBI Norms and Guidelines

The Company has fulfilled the prudential norms and standards as laid down by RBI in respect of income recognition, provisioning of non-performing assets and capital adequacy. The capital adequacy ratio of the Company is 18.75%, which is well above the prescribed minimum of 15% by RBI.

As a prudent practice, the Company's current provisioning standards (expected provisioning norms) are more stringent than the Reserve Bank of India (RBI) prudential norms. In line with its conservative approach, the Company continues to strengthen its provisioning norms beyond the RBI regulations by accelerating the provisioning on an early stage of delinquencies based on past experience and emerging trends. The Company has also complied with the direction of RBI with regard to COVID-19 regulatory package in terms of granting moratoriums to eligible customers, asset classification, and provisioning requirements.

The Fair Practices Code and KYC norms framed by RBI seek to promote good and fair practices by setting minimum standards in dealing with customers, increasing transparency so that customers have a better understanding of what they can reasonably expect of the services being offered, encouraging market forces through competition to achieve higher operating standards, promote fair and cordial relationships between customers and the finance company and foster confidence in the NBFC system.

The Company has put in place all the Committees prescribed by RBI and has formulated a comprehensive Corporate Governance Policy. The Company has instituted a mechanism to monitor and review adherence to the Fair Practices Code, KYC norms, and relevant policies as approved by the Board of Directors.

20. Acknowledgement

The Directors gratefully acknowledge the continued support and cooperation received from the holding Company, namely TVS Motor Company Limited and other investors. The Directors thank the bankers, investing institutions, customers, dealers of TVS Motor Company Limited and Tractors and Farm Equipment Limited, and all channel partners for their valuable support and assistance.

The Directors wish to place on record their appreciation of the very good work done by all the employees of the Company during the year under review.

For and on behalf of the Board of Directors

Place : Chennai
Date : 3rd May, 2023

Sudarshan Venu
Chairman

Annexure - IV to Directors' Report to the shareholders – FY 2022-23

Particulars of Corporate Social Responsibility activities carried out by the Company in terms of Section 135 of the Companies Act, 2013

1. Brief outline on CSR Policy of the Company:

   This policy encompasses the Company's philosophy for giving back to society as a corporate citizen and lays down the guidelines and mechanism for undertaking socially useful programs for the transformation and sustainable development of the rural communities at large.

2. Composition of CSR Committee:

Sl. No.	Name of the Director (M/s.)	Designation	Number of meetings of CSR Committee held during the year	Number of meetings of CSR Committee attended during the year
1.	Venu Srinivasan	Non-Independent Director	1	1
2.	K N Radhakrishnan	Non-Independent Director	1	1
3.	R Gopalan	Independent Director	1	1

3.	Provide the web-link(s) where Composition of CSR Committee, CSR Policy and CSR Projects approved by the board are disclosed on the website of the company.	https://www.tvscredit.com/investors
4.	Provide the executive summary along with web-link(s) of Impact Assessment of CSR Projects carried out in pursuance of sub-rule (3) of rule 8, if applicable.	Not Applicable
5.	(a) Average net profit of the company as per section 135(5).	₹156.37 Cr
	(b) Two percent of average net profit of the company as per section 135(5) of the Companies Act, 2013.	₹3.13 Cr
	(c) Surplus arising out of the CSR projects or programmes or activities of the previous financial years.	Nil
	(d) Amount required to be set off for the financial year, if any	Nil
	(e) Total CSR obligation for the financial year (5b+5c- 5d).	₹3.13 Cr
6.	(a) Amount spent on CSR Projects (both Ongoing Project and other than Ongoing Project)	₹5 Cr
	(b) Amount spent in Administrative Over-heads	Nil
	(c) Amount spent on Impact Assessment, if applicable	Not Applicable
	(d) Total amount spent for the Financial Year [(a)+(b)+(c)]	₹5 Cr

	(e) CSR amount spent or unspent for the Financial Year:

Total Amount Spent for the Financial Year (in ₹)	Amount Unspent (in ₹)				
	Total Amount transferred to Unspent CSR Account as per section 135(6) of the Act, 2013		Amount transferred to any fund specified under Schedule VII as per second proviso to section 135(5) of the Act, 2013		
	Amount.	Date of Transfer	Name of the Fund	Amount.	Date of Transfer
5.00 Cr	Not Applicable				

	(f) Excess amount for set off, if any

S.No.	Particulars	Amount (in ₹ in Cr)
i.	Two percent of average net profit of the Company as per Section 135(5)	3.13 Cr
ii.	Total amount spent for the financial year	5.00 Cr
iii.	Excess amount spent for the financial year [(ii)-(i)]	1.87 Cr
iv.	Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any	NIL
v.	Amount available for set off in succeeding financial years [(iii)-(iv)]	1.87 Cr

7.	Details of Unspent Corporate Social Responsibility amount for the preceding three Financial Years:

1	2	3	4	5	6		7	8
Sl. No.	Preceding Financial Year(s)	Amount transferred to Unspent CSR Account under sub-section (6) of section 135 (in ₹)	Balance Amount in Unspent CSR Account under sub- section (6) of section 135 (in ₹)	Amount Spent in the Financial Year (in ₹)	Amount transferred to a Fund as specified under Schedule VII as per second proviso to sub-section (5) of section 135, if any		Amount remaining to be spent in succeeding Financial Years (in ₹)	Deficiency, if any
					Amount (in ₹)	Date of Transfer		
Not Applicable								

8.	Whether any capital assets have been created or acquired through Corporate Social Responsibility amount spent in the Financial Year: No

9.	Specify the reason(s), if the company has failed to spend two per cent of the average net profit as per sub- section (5) of section 135 : Not Applicable

For and on behalf of the Board of Directors

Venu Srinivasan
Chairman of the CSR Committee
DIN: 00051523

Place : Chennai
Date : 3rd May, 2023

Annexure-IV to Directors' Report to the Shareholders

Form AOC-I

(Pursuant to first proviso to Sub-Section (3) of Section 129 read with Rule 5 of Companies (Accounts) Rules, 2014)

Part "A"

Subsidiaries - Statement containing salient features of the financial statement of subsidiaries:-

(Information in respect of each subsidiary to be presented with amounts ₹ in lakhs)

S.No.	Particulars	Name of the Company		
1.	Name of the subsidiary	TVS Two Wheeler Mall Private Limited	Harita ARC Private Limited	TVS Housing Finance Private Limited
2.	Reporting period for the subsidiary concerned, if different from the Holding Company's reporting period	01.04.2022 to 31.03.2023		
3.	Reporting Currency and Exchange Rate as on the last date of the relevant Financial Year in the case of Foreign Subsidiaries	INR	INR	INR
4.	Share Capital / Contribution	0.25	0.25	1200.00
5.	Reserves & Surplus	(1.38)	(1.37)	276.49
6.	Total Assets	0.24	0.24	1495.04
7.	Total Liabilities	0.24	0.24	1495.04
8.	Investments	-	-	-
9.	Turnover	-	-	-
10.	Profit/(Loss) before taxation	(0.15)	(0.12)	73.02
11.	Provision for taxation/ Current Year Taxes	-	-	18.43
12.	Profit/(Loss) after taxation	(0.15)	(0.12)	54.59
13.	Proposed Dividend	-	-	-
14.	% of shareholding	100%	100%	100%

As per our report annexed

For CNGSN & Associates LLP
Chartered Accountants
Firm Regn No.: 004915S

C.N. Gangadaran
Partner
Membership No.: 011205
3rd May, 2023

As per our report annexed

For Sundaram & Srinivasan
Chartered Accountants
Firm Regn No.: 004207S

S. Usha
Partner
Membership No.: 211785
3rd May, 2023

For and on behalf of the Board

Sudarshan Venu
Chairman

Ashish Sapra
Chief Executive Officer

Roopa Sampath Kumar
Chief Financial Officer

Place : Chennai
Date : 3rd May, 2023

Accelerate today so that you overtake the milestones of tomorrow.

With our **Two Wheeler Loans**, we enable individuals to go further, find opportunities, fulfil commitments, and always be where they're needed, allowing them to grow faster in life.

UP TO 95%*	**2-MINUTE***	**UP TO 5 YEARS***
LOAN TO VALUE	APPROVAL	LOAN TENURE

*Terms & conditions apply.

TVS CREDIT

Technology will always advance.
We won't let anyone be left behind.

Thanks to our easy-to-obtain **Consumer Loans**, Indians can access the many benefits of technology - connectivity, information, entertainment and ease. With innovation at their command, they can be better prepared to conquer the challenges of tomorrow.

ZERO DOWN PAYMENT* | **NO COST** EMI* | **2-MINUTE*** LOAN APPROVAL

*Terms & conditions apply.

Annexure-V to Directors' Report to the Shareholders

Company's Philosophy on Corporate Governance

As part of the TVS Group, the Company has a strong legacy of fair, transparent and ethical governance practices. The Company's philosophy on corporate governance is founded on the fundamental ideologies of the Group, viz., Trust, Value, Exactness and Passion for Customers.

The Company believes in ensuring corporate fairness, transparency, professionalism, accountability and propriety in the total functioning of the Company, which are prerequisites for attaining sustainable growth in this competitive corporate world. Obeying the law, both in letter and in spirit, is the foundation on which the Company's ethical standards are built.

The Company would constantly endeavour to improve on these aspects. The Company ensures good governance through the implementation of effective policies and procedures, which are mandated and reviewed by the Board and the duly constituted Committees of the Board.

A summary of the corporate governance measures adopted by the Company is given below:

i) The Board of Directors along with its Committees, provide leadership and guidance to the Company's management and directs, supervises and controls the activities of the Company.

ii) The size of the Board is commensurate with the size and business of the Company. As on 31st March, 2023, the Board comprises of Seven Directors, viz.,

Title	Name of the Director	DIN	Category	Initial Date of Appointment	No of Other Directorships#	No. of shares held in the Company	Committee Memberships	
							Member	Chairman
Mr	Venu Srinivasan	00051523	NED	21 Jun 2010	21	-	1	-
Mr	Sudarshan Venu	03601690	NED & Chairperson**	31 Jan 2013	14	-	2	1
Mr	K N Radhakrishnan	02599393	NED	17 Feb 2010	5	10*	2	1
Mr	R Gopalan	01624555	ID	20 Jul 2019	9	-	7	4
Mr	V S Rangan	00030248	ID	14 Jul 2014	8	-	6	-
Mr	B Sriram	02993708	ID	12 Oct 2019	7	-	4	1
Mrs	Kalpana Unadkat	02490816	ID	28 Jul 2021	2	-	4	-

NED : Non Executive Director ID : Independent Director

#includes private companies and companies incorporated outside India

*Held as nominee of TVS Motor Services Limited

**appointed as Chairman effective 6th April 2023.

Mr G Venkatraman appointed as Director & CEO effective 4th May 2022 and resigned from the Board on 31st August 2022.

Meetings of the Board

The meetings of the Board of Directors shall be held at least four times a year, with a maximum time gap of four months between any two consecutive meetings. During the year, the Board met 7 (Seven) times on the following dates:

FY 2022-23		Meeting Date
April - June	(Q1)	11th April, 2022 4th May, 2022
July - September	(Q2)	26th July, 2022 10th August, 2022
October - December	(Q3)	2nd November, 2022
January - March	(Q4)	23rd January, 2023 21st March, 2023

The necessary quorum was present at the meetings. In compliance with the applicable provisions of the Companies Act, 2013 (the Act) and the Rules made thereunder, the Company facilitates the participation of the Directors in Board/Committee meetings through video conferencing. The agenda for the meetings were circulated through a Digital application installed on i-Pads as an eco-friendly measure. All notes to agenda items for convening meetings of the Board / Committees are being uploaded in digital mode well in advance.

S.No.	Name of Director (M/s.)	Board Meetings		Whether present at the previous AGM held on 29th June, 2022
		Held	Attended	
1.	Venu Srinivasan	7	3	No
2	Sudarshan Venu	7	6	No
3.	V Srinivasa Rangan	7	7	No
4.	K N Radhakrishnan	7	5	No
5.	R Gopalan	7	7	No
6.	B Sriram	7	7	Yes
7.	Kalpana Unadkat	7	6	No
8.	G Venkatraman	3	2	No

Listed entities in which the directors hold position as director and category of Directorship:

Name of the Director (M/s.)	Name of the company	Category of directorship
Venu Srinivasan	Sundaram-Clayton Limited	Executive Director
	TVS Motor Company Limited	Executive Director
Sudarshan Venu	Sundaram-Clayton Limited	Non-Executive Director
	Coromandel International Limited	Independent Director
	TVS Motor Company Limited	Executive Director
K N Radhakrishnan	TVS Motor Company Limited	Executive Director
R Gopalan	Sundaram-Clayton Limited	Non-Executive Director
	Zee Entertainment Enterprises Limited	Independent Director - Chairman
	TVS Motor Company	Independent Director
B Sriram	ICICI Bank	Independent Director
	Nippon Life India Asset Management Limited	Independent Director
	TVS Motor Company	Independent Director
V Srinivasa Rangan	Housing Development Finance Corporation Limited	Executive Director
	Atul Limited	Independent Director
	Computer Age Management Services Limited	Non-independent Director
Kalpana Unadkat	Avenue Supermarts Limited	Independent Director
	Eris Lifesciences Limited	Independent Director

Meetings of Independent Directors

As stipulated by the Code of Independent Directors under the Act and Rules made thereunder and SEBI Listing Regulations as amended from time to time, one meeting of Independent Directors was held during the year. The meeting was conducted on 21st March 2023 to enable Independent Directors, discuss matters relating to Company's affairs and put forth their views without the presence of Non-Independent Directors and members of the Management.

In this meeting, all the Independent Directors were present reviewed the performance of Non-Independent Directors Chairman of the Board and the Board as a whole.

Familiarization program

Familiarization program is made available to the Directors covering such topics on board's role, board's composition and conduct, board's risks and responsibilities, to ensure that they are fully informed on current governance issues.

The program also includes briefings on the culture, values and business model of the Company, the roles and responsibilities of senior executives and the Company's financial, strategic, operational and risk management position.

The familiarisation of Independent Directors majorly covered their roles, rights, responsibilities in the Company under Company Law and Economic Laws as well as under Listing Regulations, overall governance framework of the Company and specific governance requirements of NBFCs. The details of familiarisation programmes for the Financial Year 2022-23, in terms of the requirements of SEBI Listing Regulations are available on the website of the Company and can be accessed at https://www.tvscredit.com/media/2812/id-familarisation-program-tvs-credit-services-limited.pdf.

Chart setting out the skills/expertise/competence of the Board of Directors:

The following is the list of core skills / expertise / competencies identified by the Board of Directors as required in the context of the Company's business and that the said skills are available with the existing composition of the Board.

Name of the directors	Brief description of special skills							
	Leadership	Industry Knowledge	Risk Manage-ment	Business and Strategic Planning	Financial Sector experience	Governance, Ethics and Regulatory Oversight	Information Technology	Human Resource
Venu Srinivasan	✓	✓	✓	✓	✓	✓	✓	✓
Sudarshan Venu	✓	✓	✓	✓	✓	✓	✓	✓
K N Radhakrishnan	✓	✓	✓	✓	✓	✓	✓	✓
R Gopalan	✓	✓	✓	✓	✓	✓	✓	✓
V Srinivasa Rangan	✓	✓	✓	✓	✓	✓	-	✓
B Sriram	✓	✓	✓	✓	✓	✓	✓	-
Kalpana Unadkat	✓	✓	✓	✓	-	✓	✓	-

Code of Business Conduct and Ethics for Members of the Board and Senior Management Personnel:

The Company has in place a Code of Business Conduct and Ethics for Members of the Board and Senior Management Personnel (the Code) approved by the Board.

The Company's Code of Conduct embodies its values and expectations to which its corporate standards and employee policies are aligned.

The Code has been communicated to Directors and the Senior Management Personnel. An updated version of Code of Conduct, which is available on Company's website, is always under review and amended by the Board from time to time.

The Code has also been displayed on the Company's website and the link to the same is https://www.tvscredit.com/media/2800/tvscs-code-of-business-conduct-ethics.pdf.

All the Members of the Board and Senior Management Personnel have confirmed compliance with the Code for the year ended 31st March 2023.

Committees of the Board

The Board has constituted Committees with specific terms of reference to focus on specific issues and ensure expedient resolution of diverse matters. These are the Audit Committee, Corporate Social

Responsibility Committee, Nomination and Remuneration Committee, Risk Management Committee, Asset Liability Management Committee, Information Technology (IT) Strategy Committee, Credit Sanction Committee, Senior Management Committee and Stakeholders Relationship Committee.

Composition of Committees

Name of Committee	Name of Committee members (M/s.)	Category	Chairperson/ Membership	Date of Appointment
Audit Committee	R Gopalan	Independent Director	Chairperson	20-Jul-2019
	V S Rangan	Independent Director	Member	26-Sep-2011
	K N Radhakrishnan	Non-executive Director	Member	03-May-2010
Nomination & Remuneration Committee	Kalpana Undakat	Independent Director	Chairperson	04-Feb-2022
	B Sriram	Independent Director	Member	04-Feb-2022
	Sudarshan Venu	Non-executive Director	Member	04-Feb-2022
Risk Management Committee	K N Radhakrishnan	Non-executive Director	Chairperson	22-Oct-2018
	V S Rangan	Independent Director	Member	04-Feb-2020
	Kalpana Unadkat	Independent Director	Member	28-Jul-2021
Stakeholders Relationship Committee	K N Radhakrishnan	Non-executive Director	Chairperson	04-Feb-2022
	R Gopalan	Independent Director	Member	04-Feb-2022
	Kalpana Undakat	Independent Director	Member	04-Feb-2022
Corporate Social Responsibility Committee	Venu Srinivasan	Non-executive Director	Chairperson	27-Mar-2015
	KN Radhakrishnan	Non-executive Director	Member	27-Mar-2015
	R Gopalan	Independent Director	Member	20-Jul-2019
IT Strategy Committee	B Sriram	Independent Director	Chairperson	28-Jul-2021
	Sudarshan Venu	Non-executive Director	Member	04-Jan-2018
	K N Radhakrishnan	Non-executive Director	Member	04-Jan-2018
	Ashish Sapra	Chief Executive Officer	Member	02-Nov-2022
	Soujanya Alluri	Chief Digital Officer	Member	02-Nov-2022
Asset Liability Committee	B Sriram	Independent Director	Chairperson	12-Oct-2019
	Sudarshan Venu	Non-executive Director	Member	31-Jan-2013
	Ashish Sapra	Chief Executive Officer	Member	01-Sep-2022
Credit Sanction Committee	B Sriram	Independent Director	Chairperson	10-Mar-2020
	Sudarshan Venu	Non-executive Director	Member	10-Mar-2020
	K Gopala Desika	Group Chief Financial Officer	Member	10-Mar-2020
	Ashish Sapra	Chief Executive Officer	Member	02-Nov-2022

a. Audit Committee:

The Company has in place an Audit Committee constituted in accordance with the provisions of Para 11 of the Non-Banking Financial (Non-Deposit Accepting or Holding) Companies Prudential Norms (Reserve Bank) Directions, 2007 and as required under Section 177 of the Companies Act, 2013. The composition of the Committee is in accordance with the requirements of Section 177 of the Companies Act, 2013.

The primary objective of the Audit Committee is to monitor and provide effective supervision of the management's financial reporting process with a view to ensure accurate, timely and proper disclosure and transparency, integrity and quality of financial reporting.

Brief description of terms of reference:

The Audit Committee of the Company is entrusted with the responsibility to supervise the Company's internal control and financial reporting process and inter alia performs the following functions:

- The recommendation for appointment, remuneration and terms of appointment of auditors of the Company;
- Review and monitor the auditor's independence and performance and the effectiveness of the audit process;
- Examination of the financial statement and the auditor's report thereon;
- Approval or any subsequent modification of transactions of the Company with related parties;
- Scrutiny of inter-corporate loans and investments;
- Valuation of undertakings of assets of the Company, wherever it is necessary;
- Evaluation of internal financial controls and risk management systems;
- Monitoring the end use of funds raised through public offers and related matters;
- Monitoring, reviewing, recommending and approving all related party transactions, including granting omnibus approval for RPTs having a value not exceeding ₹1 Cr per transaction for a period of one year.

Roles and Responsibilities:

- Oversight of the Company's financial reporting process and disclosure of its financial information to ensure that the financial statements are fair and transparent, sufficient and credible.
- The role of the Audit Committee would include the review and audit of the working of the management of the Company in terms of the profitability, cost control and performance of credit exposures.
- Recommending the appointment of and removal of external and internal auditors, fixation of audit fee and approval for payment for any other services.
- Approval of Annual Plans before it is placed before the Board.
- Reviewing with the management the quarterly and annual financial statements before submission to the Board, focusing primarily on the following as may be applicable.
    i. Accounting policies and practices followed and any deviations or changes with reference to the earlier policies and practices.
    ii. Major accounting entries based on exercise of judgment by management.
    iii. Qualifications in the draft audit report.
    iv. Significant adjustments arising out of the audit.
    v. The going concern assumption.
    vi. Compliance with accounting standards.
    vii. Compliance with the legal requirements concerning financial statements.

viii. Any related party transaction, i.e. transactions of the Company of material nature, with promoters or the management, their subsidiaries or relatives etc., that may have potential conflict with the interest of the Company at large.

- Reviewing with the management, reports of external and internal auditors, and the adequacy of internal control systems.
- Reviewing the adequacy of the internal audit function, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure, coverage and frequency of internal audit, plan and scope of internal audit.
- Discussion with internal auditors of any significant findings and follow up thereon.
- Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud, irregularity, or a failure of internal control systems of a material nature and reporting the matter to the Board.
- Discussion with external auditors before the audit commences, nature and scope of audit as well as post-audit discussion to ascertain any area of concern.
- Reviewing the Company's financial and risk management policies.
- Review of the Company's asset position, realisability and other related matters in respect of collateral securities, sale of properties etc.,
- To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of dividends declared, if any) and creditors.
- To review the quarterly and annual financial statements before submission to the Board and ensure compliance with internal control systems.
- Authority to investigate into any matter referred to it by the Board.

The Audit Committee also ensures that an Information System Audit of the internal systems and processes is conducted every year to assess operational risks faced by the Company.

During the year under review, the Committee met seven times.

The particulars of meetings and attendance by the members of the Committee, during the year under review are given in the table below:

Date of the Meeting	Members Present		
	Mr.R Gopalan (Chairman)	Mr.V S Rangan	Mr.K N Radhakrishnan
11th April, 2022	✓	✓	✓
4th May, 2022	✓	✓	✓
26th July, 2022	✓	✓	✓
2nd November, 2022	✓	✓	LOA
23rd January, 2023	✓	✓	✓
21st March, 2023	✓	✓	✓

LOA- Leave of Absence

The subjects reviewed and recommended in the meetings of the Committee were apprised to the Board by the Chairman of the Committee, for its approval. All the recommendations made by the Committee during the year under review, were accepted by the Board.

b. Corporate Social Responsibility Committee:

In accordance with the provisions of Section 135 of the Companies Act, 2013, read with Rules made thereunder, the Board of Directors of the Company have constituted the Corporate Social Responsibility Committee (CSR Committee). The Committee has formulated and recommended a CSR Policy to the Board, and various recommendations of the Committee, including the amount of expenditure to be incurred on CSR activities, are submitted to the Board for its approval. The

Committee has framed a transparent monitoring mechanism for the implementation of CSR projects or programmes or activities undertaken by the Company and also monitors CSR policy from time to time.

Roles and Responsibilities:

- To review, agree and establish the Company's corporate strategy to ensure that CSR is and remains an integral part of its business strategy;
- To review the standards, policies and conduct of the Company relating to the application of CSR principles;
- To review the effectiveness of the compliance programme, including compliance with the Code of Conduct;
- To review reports of CSR progress and audits of CSR performance against key performance indicators across programme areas;
- To review an annual budget for CSR activities approved by the Board as part of the overall budget;
- To ensure that the Company's website communicates and reports its CSR approach and performance in a timely, complete and coherent manner; and
- To perform such other function related or incidental to the CSR Policy of the Company at the request of the Board.

Based on the recommendation of the CSR Committee, the Board has approved the projects/ programmes to be carried out as CSR activities by Srinivasan Services Trust (SST) by undertaking these programmes/projects in compliance with the CSR policy of the Company and contributing ₹5.00 Cr constituting more than 2% of average net profits, for the immediate past three financial years, towards CSR spending for the financial year 2022-23.

SST, with over 27 years of service, has played a pivotal role in changing the lives of people in many villages in rural India by creating self-reliant communities that are models of sustainable development.

The Company is eligible to spend on their ongoing projects/programmes, falling within the CSR activities specified under the Act 2013, as mandated by the MCA for carrying out its CSR activities.

During the year under review, the Committee met on 4th May, 2022, and attendance by the members of the Committee during the year under review is given in the table below:

Date of the meetings	Members Present		
	Mr.Venu Srinivasan (Chairman)	Mr.R Gopalan	Mr.K N Radakrishnan
4th May, 2022	LOA	✓	✓

LOA- Leave of Absence

The subjects reviewed and recommended in the meetings of the Committee were apprised to the Board by the Chairman of the Committee, for its approval. All the recommendations made by the Committee during the year under review, were accepted by the Board.

c. Nomination and Remuneration Committee:

The Company has in place the Nomination & Remuneration Committee (NRC). It was constituted to formulate and recommend to the Board of Directors, the Company's policies relating to the identification of Directors, Key Managerial Personnel and Senior Management Personnel one level below the Board and remuneration payable to them and the criteria for determining qualifications, positive attributes and independence of a Director.

The NRC lays down the evaluation criteria for evaluating the performance of every Director, Committees of the Board and the Board as a whole and also the performance of Key Managerial Personnel (KMP) and Senior Management Personnel (SMP).

NRC prescribed a peer evaluation methodology by way of set of questionnaire to evaluate the performance of individual Directors, committee(s) of the Board, Chairman and the Board as a whole', and the Board carried out the performance evaluation as per the methodology.

The performance evaluation of the Board as a whole will be assessed based on the criteria like its composition, size, mix of skills and experience, its meeting sequence, the effectiveness of discussion, decision making, follow-up action, quality of information, governance issues and reporting by various Committees set up by the Board.

The performance evaluation of the Individual Director will be carried out based on his/her commitment to the role and fiduciary responsibilities as a Board member, attendance and active participation, strategic and lateral thinking, contribution and recommendations given professionally, heading/acting as members of various Sub-Committees etc.

The performance of SMP was measured against the achievement of the business plans approved by the Board during and at the completion of the financial year, and their annual at-risk remuneration reflects their business plan achievements. An evaluation of performance has been undertaken based on the criteria for all SMP and this has been in accordance with the above process.

The NRC has the overall responsibility for evaluating and approving the compensation plans, policies and programmes applicable to the SMP. The NRC also delegated its authority to the Chairman, wherever appropriate, for this purpose.

The NRC also ensures the 'fit and proper' status of proposed and existing Directors and on a continual basis.

Brief description of terms of reference:

1.1 Guiding the Board of TVS CS ("Board") to lay down the terms and conditions in relation to the appointment and removal of Director(s), KMP and SMP.

1.2 Evaluating the performance of the Director(s) and providing necessary reports to the Board for its further evaluation and consideration.

1.3 Recommending to the Board on remuneration payable to the Director(s), KMP and SMP of TVS Credit based on (i) TVS CS's structure and financial performance and (ii) Remuneration trends and practices that prevail in peer companies across the automobile industry.

1.4 Retaining, motivating and promoting talent among the employees and ensuring the long-term sustainability of talented SMP by the creation of competitive advantage through a structured talent review.

1.5 Devise a policy on diversity on the Board.

1.6 Develop a succession plan for the Board and SMP.

The particulars of meetings and attendance by the members of the Committee during the year under review are given in the table below:

Date of the meetings	Members Present		
	Ms.Kalpana Unadkat (Chairman)	Mr.Sudarshan Venu	Mr.B Sriram
29th April, 2022	✓	LOA	✓
26th July, 2022	✓	LOA	✓
10th August, 2022	✓	LOA	✓

LOA- Leave of Absence

The subjects reviewed and recommended in the meetings of the Committee were apprised to the Board by the Chairman of the Committee, for its approval. All the recommendations made by the Committee during the year under review, were accepted by the Board.

Remuneration criteria to Directors:

The Non-Executive/Independent Director(s) receive remuneration by way of fees for attending meetings of the Board or any Committee in which the Director(s) is a member.

In addition to the sitting fees, the Non-Executive Independent Director(s) shall be entitled to commission from the Company subject to the monetary limit approved by Shareholders of the Company, and the aggregate commission amount would not exceed the limit as prescribed under the provisions of the Act, 2013.

d. Risk Management Committee:

The Company has laid down procedures to inform the Board about the risk assessment and mitigation procedures to ensure that the Executive Management controls risk through means of a properly defined framework.

This Committee ensures that the risks associated with the functioning of the Company are identified, controlled and mitigated and also lays procedures regarding managing and mitigating the risk through integrated risk management systems, strategies and mechanisms.

In conformity with the Corporate Governance guidelines issued by RBI vide its circular (DNBR (PD) CC.No.053/03.10.119/2015-16), the Committee meets periodically to review the effectiveness of the progressive risk management system that has been put in place, to review the risk management practices, policies and risk mitigation/minimisation plans, engagement of services of external consultant by covering gap assessment of risk practices, risk mitigation and to strengthen the existing Risk Management framework.

Roles and Responsibilities:

- To review various risk measures adopted by the Company for identification, measurement, monitoring and mitigation of risks involved in various areas of functioning.
- To approve and review various credit policies, including the amendments laid down by the Company and monitor performance levels.
- To review and discuss the issues reported in Asset Liability Management Committee in relation to risk aspects.
- Monitoring risk levels and also reviews of results and progress in implementation of decisions taken in earlier meetings.
- To approve and review Enterprise Risk Management framework inter alia approving Risk rating criteria and review of key risks along with mitigants and Risk register.
- To approve and review Risk Management Policy and its amendments.

The particulars of meetings and attendance by the members of the Committee during the year under review are given in the table below:

Date of the meetings	Members Present		
	Mr.K N Radhakrishnan (Chairman)	Ms.Kalpana Unadkat	Mr.V S Rangan
24th June, 2022	✓	✓	✓
29th September, 2022	✓	✓	✓
20th December, 2022	✓	✓	✓
27th March, 2023	✓	✓	LOA

LOA- Leave of Absence

The subjects reviewed and recommended in the meetings of the Committee were apprised to the Board by the Chairman of the Committee, for its approval. All the recommendations made by the Committee during the year under review, were accepted by the Board.

e. Asset Liability Management Committee (ALCO):

The Company constituted an Asset Liability Management Committee (ALCO), in terms of Guidelines issued by RBI to NBFCs in order to manage liquidity risk, market risks, and other funding /asset-related risks for effective risk management in its portfolios.

During the year under review, the Committee met four times.

The particulars of meetings and attendance by the members of the Committee, during the year under review are given in the table below:

Date of the meeting	Members Present			
	Mr.B Sriram (Chairman)	Mr.Sudarshan Venu	Mr.Ashish Sapra	Mr.G Venkatraman
23rd June, 2022	✓	✓	NA	✓
28th September, 2022	✓	LOA	✓	NA
28th December, 2022	✓	LOA	✓	NA
24th March, 2023	✓	✓	✓	NA

LOA- Leave of Absence

The Board at its meting held on 10th August 2022 reconstituted the Committee by co-opting Mr. Ashish Sapra in the place of Mr. G Venkatraman effective 1st September 2022.

The subjects reviewed and recommended in the meetings of the Committee were apprised to the Board by the Chairman of the Committee, for its approval. All the recommendations made by the Committee during the year under review, were accepted by the Board.

f. Information Technology (IT) Strategy Committee:

In line with the information technology/information systems directions issued by RBI vide their circular dated 8th June, 2017 in addition to IT Governance, NBFCs are required to constitute an IT Strategy Committee which shall consist of an Independent Director as Chairman of the Committee and Chief Information Officer (CIO) and Chief Technology Officer (CTO) shall be part of the Committee.

As per the above requirement, the Company has constituted an Information Technology Strategy Committee:

During the year under review, the Committee met two times.

The particulars of meetings and attendance by the members of the Committee during the year under review are given in the table below:

Date of the meetings	Members Present						
	Mr.B Sriram (Chairman)	Mr.Sudarshan Venu	Mr.K N Radha-krishnan	Mr.G Venkat-raman	Mr.Ashish Sapra	Mr.C Arula-nandam	Ms.Soujanya Aluri
26th July, 2022	✓	LOA	✓	✓	NA	✓	-
28th December, 2022	✓	LOA	✓	NA	✓	NA	✓

LOA- Leave of Absence

The Board at its meting held on 2nd November 2022 reconstituted the Committee by co-opting Mr. Ashish Sapra in the place of Mr. G Venkatraman and Ms. Soujanya Aluri in place of Mr. C Arulanandam effective that date.

The subjects reviewed and recommended in the meetings of the Committee were apprised to the Board by the Chairman of the Committee, for its approval. All the recommendations made by the Committee during the year under review, were accepted by the Board.

g. Credit Sanction Committee

The Company constituted the Credit Sanction Committee (CSC) to consider and approve credit proposals of material nature.

The Committee did not meet during the year under review as there was no requirement which necessitated holding of the meeting.

The Committee consists of the following Directors and Officials:

S.No.	Name (M/s.)	Status
1.	B Sriram	Chairman
2.	Sudarshan Venu	Member
3.	Ashish Sapra	Chief Executive Officer
4.	K Gopala Desikan	Member

h. Senior Management Committee

The Company constituted the Senior Management Committee to ensure adherence and compliance by monitoring and controlling the outsourcing activities engaged by the Company in accordance with the requirements of RBI guidelines issued on 9th November, 2017 in this regard.

During the year under review, the Committee met four times on 14th June 2022, 16th September 2022, 17th December 2022, and 25th March 2023.

i. Stakeholders Relationship Committee

The Stakeholders Relationship Committee is empowered to perform the functions of the Board relating to the handling of stakeholders' queries and grievances. The terms of reference for the Committee are as follows:

- Oversee and review all matters connected with the transfer of the Company's securities.
- Monitor redressal of investors'/shareholders'/security holders' grievances.
- Oversee the performance of the Company's Registrar and Transfer Agents.
- Recommend methods to upgrade the standard of services to investors.
- Carry out any other function as is referred by the Board from time to time or enforced by any statutory notification/amendment or modification as may be applicable.

The composition of the Stakeholders Relationship Committee and the attendance of the members at Committee meetings are as follows:

Date of the meetings	Members Present		
	Mr.K N Radhakrishnan (Chairman)	Ms.Kalpana Unadkat	Mr.R Gopalan
02nd November, 2022	LOA	✓	✓

LOA- Leave of Absence

There were no complaints received during the year 2022-23.

iii) General Body Meeting:

Location and time where AGMs were held during the last three years:

Year	Venue of the Meeting	Date	Time
2019-20	Registered Office	27th July, 2020	10.00 AM
2020-21	Registered Office	28th July, 2021	10.00 AM
2021-22	Registered Office	29th June, 2022	02.00 PM

Special Resolutions passed in the previous three AGMs:

During the last three years, namely 2019-20 to 2021-22 approvals of the Shareholders were obtained by passing special resolutions as follows:

Year	Subject Matter of Special Resolution	Date of AGM
2019-20	1. Approval of payment of remuneration to Non-Executive Directors.	27th July, 2020
2020-21	1. Approval under Section 180(1)(c) of the Companies Act, 2013 to borrow in excess of the aggregate of the paid-up capital and free reserves of the Company. 2. Approval under Section 180(1)(a) of the Companies Act, 2013 to secure the borrowing by creating charges/mortgages over the properties of the Company. 3. Approval for the issue of equity shares on a preferential basis to TVS Motor Company Limited. 4. Approval for an increase in authorised Share Capital.	28th July, 2021
2021-22	1. Approval under Section 180(1)(c) of the Companies Act, 2013 to borrow in excess of the aggregate of the paid-up capital and free reserves of the Company. 2. Approval under Section 180(1)(a) of the Companies Act, 2013 to secure the borrowing by creating charges/mortgages over the properties of the Company.	29th June, 2022

Special resolutions passed the EGMs during the Financial Year:

Date	Place	Subject Matter of Special Resolution
17.08.2022	Registered Office	1. Approval for issue of equity shares on a private placement basis to TVS Motor Company Limited
25.11.2022	Registered Office	1. Approval for issue of equity shares on a private placement basis to TVS Motor Company Limited
15.03.2023	Registered Office	1. Approval for issue of equity shares on a private placement basis to TVS Motor Company Limited/TVS Motor Services Limited

There was no resolution passed through the postal ballot and no special resolution is proposed to be conducted through the postal ballot.

iv) **Means of Communication to Shareholders**

The Board believes that effective communication of information is an essential component of corporate governance. The Company regularly interacts with Shareholders through multiple channels of communication such as results announcements, annual reports, the Company's website, and specific communications to Stock Exchanges, where the Company's securities are listed.

Quarterly Results:

The Company's quarterly/half-yearly/annual financial results were sent to the Stock Exchanges and were published in an English newspaper. They are also available on the website of the Company.

Newspapers wherein results are normally published:

The results are normally published in Business Standard and are also available on the website of the Company.

Website:

The Company is maintaining a functional website www.tvscredit.com. This website contains all the information and other details as may be required under Regulation 62 of Listing Regulations. The Company ensures that the contents of this website are periodically updated.

v) **General Shareholder Information:**

Annual General Meeting	:	
Date and time	:	17th July, 2023 at 10.00 AM (IST)
Financial year	:	1st April to 31st March
Financial calendar	:	2023-24
Financial reporting	:	Financial calendar
for the quarter ending		
30th June, 2023	:	Before 14th August, 2023
30th September, 2023	:	Before 14th November, 2023
31st December, 2023	:	Before 14th February, 2024
31st March, 2024	:	Before 30th May, 2024

Particulars of dividend payment:

The Company has not declared any dividends to its Shareholders.

vi. Listing on Stock Exchanges:

Name and Address of the Stock Exchange	Stock Code / Symbol	
National Stock Exchange of India Limited Exchange Plaza, Plot No. C/1, G-Block, Bandra Kurla Complex, Bandra (East), Mumbai 400051 Tel.: 91 22 2659 8100 | Fax : 91 22 2659 8120	The Company has listed its Non-convertible Debentures and since the equity shares of the Company are not listed, the stock code is not applicable.	
ISIN allotted by Depositories (Company ID Number) for Non-Convertible Debentures (NCD) listed with NSE as on 31st March, 2023	1. INE729N08030 2. INE729N08048 3. INE729N08055 4. INE729N08063 5. INE729N08071	6. INE729N08089 7. INE729N07032 8. INE729N07040 9. INE729N08097

(Note: Annual listing fees and custodial charges for the year 2022-23 were duly paid to the National Stock Exchange and Depositories)

vii) Market price data and Share price performance in comparison to broad based indices - NSE Nifty and BSE Sensex:

Not applicable as the Equity Shares of the Company are not listed.

viii) Suspension of Securities from trading: During the FY 2022-23, none of the securities of the Company were suspended from trading.

ix) Share Transfer Agents and Share Transfer System:

a. The Company has appointed Integrated Registry Management Services Limited, which has been registered with SEBI as Category-I Registrar and Transfer Agent (RTA) with Regn. No. INR000000544 as the Share Transfer Agent of the Company (STA) for Equity Shares and Cameo Corporate Services Limited as Registrar and Transfer Agent (RTA) for Debentures, with a view to rendering prompt and efficient service to the investors and in compliance with the Regulation 7 of the Listing Regulations. The Shareholders have also been advised about this appointment of STA to handle share registry work pertaining to both physical and electronic segments of the Company.

b. All matters connected with the share transfer, transmission, sub-division, consolidation, renewal, exchange, or endorsement of calls/allotment monies, dividends, and other matters are being handled by STA located at the address mentioned in this report.

c. Shares lodged for transfers are normally processed within the prescribed time from the date of lodgement if the documents are clear in all respects.

d. All requests for dematerialisation of securities are processed and the confirmation is given to the depositories within the prescribed time. Grievances received from investors and other miscellaneous correspondence relating to change of addresses, mandates, etc., are processed by STA within the prescribed time.

e. The Company, as required under Regulation 6(2)(d) of Listing Regulations, has designated the following e-mail IDs, namely corpserv@integratedindia.in for the purpose of registering complaints, if any, by the investors and expeditious redressal of their grievances.

f. A certificate signed by the Compliance Officer of STA and the Company Secretary towards the maintenance of the share transfer facility by STA in compliance with Regulation 7(3) of the Listing Regulations has been obtained and the same has been submitted to the Stock Exchange.

g. Shareholders are, therefore, requested to correspond with STA for transfer/transmission of shares, change of address, and queries pertaining to their shareholding, etc., at their address given in this Report.

x) Distribution of Shareholding

Shareholding (Range)	No. of Members	%	No. of Shares	%
Up to 5000	-	-	-	-
5001-10000	-	-	-	-
10001-20000	-	-	-	-
20001-50000	-	-	-	-
50001-100000	-	-	-	-
100001 & above	9	100	22,82,23,926	100
Total	**9**	**100**	**22,82,23,926**	**100**

xi) Dematerialisation of shares and liquidity:

The Company has provided its Shareholders the option to hold their equity shares in dematerialised form and as on 31st March 2023, 22,16,07,116 representing 97.10% of the paid-up capital of the Company are in dematerialised form.

xii) The Company has not issued any Global Depository Receipt/American Depository Receipt/Warrant or any convertible instrument, which is likely to have impact on the Company's Equity.

xiii) List of Credit Rating:

The credit rating details are disclosed in the Directors' Report forming part of this Annual Report.

xiv) Fees paid to Statutory Auditor on a consolidated basis:

During the year, the Company has paid ₹0.50 Cr to the statutory auditors for all services received by the listed entity and its subsidiaries, on a consolidated basis.

xv) Sexual Harassment at the Workplace:

As per the requirement of The Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 (POSH), as amended, Company has a robust mechanism in place to redress complaints reported under it. In the year 2022-23, no case of sexual harassment was reported, which was investigated and resolved as per the provisions of the POSH.

An Internal Committee (IC) is constituted by the Company to consider and resolve the sexual harassment complaints reported by women. The constitution of the IC is as per the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and the Committee includes external members from NGOs or with relevant experience.

xvi) Disclosure on compliance with the issue of Debt securities for incremental borrowings by Large Corporates.

The Company has been considered a "Large Corporate" (LC) and is required to raise not less than 25% of its incremental borrowings, during the financial year, by way of issuance of debt securities.

To comply with the SEBI circular in ref No. SEBI/HO/DDHS/P/CIR/2021/613 August 10, 2021 (amended 13th April, 2022), the Company has issued the following Listed Non-Convertible Debentures ("Debentures") -

Date of Issue	No. of Debentures	Face Value	Amount (Cr)	Security
14th July, 2022	95	1,00,00,000	95	Unsecured
26th July, 2022	305	1,00,00,000	305	Unsecured
14th September, 2022	8000	10,00,000	800	Secured
19th October, 2022	4250	10,00,000	425	Secured
24th February, 2023	200	1,00,00,000	200	Unsecured

xvii) Non-Mandatory Disclosures

The non-mandatory requirements have been adopted to the extent and in the manner as stated under the appropriate headings detailed below:

a. The Board:

Mr.Venu Srinivasan, Non-Executive Director as on 31st March, 2023 and is liable to retire by rotation as per the provisions of the Companies Act, 2013.

b. Shareholder Rights:

The quarterly results of the Company are published in newspapers as soon as they are approved by the Board and are also uploaded to the Company's website namely www.tvscredit.com. The results are not sent to the Shareholders individually.

c. Audit qualifications:

The financial statements of the Company are unmodified.

d. Reporting of internal auditor

The internal auditor reports directly to the Audit Committee.

xviii) Other Disclosures

a. Materially significant related party transactions:

All transactions entered into with related parties (RPTs), as defined under the Act, 2013 and the Listing Regulations during the financial year 2022- 23 were in the ordinary course of business and at arm's length and do not attract the provisions of Section 188 of the Act, 2013 and the rules made thereunder.

There were no materially significant transactions with the related parties during the year, which were in conflict of interest, and hence no approval of the Company was required in terms of the Listing Regulations.

The transactions with the related parties, namely its promoters, its holding, subsidiary and associate companies etc., of routine nature have been reported in the Annual Report, as per Indian Accounting Standard 24 (IND AS 24) notified vide the Companies (Indian Accounting Standard) Rules, 2015.

Details of material related party transactions are enclosed as part of accounts for the year ended 31st March 2023.

Related Party Transaction Policy

The Board has formulated a policy on related party transactions. The Audit Committee reviews and approves transactions between the Company and related parties, as defined under the Listing Regulations, to ensure that the terms of such RPTs would reasonably be expected of transactions negotiated or at arm's length and in the ordinary course of business. The Audit Committee meets prior to each scheduled Board meeting to review all RPTs of the Company on a quarterly basis.

In terms of Regulation 23 of the Listing Regulations, all RPTs for the succeeding financial year, with a clear threshold limit, are regularly placed before the Audit Committee meeting convened in the last quarter of the financial year for its approval and recommendation to the Board for its approval, wherever required. RPTs entered up to that period are reviewed at the meeting for any upward revision in the threshold limit.

It is also ensured that none of the RPTs involving payments with respect to brand usage or royalty during the financial year exceed five percent of the annual consolidated turnover of the Company as per the previous audited financial statements of the Company.

As per the Companies Act 2013, any unforeseen RPT involving an amount not exceeding ₹1 Cr per transaction is entered into by a Director or Officer of the Company without obtaining prior approval of the Audit Committee and such RPTs can be ratified by the Audit Committee within three months from the date of such transaction.

A copy of the said policy is available on the Company's website at https://www.tvscredit.com/investors/investor-information.

b. Pecuniary relationships or transactions with IDs vis-a-vis the Company during the year under review, do not exceed the threshold limit as laid down under the Listing Regulations.

c. There were no instances of non-compliance by the Company or penalty and stricture imposed on the Company by the Stock Exchanges or SEBI or any other statutory authorities on any matter related to the capital markets, during the last three years.

d. The Company has complied with all applicable mandatory requirements in terms of the Listing Regulations. The non-mandatory requirements have been adopted to the extent and in the manner as stated under the appropriate headings detailed in this Report.

e. Company has a forex hedging policy and covers are appropriately taken to cover the currency risk. The exposure and cover taken are reviewed by the Audit Committee on regular basis.

f. **Material Subsidiaries**

The Board has duly formulated a policy for determining 'material subsidiaries'. As per the amended Listing Regulations 2015, material subsidiary means a subsidiary whose income or net worth exceeds 10% of the consolidated income or net worth respectively, of the listed entity and its subsidiaries in the immediately preceding accounting year.

As per the above definition, the Company does not have any subsidiary whose income or net worth exceeds 10% of the consolidated income or net worth respectively and hence the Company does not have any material subsidiary for FY 2022- 23.

Copy of the Material Subsidiary policy is available on the Company's website at https://www.tvscredit.com/investors/investor-information.

g. **Succession Planning**

The Company has in place Succession Planning Policy for appointments to the Board and to the Senior Management.

xix) Plant Locations:

The Company has a presence in 27 states and 3 Union Territories in India and in 130 locations through its offices.

xx) Address for investor correspondence:

a.	For transfer/dematerialisation of securities, payment of dividend/ interest on securities, and any other query relating to the securities of the Company	:	Equity Shares: Integrated Registry Management Services Limited, Share Transfer Agent (STA) Unit: TVS Credit Services Limited Chennai – 600 006 Debentures: Cameo Corporate Services Ltd 'Subramanian Building', No.1, Club House Road, Chennai- 600 002
b.	For non-receipt of the annual report	:	Equity - corpserv@integratedindia.in Debt - investor1@cameoindia.com
c.	For investors' grievances and general correspondence	:	Equity - corpserv@integratedindia.in Debt - investor1@cameoindia.com
d.	Debenture Trustees	:	Beacon Trusteeship Limited Address: 4C & D Siddhivinayak Chambers, Gandhi Nagar, Opp MIG Cricket Club, Bandra East (E), Mumbai – 400051 E-mail: compliance@beacontrustee.co.in

xxi) Pursuant to the guidelines on the 'Fair Practices Code' issued by RBI, the Company has adopted a "Code", which is posted on the website of the Company, and a regular review on the implementation of the same is conducted by the Committee members.

xxii) The Company has adopted a Code of Conduct for employees of the Company and due care is taken that the employees adhere to it.

xxiii) The Company has fulfilled the prudential norms and standards as laid down by RBI pertaining to income recognition, provisioning of non-performing assets, and capital adequacy.

The Capital adequacy ratio of the Company is well within the limit prescribed by RBI. The Fair Practices Code and KYC norms framed by the Company seek to promote good and fair practices by setting minimum standards in dealing with customers, increasing transparency so that customers have a better understanding of what they can reasonably expect from the services being offered, encouraging market forces through competition to achieve higher operating standards, promote fair and cordial relationships between customers and the Company and foster confidence in the finance system.

The Company has put in place a mechanism to monitor and review adherence to the Fair Practices Code, KYC norms and Credit policies as approved by the Board of Directors.

xxiv) The Board of Directors of the Company reviews, records and adopts the minutes of the meetings of various Committees constituted by the Company.

The Company is keeping with the proper responsibility and authority matrix inculcated in the structure of certification to ensure compliance from diversified and various locations.

xxv) Remuneration to Directors:

Executive Directors: The Company does not have any Executive Directors.

Non-Executive Directors:

Sitting fees

The Non-Executive Directors are paid sitting fees ₹10,000/- each for each of the Board and/or Committee meetings thereof attended by them, which is within the limits, prescribed under the Act, 2013 effective that date.

Commission

The Company benefits from the expertise, advice, and inputs provided by IDs. IDs devote their valuable time in deliberating on strategic and critical issues in the course of Board and Committee meetings of the Company and give their valuable advice, suggestions, and guidance to the management of the Company, from time to time hence IDs are being paid by way of sitting fees and commission.

The Board at its meeting held on 03rd May, 2023 approved the payment of a commission of ₹15,00,000/- to the Non-Executive Independent Directors of the Company for the year ended 31st March, 2023. The amount of commission for every financial year will be decided by the Board, as approved by the Shareholders at General Meeting held on 27th July, 2020 subject to the limit of 1% of net profits of the Company, in aggregate, as calculated pursuant to Section 198 of the Act, 2013. The above compensation structure is commensurate with the best practices in terms of remunerating IDs and adequately compensates for the time and contribution made by IDs.

In terms of the amended Listing Regulations, it has also been ensured that the remuneration payable to one Non-Executive Director does not exceed 50% of the total annual remuneration payable to all Non-Executive Directors of the Company.

Presently, the Company does not have a scheme for grant of stock options either to the Directors or the Employees of the Company.

xxvi) None of the NEDs, except Mr.K N Radhakrishnan who holds shares on behalf of TVS Motor Services Limited, holds equity shares of the Company. Sitting fees and Commission paid to NEDs for the meetings held during 2022-23 are as follows-

S.No.	Name of the Director (M/s.)	Sitting Fees (Amount in ₹)	Commission (Amount in ₹)
1.	Venu Srinivasan	30,000	NA
2.	Sudarshan Venu	70,000	NA
3.	K N Radhakrishnan	1,50,000	NA
4.	V Srinivasa Rangan	1,80,000	15,00,000
5.	R Gopalan	1,50,000	15,00,000
6.	B Sriram	1,70,000	15,00,000
7.	Kalpana Unadkat	1,50,000	15,00,000

No other amounts were paid in the nature of compensation to any of the Directors of the Company.

xxvii) **Details of Non-Compliance with requirements of the Companies Act, 2013:**

There has been no default in compliance with the requirements of the Companies Act, 2013, including with respect to compliance with accounting and secretarial standards as per the Secretarial Audit Report and Statutory Audit Report.

xxviii) **Vigil Mechanism and Whistle Blower Policy:**

Over the years, the Company has established a reputation for doing business with integrity and displays zero tolerance for any form of unethical behaviour. Vigil mechanism instituted by the Company to report concerns about unethical behaviour in compliance with the requirements of the Act and the Listing Regulations. The Board's Audit Committee oversees the functioning of this policy. Protected disclosures can be made by a whistle-blower through several channels to report actual or suspected frauds and violation of the Company's Code of Conduct.

Copy of the said Policy is available in the Company's website in the following link https://www.tvscredit.com/media/2616/whistle-blower-policy.pdf

xxix) **Details of Penalties and Strictures:**

There were no penalties or strictures imposed on the Company by the Reserve Bank of India or any other Statutory Authority.

xxx) **Breach of the Covenant:**

There have been no instances of breach of the covenant of loan availed or debt securities issued.

xxxi) **Divergence in Asset Classification and Provisioning:**

RBI inspection for Financial Year 2022-23 has not commenced and for Financial Year 2021-22 inspection has been completed but Inspection/ Supervisory Report has not been received by the Company yet.

As per the RBI Supervisory Report available for the Financial Year 2020-21, there is no change suggested by RBI for GNPA, and the provision carried by Company is adequate.

xxxii) The certification from Mr. Ashish Sapra, Chief Executive Officer, and Ms. Roopa Sampath Kumar, Chief Financial Officer on the financial statements have been obtained.

Compliance with Corporate Governance requirements

S No.	Particulars	Regulation Number	Compliance status (Yes/No/NA)
1	Independent director(s) have been appointed in terms of specified criteria of 'independence' and/or 'eligibility'	16(1)(b) & 25(6)	Yes
2	Board composition	17(1), 17(1A) & 17(1B)	Yes
3	Meeting of Board of directors	17(2)	Yes
4	Quorum of Board meeting	17(2A)	Yes
5	Review of Compliance Reports	17(3)	Yes
6	Plans for orderly succession for appointments	17(4)	Yes
7	Code of Conduct	17(5)	Yes
8	Fees/compensation	17(6)	Yes
9	Minimum Information	17(7)	Yes
10	Compliance Certificate	17(8)	Yes
11	Risk Assessment & Management	17(9)	Yes
12	Performance Evaluation of Independent Directors	17(10)	Yes
13	Recommendation of Board	17(11)	Yes

S No.	Particulars	Regulation Number	Compliance status (Yes/No/NA)
14	Maximum number of Directorships	17A	Yes
15	Composition of Audit Committee	18(1)	Yes
16	Meeting of Audit Committee	18(2)	Yes
17	Composition of nomination & remuneration committee	19(1) & (2)	Yes
18	Quorum of Nomination and Remuneration Committee meeting	19(2A)	Yes
19	Meeting of Nomination and Remuneration Committee	19(3A)	Yes
20	Composition of Stakeholder Relationship Committee	20(1), 20(2) & 20(2A)	Yes
21	Meeting of Stakeholders Relationship Committee	20(3A)	Yes
22	Composition and role of risk management committee	21(1),(2),(3),(4)	Yes
23	Meeting of Risk Management Committee	21(3A)	Yes
24	Vigil Mechanism	22	Yes
25	Policy for related party Transaction	23(1), (1A), (5), (6), (7) & (8)	Yes
26	Prior or Omnibus approval of Audit Committee for all related party transactions	23(2), (3)	Yes
27	Approval for material related party transactions	23(4)	Yes
28	Disclosure of related party transactions on consolidated basis	23(9)	Yes
29	Composition of Board of Directors of unlisted material Subsidiary	24(1)	Yes
30	Other Corporate Governance requirements with respect to subsidiary of listed entity	24(2),(3),(4),(5) & (6)	Yes
31	Annual Secretarial Compliance Report	24(A)	Yes
32	Alternate Director to Independent Director	25(1)	NA
33	Maximum Tenure	25(2)	Yes
34	Meeting of independent directors	25(3) & (4)	Yes
35	Familiarization of independent directors	25(7)	Yes
36	Declaration from Independent Director	25(8) & (9)	Yes
37	D & O Insurance for Independent Directors	25(10)	Yes
38	Memberships in Committees	26(1)	Yes
39	Affirmation with compliance to code of conduct from members of Board of Directors and Senior management personnel	26(3)	Yes
40	Disclosure of Shareholding by Non-Executive Directors	26(4)	Yes
41	Policy with respect to Obligations of directors and senior management	26(2) & 26(5)	Yes

xxxiii) For further clarification/information, Stakeholders are requested to visit the Company's website at https://www.tvscredit.com/

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31st MARCH, 2023

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

To

The Members
TVS CREDIT SERVICES LIMITED
"Chaitanya", No.12, Khader Nawaz Khan Road,
Nungambakkam,
Chennai - 600 006

I have conducted the secretarial audit of the compliance of applicable statutory provisions and adherence to good corporate practice by TVS CREDIT SERVICES LIMITED (hereinafter called the Company).

Secretarial Audit was conducted in a manner that provided me with a reasonable basis for evaluating the corporate conducts/statutory compliance and expressing my opinion thereon.

Based on my verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorised representatives during the conduct of the secretarial audit, I hereby report that in my opinion, the Company has, during the audit period covering the financial year ended on 31st March, 2023 complied with the statutory provisions listed hereunder and also that the Company has proper Board processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31st March, 2023 according to the provisions of:

i) The Companies Act, 2013 (the Act) and the rules made thereunder;

ii) The Depositories Act, 1996 and the regulations and bye-laws framed thereunder;

iii) The provisions of The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;

iv) SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, to the extent applicable to high-value debt-listed entities.

v) Securities and Exchange Board of India (Debenture Trustees) Regulations, 1993;

Besides this, the following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act') are not applicable to the Company viz.,

a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;

b) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;

c) The Securities and Exchange Board of India (Share-based employee Benefits and Sweat Equity) Regulations, 2021 (with effect from 13th August 2021;

d) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993, regarding the Companies Act and dealing with client;

e) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021; and

f) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018.

The Company has complied with the provisions of the other laws as applicable to the Company, which inter alia includes:

(a) Non-Banking Financial (Non-Deposit Accepting or Holding) Companies Prudential Norms (Reserve Bank) Directions, 2007;

(b) RBI - Master Direction - Non-Banking Financial Company – Non-Systemically Important Non-Deposit taking Company (Reserve Bank) Directions, 2016;

(c) Compliance with the requirements of Non-Banking Finance Companies (Reserve Bank) Directions 2016 with regard to non-acceptance of Deposits from the Public;

(d) Compliance under the Prevention of Money Laundering Act (PMLA) 2002 for the purpose of compliance with the obligations under Know your Customer Norms/ Anti-Money Laundering (AMC) standards & Fair Pricing Code (FPC) and Combating of Finance of Terrorism (CFT) obligations under PMLA,2002;

(e) Labour laws & Contract Labour (Regulations & Abolition) Act, 1970 as applicable;

(f) Indian Stamp Act and Rules;

(g) Motor Vehicles Act, 1938;

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

Further, during the year under review, the Company has listed its Non-Convertible Debentures with the National Stock Exchange of India Ltd.

I have also examined compliance with the applicable clauses of the following:

i) The Secretarial Standards with regard to Meetings of Board of Directors (SS-1) and General Meetings (SS-2) issued by the Institute of Company Secretaries of India in terms of Sub-Section 10 of Section 118 of the Companies Act, 2013, for the financial year under review;

ii) The Company has listed its Commercial papers with National Stock Exchange of India Ltd (NSE) pursuant to SEBI circular dated 22nd October, 2019. The Company has duly complied with the compliances as prescribed in the above-mentioned circular.

From the verification of records and as per the information and explanation furnished to me, during the period under review, the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc., mentioned above, wherever applicable.

I further report that:

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

2) Adequate notice is given to all Directors to schedule the Board Meetings, agenda and detailed notes on the agenda was sent at least seven days in advance, and in the case where the meeting was held on shorter notice, consent for shorter notice was obtained from all the Directors, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

3) The majority decision is carried through while passing all the resolutions of the Board/Committees. However, on perusal of the minutes of the Board or Audit Committee or Nomination & Remuneration Committee, or Asset Liability Management Committee, or Corporate Social Responsibility Committee meetings, or Risk Management Committee, it was observed that there was no dissenting note made by any of the members.

I further report that there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

I further report that during the period of audit, the Company made issue of securities as per the following particulars:

S.No.	Type of Security	No. X Face Value each	Issued on	Allotted on
1.	Non-Convertible Debentures	95 X 1,00,00,000	13-07-2022	14-07-2022
		305 X 1,00,00,000	25-07-2022	26-07-2022
		800 X 1,00,00,000	13-09-2022	14-09-2022
		4250 X 10,00,000	18-10-2022	19-10-2022
		200 X 1,00,00,000	23-02-2023	24-02-2023
2.	Equity Shares	8,108,108 X 10	17-09-2022 **	28-09-2022
3.	Equity Shares	8,108,108 X 10	25-11-2022 **	28-12-2022
4.	Equity Shares	10810810 X 10	15-03-2023 **	24-03-2023

** The Company explained that due to technical hitches, the Company could not file the e-form in the MCA site. However physical form with a resolution approving the issue of shares was filed with the Registrar of Companies, Chennai, before the circulation of the letter of offer.

The Company had redeemed 4250 non-convertible debentures during the year under review.

Name of the Company Secretary: B Chandra
Membership No. FCS 20879
Certificate of Practice No. 7859
UDIN: A020879E000234477
PEER REVIEW NUMBER 1711/2022

Place : Chennai
Date : 03/05/2023

To

The Members
TVS CREDIT SERVICES LIMITED
"Chaitanya", No.12, Khader Nawaz Khan Road,
Nungambakkam,
Chennai - 600 006

My Report of even date is to be read along with this letter.

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

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

3. I have not verified the correctness and appropriateness of the financial records and books of accounts of the Company.

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

5. Compliance with the provisions of Corporate and other applicable laws, rules, regulations, and standards is the responsibility of Management. My examination was limited to the verification of procedures on a test basis.

6. The Secretarial Audit Report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the Management has conducted the affairs of the Company.

Name of the Company Secretary: B Chandra
Membership No. FCS 20879
Certificate of Practice No. 7859
UDIN: A020879E000234477
PEER REVIEW NUMBER 1711/2022

Place : Chennai
Date : 03/05/2023

To the Members of TVS Credit Services Limited

Report on the Standalone Financial Statements

Opinion

We have audited the accompanying Standalone financial statements of TVS Credit Services Limited ("the Company"), which comprise the Balance Sheet as at 31 March, 2023, the Statement of Profit and Loss, the Statement of Changes in Equity, and the Statement of Cash Flows for the year then ended, and a summary of the significant 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 standalone 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, read with the Companies (Indian Accounting Standards) Rules 2015 as amended ("IND-AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March, 2023, and its profit and total comprehensive income, changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing ("SA") specified under Section 143(10) of the Act. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the audit of the Standalone Financial Statements section of our Report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI), together with the independence requirements that are relevant to our audit of the standalone 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 we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the standalone financial statements.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of the most significance in our audit of the standalone financial statements of the current period. These matters were addressed in the context of our audit of the standalone financial statements as a whole and in forming our opinion thereon, and we do not provide a separate opinion on these matters. The following are the Key Audit Matters.

Key Audit Matter	How our audit addressed the Key matter
Impairment Loss Allowance Management's judgements in the calculation of impairment allowances have a significant impact on the standalone financial statements. The estimates regarding impairment allowances are complex and require a significant degree of judgement, which increased with the implementation of the Expected Credit Loss ("ECL") approach as required by IND-AS 109 relating to "Financial instruments." Management is required to determine the expected credit loss that may occur over either a 12-month period or the remaining life of an asset, depending on the categorisation of the individual asset. The key areas of judgement include: 1. Categorisation of loans in Stage I, II and III based on identification of: (a) Exposures with a significant increase in credit risk since their origination and (b) Individually impaired/default exposures. 2. Techniques used to determine Loss Given Default ('LGD') and Probability of Default ('PD') to calculate an ECL based on experience.	• We obtained an understanding of Management's assessment of impairment of loans and advances, including the IND-AS 109 implementation process, internal rating model, impairment allowance policy and ECL modelling methodology. • We assessed the design and implementation and tested the operating effectiveness of controls over the modelling process, including governance over monitoring of the model and approval of key assumptions. • We also verified the key judgements and assumptions relating to the macroeconomic scenarios, including the impact of the COVID-19 pandemic and the associated probability weights. • We also assessed the approach of the Company for categorisation the loans in various stages, reflecting the inherent risk in the respective loans. • For a sample of financial assets, we tested the correctness of Staging, the reasonableness of PD, the accuracy of LGD and ECL computation. • We have also verified the compliance of circulars issued by the Reserve Bank of India from time to time during the year on this subject.

Key Audit Matter	How our audit addressed the Key matter
3. The impact of different future macroeconomic conditions in the determination of ECL. These judgements required the models to be reassessed, including the impact of the COVID-19 pandemic to measure the ECL. Management has made several interpretations and assumptions when designing and implementing models that are compliant with the standard. The accuracy of data flows, and the implementation of related controls is critical for the integrity of the estimated impairment provisions. Given the significance of judgements and the high complexity related particularly to the calculation of ECL, we considered this area as a Key Audit Matter.	As a result of the above audit procedures, no material differences were noted. We confirm the adequacy of disclosures made in the financial statements.
IT Systems and Controls The Company's key financial accounting and reporting processes are highly dependent on the automated controls in information systems, Any control lapses, validation failures, incorrect input data, and wrong extraction of data may result in the financial accounting and reporting records being misstated.	We tested a sample of key controls operating over the information technology in relation to financial accounting and reporting systems, including system access and system change management, programme development, and computer operations. We tested the design and operating effectiveness of key controls over user access management which includes granting access rights, new user creation, removal of user rights, and preventative controls designed to enforce segregation of duties. We have focused on user access management, change management, segregation of duties, system reconciliation controls, and system application controls over key financial accounting and reporting systems. Reliance was also placed on the System Audit report of the Company. Based on our review, no material weakness was found in the IT Systems and Controls.

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

The Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Management Discussion and Analysis, Board's Report, including Annexures to Board's Report, Business Responsibility Report, Corporate Governance, and Shareholder's Information, but does not include the standalone financial statements and our auditor's Report thereon.

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

In connection with our audit of the standalone financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the standalone 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 those charged with Governance 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 standalone financial statements that give a true and fair view of the financial position, financial performance, including other comprehensive income, cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with the Companies (Indian Accounting Standards) Rules, 2015. 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 standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

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

Auditor's Responsibility for the Audit of Standalone Financial Statements

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

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

- Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal 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 Companies Act, 2013, we are also responsible for expressing our opinion on whether the Company has an adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management.
- Conclude on the appropriateness of Management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure, and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone 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 the Companies (Auditor's Report) Order, 2020 ("the Order") issued by the Central Government of India in terms of Sub-Section (11) of Section 143 of the Act, we give in "Annexure A" to this Report, a statement on the matters specified in para 3 and 4 of the said Order.

2) As required by Section 143 (3) of the Act, 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, the Statement of Changes in Equity and the Statement of Cash Flows dealt with by this Report are in agreement with the books of account;

   (d) In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under including the Accounting Standards specified under Section 133 of the Act, read with the Companies (Indian Accounting Standards) Rules, 2015;

   (e) On the basis of the written representations received from the directors as on 31st March, 2023 taken on record by the Board of Directors, none of the Directors is disqualified as on 31st March, 2023 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 over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B";

   (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 explanation 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, in our opinion and to the best of our information and according to the explanations given to us:

      i. The Company has disclosed the impact of pending litigations on its financial position in its standalone financial statements in Note no.39.

      ii. The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts. The derivate contracts being in the nature of the hedge contracts, the Company does not anticipate any material losses from the same.

      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, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

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

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

v. The Company has not declared or paid any Dividend during the year.

vi. With respect to Rule 11(g) of Companies (Audit & Auditors) Rules, 2014 on maintenance of audit trail, transaction log and edit log in the accounting software, the reporting requirement to report on the said clause does not arise since the compliance requirement for the Company (as per proviso to Rule 3 of Companies (Accounts) Rules,2014) becomes applicable only with effect from 1st April, 2023."

for **Sundaram & Srinivasan**
Chartered Accountants
Firm Regn. No. 004207S

S. Usha
Partner
Membership No. 211785

Date: 03rd May, 2023
Place: Chennai

UDIN: 23211785BGWCVM6164

for **CNGSN & Associates** LLP
Chartered Accountants
Firm Regn. No. 004915S

C.N.Gangadaran
Partner
Membership No. 011205

Date: 03rd May, 2023
Place: Chennai

UDIN: 23011205BGPUTU4632

With reference to the Annexure A referred to in paragraph 1 under the heading "Report on other Legal and Regulatory Requirements" of the Independent Auditor's Report to the members of TVS Credit Services Limited on the Financial Statements for the year ended 31st March, 2023, we report that:

(i) a) (A) The Company is maintaining proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment and relevant details of right-of-assets.

(B) The Company is maintaining proper records showing full particulars of Intangible Assets.

b) Property, Plant and Equipment have been physically verified by the Management at reasonable intervals, and no material discrepancies were noticed.

c) The title deeds of immovable properties (other than properties where the Company is the lessee and the lease agreements are duly executed in favour of the lessee) are held in the name of the Company.

d) The Company has not revalued its Property, Plant and Equipment or Intangible assets or both during the year.

e) Based on our examination of the Books of Accounts and other Records of the Company and based on the information and explanation provided by the Management, no proceedings have been initiated or pending against the Company for holding any benami property under Benami Transactions (Prohibition) Act, 1988 and rules made thereunder. Hence reporting under this clause is not applicable.

(ii) a) The Company does not have any inventory, and hence reporting under this clause is not applicable.

b) During the year, the Company had availed working capital limits in excess of ₹5cr from banks and financial institutions on the basis of the security of current assets. The quarterly returns and the statements submitted to lenders are in agreement with the books of accounts.

(iii) a) Clause 3(iii)(a) is not applicable to the Company since the Company's principal business is to give loans.

b) Based on our examination of the Books of Accounts and other Records of the Company and based on the information and explanation provided by the Management, the investments made, security given, and the terms and conditions of the grant of all loans and advances in the nature of loans and guarantees provided are not prima facie prejudicial to the Company's interest.

c) The schedule of repayment of principal and payment of interest has been stipulated for all Loans and advances in the nature of loans. The repayments of principal and payments of interest are regular except for loans amounting to ₹2,970.83 Cr for which repayment of principal and payments of interest are not regular.

Bucket	Amount (₹)
1-90 DPD	2,397.12 Cr
More than 90 DPD#	573.71 Cr

Includes contracts restructured based on June 2019 circular classified as Stage-III with DPD less than 91 days amounting to ₹16.37 Cr and contracts with less than 91 DPD classified as Stage-III owing to Customer level Staging amounting to ₹20.67 Cr.

d) The amounts overdue for more than 90 days aggregating principal repayment and interest payments, is ₹573.71 Cr. In our opinion, reasonable steps have been taken by the Company for the recovery of principal and interest.

e) Clause 3(iii)(e) is not applicable to the Company since the Company's principal business is to give loans.

f) The Company has not given loans or advances in the nature of loans repayable on demand or without specifying the terms or period of repayment.

(iv) The Company has complied with the provisions of Section 185 and 186 of the Act in respect of loans granted, investments made, guarantees given, and securities provided, wherever applicable.

(v) The Company has not accepted any deposits within the meaning of Sections 73 to 76, or any other relevant provisions of the Act and the rules framed thereunder.

(vi) The Central Government has not specified the maintenance of cost records under Section 148(1) of the Act. Therefore, the provisions of clause (vi) of paragraph 3 of the Order are not applicable to the Company.

(vii) a) The Company is regular in depositing undisputed statutory dues, including Goods and Services Tax, provident fund, employees' state insurance, income tax, sales tax, service tax, duty of customs, duty of excise, value added tax, cess, and any other statutory dues applicable to it during the year with appropriate authorities.

b) According to the information and explanations given to us, dues of service tax has not been deposited with the appropriate authorities on account of dispute as per details below

Description	Amount in Cr (₹)
Disputed Service Tax Demand inclusive of Penalty – Commissioner order/ Additional Commissioner appealed against by Company during previous years (Pre-deposit of ₹0.38 Cr)	7.96

(viii) There was no transaction which were not recorded in the books of accounts or surrendered as income during the year in the tax assessments under Income Tax Act.

(ix) a) Based on our examination of the books of accounts and other records of the Company, The Company has not defaulted in repayment of loans or other borrowings or in the payment of interest thereon to any lender.

b) Based on our examination of the Books of Accounts and other Records of the Company and based on the information and explanation provided by the Management, the Company has not been declared as a willful defaulter by any bank, financial institution, or any other lender.

c) Based on our examination of the Books of Accounts and other Records of the Company and based on the information and explanation provided by the Management, Term Loans obtained were applied for the purposes for which it was obtained.

d) Based on our examination of the Books of Accounts and other Records of the Company and based on the information and explanation provided by the Management, No funds raised on a short-term basis have been utilised for long-term purposes.

e) Based on our examination of the Books of Accounts and other Records of the Company and based on the information and explanation provided by the Management, The Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries, associates or joint ventures.

g) The Company has not raised loans during the year on the pledge of securities held in its Subsidiaries, Joint ventures or Associate companies.

x) a) According to the information and explanations given to us, the Company has not raised moneys by way of an initial public offer or further public offer during the year.

b) The Company has made preferential allotment of equity shares. The Requirements of 42 and 62 of the Companies Act have been duly complied with by the Company. Based on our examination of Books of Records and other records and according to the information and explanations provided by the Management, the funds raised have been used for the purposes for which the funds were raised.

xi) a) To the best of our knowledge and belief and according to the information and explanations given to us, during the year, no fraud by the Company or fraud on the Company was noticed or reported during the course of our audit except as disclosed in the Clause "I" in Disclosures required in terms of Annexure XIV of the RBI Master Direction DNBR. PD. 008/03.10.119/2016-17 dated 1st September, 2016 (Updated as on 22nd February, 2019) "Master Direction - Non-Banking Financial Company - Systemically Important Non - Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016.

b) No report under Sub-Section (12) of Section 143 of the Companies Act in form ADT-4 was filed as prescribed under Rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government.

c) The Company did not receive any whistle-blower complaints during the year.

xii) The Company is not a Nidhi Company. Hence, clauses 3(xii)(a),(b),(c) of the Order are not applicable.

xiii) The transactions with the related parties are in compliance with Sections 177 and 188 of the Companies Act, 2013, where applicable, and the details have been disclosed in the Financial Statements as required by the applicable accounting standards.

xiv) a) The Company has an Internal Audit System commensurate with the Size and Nature of its business.

b) We have considered the Reports of Internal Auditors for the financial year ended 31st March, 2023.

xv) According to the information and explanations given to us by the Management, the Company has not entered into any non-cash transactions with Directors or persons connected with the Directors during the year.

xvi) a) The Company is required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934 and has obtained registration.

b) The Company has conducted Non-banking Financial Activities with a Valid Certificate of Registration from the Reserve Bank of India.

c) The Company is not a Core Investment Company, hence reporting under clause 3(xvi)(c) is not applicable

d) The Group does not have any Core Investment Companies as a part of the Group.

xvii) The Company has not incurred cash losses during the year and the immediately preceding financial year.

xviii) There was no resignation of statutory auditors during the year.

xix) On the basis of our evaluation of financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the financial statement and our knowledge of the Board of Directors and Management plans, we are of the opinion that no material uncertainty exists as on the date of Audit Report that Company is capable of meeting its liabilities existing at the date of the balance sheet as and when they fall due within a period of one year from the balance sheet date.

xx) a) There is no unspent amount of Corporate Social Responsibility Expenditure which requires to be transferred to a fund specified in Schedule VII to the Companies Act,2013

b) The Company does not have any ongoing projects for CSR. Hence reporting under this clause is not applicable.

xxi) The Companies (Auditor’s Report) Order (CARO) reports of the companies included in the consolidated financial statements did not include any qualification or adverse remarks.

for **Sundaram & Srinivasan**
Chartered Accountants
Firm Regn. No. 004207S

S. Usha
Partner
Membership No. 211785

Date: 03rd May, 2023
Place: Chennai

UDIN: 23211785BGWCVM6164

for **CNGSN & Associates** LLP
Chartered Accountants
Firm Regn. No. 004915S

C.N.Gangadaran
Partner
Membership No. 011205

Date: 03rd May, 2023
Place: Chennai

UDIN: 23011205BGPUTU4632

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

We have audited the internal financial controls over financial reporting of **TVS Credit Services Limited** ("the Company") as of 31st March, 2023 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's Management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting ("the Guidance Note") issued by the Institute of Chartered Accountants of India ("ICAI"). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to Company's policies, the safeguarding of its assets, the prevention and detection of fraud 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 ("the Act").

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Act, to the extent applicable, to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting were 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 system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, 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 system over financial reporting.

Meaning of Internal Financial Controls Over Financial Reporting

A Company's internal financial control over financial reporting 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 over financial reporting 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 the 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 Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and may not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting 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 explanations given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31st March, 2023 based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note issued by the ICAI.

for **Sundaram & Srinivasan**
Chartered Accountants
Firm Regn. No. 004207S

S. Usha
Partner
Membership No. 211785

Date: 03rd May, 2023
Place: Chennai

UDIN: 23211785BGWCVM6164

for **CNGSN & Associates** LLP
Chartered Accountants
Firm Regn. No. 004915S

C.N.Gangadaran
Partner
Membership No. 011205

Date: 03rd May, 2023
Place: Chennai

UDIN: 23011205BGPUTU4632

STANDALONE BALANCE SHEET AS ON 31ST MARCH, 2023

(All amounts in ₹ Crore unless otherwise stated)

S.No.	Particulars	Note No.	As at 31st March, 2023	As at 31st March, 2022
	ASSETS			
1	**Financial Assets**			
(a)	Cash and Cash Equivalents	2	1,525.17	956.23
(b)	Bank Balances other than (a) above	3	5.72	6.00
(c)	Derivative Financial Instruments	4	170.86	64.06
(d)	Receivables			
	i) Trade Receivables	5	64.36	37.90
(e)	Loans	6	20,545.09	14,014.31
(f)	Investments	7	12.01	12.01
(g)	Other Financial Assets	8	22.84	58.46
	Total		**22,346.05**	**15,148.97**
2	**Non-Financial Assets**			
(a)	Current Tax Assets (Net)	9	-	7.10
(b)	Deferred Tax Assets (Net)	10	213.45	140.23
(c)	Investment Property	11	85.16	85.16
(d)	Property, Plant and Equipment	12	29.24	20.22
(e)	Right-to-use Asset	12	28.73	18.12
(f)	Other Intangible Assets	12	1.95	1.36
(g)	Other Non-Financial Assets	13	45.33	39.81
	Total		**403.86**	**312.00**
	Total Assets		**22,749.91**	**15,460.97**
	LIABILITIES AND EQUITY			
	LIABILITIES			
1	**Financial Liabilities**			
(a)	Payables			
	I. Trade Payables			
	i) Total outstanding dues of micro enterprises and small enterprises	14	19.13	3.55
	ii) Total outstanding dues of creditors other than micro enterprises and small enterprises	14	616.56	331.07
(b)	Debt Securities	15	2,607.04	2,213.68
(c)	Borrowings other than Debt Securities	16	14,518.93	9,457.10
(d)	Subordinated Liabilities	17	1,744.80	1,293.34
(e)	Other Financial Liabilities	18	391.68	230.71
	Total		**19,898.14**	**13,529.45**
2	**Non-Financial Liabilities**			
(a)	Current Tax Liabilities (Net)	9	9.60	-
(b)	Provisions	19	52.67	38.34
(c)	Other Non-Financial Liabilities	20	31.39	29.54
	Total		**93.66**	**67.88**
3	**Equity**			
(a)	Equity Share Capital	21	228.22	201.20
(b)	Other Equity	22	2,529.89	1,662.44
	Total		**2,758.11**	**1,863.64**
	Total Liabilities and Equity		**22,749.91**	**15,460.97**
Significant Accounting Policies forming part of financial statements		**1**		
Additional Notes forming part of financial statements		**39**		

As per our report of even date

For Sundaram & Srinivasan
Chartered Accountants
ICAI Regn No. FRN 004207S

S. Usha
Partner
Membership No. 211785

For CNGSN & Associates LLP
Chartered Accountants
ICAI Regn No. FRN 004915S

C.N. Gangadaran
Partner
Membership No. 011205

Place : Chennai
Date : 3rd May, 2023

For and on behalf of the Board of Directors of
TVS Credit Services Limited

Sudarshan Venu
Chairman
DIN-03601690

Ashish Sapra
Chief Executive Officer

Roopa Sampath Kumar
Chief Financial Officer

Anand Vasudev
Company Secretary

Place : Chennai
Date : 3rd May, 2023

STANDALONE STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2023

(All amounts in ₹ Crore unless otherwise stated)

S.No.	Particulars	Note No.	Year ended 31st March, 2023	Year ended 31st March, 2022
	Revenue from Operations			
i)	Interest Income	23	3,754.78	2,445.93
ii)	Fee and Commission Income	24	400.84	300.52
I)	**Total Revenue from Operations**		**4,155.62**	**2,746.45**
II)	Other Income	25	4.70	8.94
III)	**Total Income (I + II)**		**4,160.32**	**2,755.39**
	Expenses			
i)	Finance Costs	26	1,168.28	742.93
ii)	Fees and Commission Expenses		281.02	247.72
iii)	Impairment of Financial instruments	27	629.14	554.15
iv)	Employee Benefit Expenses	28	1,039.51	711.78
v)	Depreciation, Amortisation and Impairment		21.43	19.12
vi)	Other Expenses	29	509.66	323.49
IV)	**Total Expenses**		**3,649.04**	**2,599.19**
V)	Profit / (Loss) before exceptional items and tax		**511.28**	**156.20**
VI)	Exceptional Items		-	5.00
VII)	**Profit / (Loss) before tax**		**511.28**	**151.20**
VIII)	Tax Expenses	30		
	Current Tax		197.78	64.84
	Deferred Tax		(75.17)	(34.36)
IX)	**Profit/(Loss) for the year**		**388.67**	**120.72**
X)	Other Comprehensive Income	31		
A.	Items that will not be reclassified to Profit or Loss - Itemwise			
	Remeasurement of the defined benefit plans		(0.96)	(1.67)
	Income Tax relating to these items		0.24	0.42
B.	Items that will be reclassified to Profit or Loss - Itemwise			
	Fair value change on cash flow hedge		8.71	40.71
	Income Tax relating to these items		(2.19)	(10.25)
	Other Comprehensive Income (A+B)		**5.80**	**29.21**
XI)	**Total Comprehensive Income for the year (Comprising Profit/(Loss) and other Comprehensive Income for the Year)**		**394.47**	**149.93**
XII)	Earnings Per Share	32		
	Basic (₹)		18.72	6.17
	Diluted (₹)		18.72	6.17
Significant Accounting Policies forming part of financial statements		**1**		
Additional Notes forming part of financial statements		**39**		

As per our report of even date

For Sundaram & Srinivasan
Chartered Accountants
ICAI Regn No. FRN 004207S

S. Usha
Partner
Membership No. 211785

Place : Chennai
Date : 3rd May, 2023

For CNGSN & Associates LLP
Chartered Accountants
ICAI Regn No. FRN 004915S

C.N. Gangadaran
Partner
Membership No. 011205

For and on behalf of the Board of Directors of
TVS Credit Services Limited

Sudarshan Venu
Chairman
DIN-03601690

Ashish Sapra
Chief Executive Officer

Roopa Sampath Kumar
Chief Financial Officer

Anand Vasudev
Company Secretary

Place : Chennai
Date : 3rd May, 2023

TVS CREDIT

(All amounts in ₹ Crore unless otherwise stated)

Particulars	Year ended 31st March, 2023	Year ended 31st March, 2022
Cash Flow From Operating Activity		
Profit Before Income Tax	511.28	151.20
Adjusted for:-		
Depreciation and Amortisation expense	21.43	19.12
Impairment of Financial Assets	321.42	106.83
Profit on disposal of PPE	(0.71)	(0.02)
Finance Charges	1,168.28	742.93
Unwinding of Discount on Security Deposits	(3.92)	(6.80)
Remeasurement of defined Benefit Plans	(0.96)	(1.67)
Cash generated from operations before working capital changes	**1,505.54**	**860.39**
Change in Operating Assets and Liabilities		
(Increase)/Decrease in Trade Receivables	(26.49)	(13.43)
(Increase)/Decrease in Loans	(6,852.18)	(2,958.35)
(Increase)/Decrease in Other Financial Assets	39.53	37.58
(Increase)/Decrease in Other Non Financial Assets	(5.52)	(12.84)
Increase/(Decrease) in Trade Payables	301.07	105.28
Increase/(Decrease) in Other Financial Liabilities	64.73	30.40
Increase/(Decrease) in Other Non Financial Liabilities	16.19	10.50
Financing Charges paid	(1,081.67)	(728.56)
Cash used in Operations	**(5,527.52)**	**(2,517.83)**
Income taxes paid	(181.08)	(54.68)
Net Cash Outflow from Operating Activities	**(5,708.60)**	**(2,572.51)**
Cash Flows from Investing Activities		
Payments for Property, Plant and Equipment and Investment Property	(25.11)	(13.10)
Proceeds from Sale of Property, Plant and Equipment and Investment Property	1.47	0.05
Decrease in Deposits with Bank	0.28	(5.13)
Net Cash Outflow from Investing Activities	**(23.36)**	**(18.18)**
Cash Flows from Financing Activities		
Proceeds from Issue of Equity Shares	500.00	150.00
Proceeds from Issue/(Repayment) of Debt Securities (net)	393.36	1,042.83
Proceeds/(Repayment) of Borrowings other than debt securities (net)	4,972.77	1,507.21
Proceeds/(Repayment) of Subordinated Liabilities (net)	451.46	350.55
Payments of Lease Liabilities	(8.23)	(8.55)
Net Cash Inflow from Financing Activities	**6,309.36**	**3,042.04**
Net Increse in Cash & Cash Equivalents	**577.40**	**451.35**
Cash and cash equivalents at the beginning of the financial year	**947.61**	**496.26**
Cash and Cash equivalents at the end of the year	**1,525.01**	**947.61**

As per our report of even date

For Sundaram & Srinivasan
Chartered Accountants
ICAI Regn No. FRN 004207S

S. Usha
Partner
Membership No. 211785

For CNGSN & Associates LLP
Chartered Accountants
ICAI Regn No. FRN 004915S

C.N. Gangadaran
Partner
Membership No. 011205

Place : Chennai
Date : 3rd May, 2023

For and on behalf of the Board of Directors of
TVS Credit Services Limited

Sudarshan Venu
Chairman
DIN-03601690

Ashish Sapra
Chief Executive Officer

Roopa Sampath Kumar
Chief Financial Officer

Anand Vasudev
Company Secretary

Place : Chennai
Date : 3rd May, 2023

STANDALONE STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31ST MARCH, 2023

TVS CREDIT

(All amounts in ₹ Crore unless otherwise stated)

I) Equity Share Capital

	Notes	Amounts
Balance as at 1st April, 2021		**191.94**
Changes in equity share capital during the year	21	9.26
Balance as at 31st March, 2022		**201.20**
Changes in equity share capital during the year	21	27.03
Balance as at 31st March, 2023		**228.22**

II) Other Equity

		Reserves and Surplus				
	Notes	Securities Premium Account	Statutory Reserve	Retained Earnings	Other Reserves - Hedge Reserve	Total
Balance as at 1st April, 2021		**722.63**	**140.15**	**526.65**	**(17.67)**	**1,371.76**
Change in accounting policy		-	-	-	-	-
Profit for the year	22	-	-	120.73	-	120.73
Other comprehensive income	22	-	-	(1.25)	30.46	29.21
Transaction in the Capacity as Owners						
Transfer to statutory reserve	22	-	24.15	(24.15)	-	-
Issue of Equity Shares	22	140.74	-	-	-	140.74
Balance as at 31st March, 2022		**863.37**	**164.30**	**621.98**	**12.79**	**1,662.44**
Profit for the year	22	-	-	388.67	-	388.67
Other comprehensive income	22	-	-	(0.72)	6.52	5.80
Transaction in the Capacity as Owners						
Transfer to Statutory Reserve	22	-	77.73	(77.73)	-	-
Issue of Equity Shares	22	472.98	-	-	-	472.98
Balance as at 31st March, 2023		**1,336.35**	**242.03**	**932.20**	**19.31**	**2,529.89**

As per our report of even date

For Sundaram & Srinivasan
Chartered Accountants
ICAI Regn No. FRN 004207S

S. Usha
Partner
Membership No. 211785

For CNGSN & Associates LLP
Chartered Accountants
ICAI Regn No. FRN 004915S

C.N. Gangadaran
Partner
Membership No. 011205

Place : Chennai
Date : 3rd May, 2023

For and on behalf of the Board of Directors of
TVS Credit Services Limited

Sudarshan Venu
Chairman
DIN-03601690

Ashish Sapra
Chief Executive Officer

Roopa Sampath Kumar
Chief Financial Officer

Anand Vasudev
Company Secretary

Place : Chennai
Date : 3rd May, 2023

(All amounts in ₹ Crore unless otherwise stated)

1 Significant Accounting Policies forming part of Financial Statements

COMPANY BACKGROUND

TVS Credit Services Limited ('the Company') (CIN U65920TN2008PLC069758) is a public limited company incorporated and domiciled in India. The registered office is located at "Chaitanya", No. 12 Khader Nawaz Khan Road, Nungambakkam, Chennai – 600006, Tamil Nadu, India. The Company is a subsidiary of TVS Motor Company Limited.

The Company received the Certificate of Registration (No. N-07-00783) dated 13th April, 2010 from the Reserve Bank of India (RBI) and commenced Non-Banking Financial activity thereon. The Company 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 engaged in providing Automobile Finance, Consumer Durable Loans, and Small Business Loans. The Company is categorised as "NBFC - Investment and Credit Company (NBFC-ICC)" vide RBI circular DNBR (PD) CC.No.097/03.10.001/2018-19 dated February 22, 2019. Effective 01 October 2022, the Company has been categorised as NBFC-Middle Layer under the RBI Scale Based Regulation dated 22 October 2021.

SIGNIFICANT ACCOUNTING POLICIES

a. Basis of Preparation of Accounts

The financial results of the Company have been prepared in accordance with Indian Accounting Standards (IND-AS) notified under Section 133 of the Companies Act, 2013 (the Act) read with [Companies (Indian Accounting Standards) Rules, 2015] as amended by the Companies (Indian Accounting Standards) Rules, 2016 and other accounting principles generally accepted in India.

The financial statements have been prepared in accordance with Division III of Schedule III of the Companies Act 2013 notified by MCA on October 11, 2018. Further, the Company follows application guidance, clarifications, circulars, and directions issued by the Reserve Bank of India (RBI) for Non-Banking Financial Companies (NBFC) or other regulators, as and when they are issued and applicable.

b. Historical Cost Convention

The financial statements have been prepared on a historical cost basis, except for the following:

(a) Certain financial assets and liabilities (including derivative instruments) are measured at fair value as stated in notes;

(b) Defined benefit plans – plan assets measured at fair value.

c. Use of Estimates

The preparation of financial statements requires management to make certain estimates and assumptions that affect the amounts reported in the financial statements and notes thereto. The management believes that these estimates and assumptions are reasonable and prudent. However, actual results could differ from these estimates. Any revision to accounting estimates is recognised prospectively in the current and future periods. This note provides an overview of the areas that involved a higher degree of judgment or complexity, and of items which are more likely to be materially adjusted due to estimates and assumptions turning out to be different than those originally assessed. Detailed information about each of these estimates and judgments is included in the relevant notes together with information about the basis of calculation for each affected line item in the financial statements.

d. Significant Estimates and Judgements

The areas involving critical estimates are:

(a) Determining inputs into the ECL measurement model - (Refer Note 35)

(b) Estimation of defined benefit obligation - (Refer Note 33)

The areas involving critical judgements are:

(a) Classification of financial assets: Assessment of the business model within which the assets are held and assessment of whether the contractual terms of the financial asset are SPPI (Solely Payments of Principal and Interest) on the principal amount outstanding.

(b) Derecognition of financial assets and securitisation.

(c) Categorisation of loan portfolios

(All amounts in ₹ Crore unless otherwise stated)

e. Property, Plant and Equipment (PPE)

Items of property, plant & equipment are stated at the cost of acquisition or construction less accumulated depreciation and impairment, if any. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. All repairs and maintenance are charged to the statement of profit or loss during the reporting period in which they are incurred.

Property, plant, and equipment are derecognised on disposal or when no future economic benefits are expected from their use. Any gain or loss arising on the derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included under other income/expenses in the Statement of Profit and Loss when the asset is derecognised.

f. Depreciation

Depreciation is provided on a straight-line basis over the estimated useful lives of the assets. The useful life estimated by the Company is in line with the useful life prescribed under Part C of Schedule II of the Companies Act, 2013 except in the case of mobile phones (office equipment), on which depreciation is considered as 2 years based on the technical evaluation and leased vehicles (Vehicles) have been depreciated over the lease period.

Depreciation on PPE individually costing ₹5,000/- or less is provided 100% in the year of acquisition.

An asset's carrying amount is written down immediately to its estimated recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount. Gain and losses on disposals are determined by comparing proceeds with carrying amounts. These are included in the statement of profit or loss.

Depreciation on fixed assets added/disposed off during the year is calculated on pro-rata basis with reference to the date of addition/disposal.

g. Investment Property

Property that is held for long-term rental yields or for capital appreciation or both, and that is not occupied by the Company, is classified as investment property. Investment property is measured initially at its cost, including related transaction costs and where applicable borrowing costs. Subsequent expenditure is capitalised to the assets carrying amount only when it is probable that future economic benefits associated with the expenditure will flow to the Company and the cost of the item can be measured reliably. All other repairs and maintenance costs are expensed when incurred.

h. Intangible Assets

Intangible assets acquired are recorded at their acquisition cost and are amortised on straight-line basis over its useful life. Software is amortised over 3 years period or the license period whichever is lower on Straight Line basis.

i. Financial Assets and Financial Liabilities

1) Classification

The Company classifies its financial assets in the following categories, those to be measured subsequently at:

(a) Amortised cost,

(b) Fair value through Other Comprehensive Income (FVOCI), and

(c) Fair value through Profit or Loss (FVTPL)

The classification depends on the entity's business model for managing the financial assets and the contractual terms of the cash flows. For assets measured at fair value, gains and losses will either be recorded in profit or loss or other comprehensive income. For investments in debt instruments, this will depend on the business model in which the investment is held. For investments in equity instruments, this will depend on whether the Company has made an irrevocable election at the time of initial recognition to account for the equity investment at fair value through other comprehensive income.

<u>Business Model Assessment</u>

The Company makes an assessment of the objective of a business model in which an asset is held at a portfolio level because it reflects the best way the business is managed, and information is provided to the management.

(All amounts in ₹ Crore unless otherwise stated)

Assessment of whether contractual cash flows are solely payments of principal and interest (SPPI)

For the purpose of this assessment, 'principal' is defined as the fair value of the financial asset on initial recognition. 'Interest' is defined as consideration for the time value of money and for the credit risk associated with the principal amount outstanding during a particular period of time and for other basic lending risks and costs, as well as profit margin.

In assessing whether the contractual cash flows are SPPI, the Company considers the contractual terms of the instrument. This includes assessing whether the financial asset contains a contractual term that could change the timing or amount of contractual cash flows such that it would not meet this condition.

Reclassifications

Financial assets are not reclassified subsequent to their initial recognition, except in the period after the Company changes its business model for managing financial assets.

Financial Liabilities

The Company classifies its financial liabilities, other than fully hedged foreign currency loans, financial guarantees, and loan commitments, as measured at amortised cost or fair value through profit or loss.

2) Measurement

At initial recognition, the Company measures a financial assets that are not at FVTPL at its fair value plus/ (minus), transaction costs/origination income that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at FVTPL are expensed in profit or loss.

Debt Instruments:

Subsequent measurement of debt instruments depends on the Company's business model for managing the asset and the cash flow characteristics of the asset. There are two measurement categories into which the Company classifies its debt instruments:

i. Amortised Cost:

Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. A gain or loss on debt investment that is subsequently measured at amortised cost and is not part of a hedging relationship is recognised in profit or loss when the asset is derecognised or impaired. Interest income from these financial assets is included in finance income using the effective interest rate method.

The effective interest rate is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the gross carrying value of a financial asset. While calculating the effective interest rate, the Company estimates the expected cash flows by considering all the contractual terms of the financial instrument (for example, prepayment, extension, call, and similar options), but does not consider the expected credit losses.

ii. Fair Value through Other Comprehensive Income (FVOCI):

A financial asset is measured at FVTOCI if it is held within a business model whose 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 on the principal amount outstanding.

iii. Fair Value through Profit or Loss (FVTPL):

Assets that do not meet the criteria for amortised cost or Fair Value through Other Comprehensive Income (FVOCI) are measured at fair value through profit or loss. A gain or loss on a debt investment that is subsequently measured at fair value through profit or loss and is not part of a hedging relationship is recognised in profit or loss and presented in the statement of profit and loss within other gains / (losses) in the period in which it arises. Interest income from these financial assets is included in other income.

iv. Investment in Subsidiaries:

Investments in Subsidiary and Associate are measured at cost as per IND-AS 27 – Separate Financial Statements.

(All amounts in ₹ Crore unless otherwise stated)

3) Revenue Recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured and there exists reasonable certainty of its recovery.

A) Interest Income:

(1) Interest income is recognised using the Effective Interest Rate (EIR) method for all financial assets measured at amortised cost. The EIR is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset, to its gross carrying amount. The calculation of the effective interest rate includes transaction costs and transaction income that is directly attributable to the acquisition of a financial asset.

(2) Income by way of additional interest on account of delayed payment by the customers is recognised on realisation basis, due to uncertainty in collection.

B) Dividend Income:

Dividend income is recognised when the Company's right to receive the payment is established, it is probable that the economic benefits associated with the dividend will flow to the Company and the amount of the dividend can be measured reliably.

C) Fees and Commission Income:

(1) Fees and commission income that are not integral parts of the effective interest rate on the financial asset are recognised as the performance obligations are performed and there is no significant financing component of the consideration.

(2) Income in the nature of bounce and related charges are recognised on realisation, due to uncertainty in collection.

(3) The Company recognises revenue from contracts with customers based on five step model as set out in IND-AS 115, Revenue from Contracts with Customers to determine when to recognise revenue and at what amount. Revenue is measured based on the consideration specified in the contract with a customer. Revenue from contracts with customers is recognised when services are provided and it is highly probable that a significant reversal of revenue is not expected to occur.

D) Other Income:

Other Income represents income earned from the activities incidental to the business and is recognised when the right to receive the income is established as per the terms of the contract.

4) Impairment of Financial Assets

The Company recognises loss allowance for Expected Credit Loss "ECL" on the following financials instruments that are not measured at FVTPL:

i. Loans

ii. Trade receivables and Other Financial Assets

i. Loans

Expected credit losses are measured through a loss allowance at an amount equal to:

1) The 12-months expected credit losses (expected credit losses that result from those default events on the financial instrument that are possible within 12 months after the reporting date); or

2) Full lifetime expected credit losses (expected credit losses that result from all possible default events over the expected life of the financial instrument).

Both Life Time ECLs (LTECL) and 12 months ECLs are calculated on collective basis.

The assessment of whether lifetime ECL should be recognised, is based on significant increases in the likelihood or risk of a default occurring since initial recognition. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

(All amounts in ₹ Crore unless otherwise stated)

The Company categorises loan assets into stages based on the Days Past Due status:

Stage	Past due	ECL
Stage 1	Up to 30 Days past due	12-Month ECL
Stage 2	31-90 Days Past Due	Life-time ECL
Stage 3	More than 90 Days Past Due	Life-time ECL

Measurement of ECL

ECL is a probability-weighted estimate of credit losses. They are measured as follows:

- Financial assets that are not credit-impaired at the reporting date: as the present value of all cash shortfalls (i.e. the difference between the cash flows due to the Company in accordance with the contract and the cash flows that the Company expects to receive);
- Financial assets that are credit-impaired at the reporting date: as the difference between the gross carrying amount and the present value of estimated future cash flows.

ii. Trade Receivables and Other Financial Assets

The Company follows 'simplified approach' for recognition of impairment loss allowance on trade receivable and other financial assets. The application of simplified approach does not require the Company to track changes in credit risk and calculated on case by case approach, taking into consideration different recovery scenarios.

Presentation of allowance for ECL in the statement of financial position

Loss allowances for ECL are presented in the statement of financial position for financial assets measured at amortised cost as a deduction from the gross carrying amount of the assets.

Collateral Repossessed:

The Company does the regular repossession of collateral provided against the loans in case of default in agreed payments. The Company generally sells the asset repossessed to recover the underlying loan and does not use it for internal operation. As per the Company's accounting policy, collateral repossessed are not recorded on the balance sheet.

Write-Off:

Loans are written off when there is no reasonable expectation of recovering in its entirety or a portion thereof. This is generally the case when the Company determines that the borrower does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off. This assessment is carried out at the individual asset level. Financial assets that are written off could still be subject to enforcement activities in order to comply with the Company's procedures for recovery of amounts due.

5) Derecognition of Financial Assets and Financial Liabilities

A financial asset is derecognised only when:

- The Company has transferred the contractual rights to receive cash flows from the financial asset or the Company retains the contractual rights to receive the cash flows of the financial asset, but assumes a contractual obligation to pay the cash flows to one or more recipients.
- Where the entity has transferred an asset, the Company evaluates whether it has transferred substantially all risks and rewards of ownership of the financial asset. In such cases, the financial asset is derecognised. Where the entity has not transferred substantially all risks and rewards of ownership of the financial asset, the financial asset is not derecognised.
- Where the entity has neither transferred a financial asset nor retains substantially all risks and rewards of ownership of the financial asset, the financial asset is derecognised, if the Company has not retained control of the financial asset. Where the Company retains control of the financial asset, the asset is continued to be recognised to the extent of continuing involvement in the financial asset.
- On derecognition of a financial asset, the difference between the carrying amount of the asset (or the carrying amount allocated to the portion of the asset derecognised) and the sum of (i) The consideration received (including any new asset obtained less any new liability assumed) and (ii) Any cumulative gain or loss that had been recognised in OCI is recognised in profit or loss.

A financial liability is derecognised when its contractual obligations are discharged or cancelled or expires.

(All amounts in ₹ Crore unless otherwise stated)

6) Derivatives

Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured to their fair value at the end of each reporting period. The accounting for subsequent changes in fair value depends on whether the derivative is designated as a hedging instrument, and if so, the nature of the item being hedged.

The Company designates derivatives taken on External Commercial Borrowings (ECB) as Cashflow Hedges (hedges of a particular risk associated with the cash flows of recognised assets and liabilities and highly probable forecast transactions).

The Company documents at the inception of the hedging transaction the relationship between hedging instruments and hedged items, as well as its risk management objective and strategy for undertaking various hedge transactions.

The Company also documents its assessment, both at hedge inception and on an ongoing basis, of whether the derivatives that are used in hedging transactions have been and will continue to be highly effective in offsetting changes in cash flows of hedged items.

The fair values of various derivative financial instruments used for hedging purposes are disclosed in Note 34. Movements in the hedging reserve in shareholders' equity are shown in Note 22.

The effective portion of changes in the fair value of derivatives that are designated and qualify as cash flow hedges are recognised in the “other comprehensive income”. The gain or loss relating to the ineffective portion is recognised immediately in profit or loss.

7) Offsetting Financial Instruments

Financial assets and liabilities are offset and the net amount is reported in the balance sheet where there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously.

j. Trade and other Payables

These amounts represent liabilities for goods and services provided to the Company prior to the end of the financial year which are unpaid. The amounts are unsecured. They are recognised initially at their fair value and subsequently measured at amortised cost.

k. Cash and Cash Equivalents

For the purpose of presentation in the statement of cash flows, Cash and Cash equivalents includes cash on hand, deposits with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value, and positive balance in bank cash credit. Bank cash credit with negative balances is shown within borrowings in the balance sheet.

l. Taxation

The income tax expense or credit for the period is the tax payable on the current period’s taxable income based on the applicable income tax rate for each jurisdiction adjusted by the changes in deferred tax assets and liabilities attributable to temporary differences and unused tax losses. The current income tax charge is calculated on the basis of the tax laws enacted substantively enacted at the end of the reporting period. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

(i) Deferred income tax provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. However, deferred tax liabilities are not recognised if they arise from the initial recognition of goodwill. Deferred income tax is also not accounted for if it arises from the initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting profit nor taxable profit or loss. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the end of the reporting period and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

(ii) Deferred tax assets are recognised only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

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(All amounts in ₹ Crore unless otherwise stated)

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Current and deferred tax is recognised in the statement of profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

A deferred tax asset is recognised for unclaimed tax credits that are carried forward as deferred tax assets.

m. Employee Benefits

(a) 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 recognised in respect of employees' services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled.

(b) The liabilities for earned leave are not expected to be settled wholly within 12 months after the end of the period in which the employees render the related service. They are therefore measured as the present value of the expected future payments to be made in respect of services provided by employees up to the end of 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 profit or loss.

(c) Post-Employment Obligation:

The Company operates the following post-employment schemes:

- Defined benefit plans such as gratuity for its eligible employees, pension plan for its senior managers; and
- Defined contribution plans such as provident fund.

(i) Pension and Gratuity Obligation:

The liability or asset recognised in the balance sheet in respect of defined benefit pension and gratuity plan is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets. The defined benefit obligation is calculated annually by actuaries using the projected unit credit method.

The present value of the defined benefit obligation denominated in INR is determined by discounting the estimated future cash outflows by reference to market yields at the end of the reporting period on the government bonds that have terms approximating to the terms of the related obligation.

The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets. This cost is included in employee benefit expense in the statement of profit and loss.

Re-measurement gains and losses arising from experience adjustments and changes in actuarial assumptions are recognised in the period in which they occur, directly in other comprehensive income. They are included in retained earnings in the statement of changes in equity and in the balance sheet.

Changes in the present value of the defined benefit obligation resulting from plan amendments or curtailments are recognised immediately in profit or loss as past service cost.

(ii) Provident Fund:

Contributions to Provident Fund made to Regional Provident Fund Commissioner in respect of Employees' Provident Fund based on the statutory provisions are charged to Statement of Profit and Loss on accrual basis.

n. Functional Currency

(a) Functional and Presentation Currencies:

Items included in the financial statements are measured using the currency of the primary economic environment in which the Company operates ('the functional currency'). i.e., in Indian rupees (INR) and all values are rounded off to nearest lakhs except where otherwise indicated.

(All amounts in ₹ Crore unless otherwise stated)

(b) Transactions and Balances:

- Foreign currency transactions are translated into functional currency using exchange rates at the date of transaction.
- Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at year end exchange rates are generally recognised in profit or loss.

o. Borrowings

Borrowings are initially recognised at fair value, net of transaction cost incurred. Borrowings are subsequently measured at amortised cost. Any difference between the proceeds (net of transaction cost) and the redemption amount is recognised in profit or loss over the period of the borrowings, using the effective interest rate method. Fees paid on the established loan facilities are recognised as the transaction cost of the loan, to the extent that it is probable that some or all of the facility will be drawn down.

Borrowings are removed from the balance sheet when the obligation specified in the contract is discharged, canceled, or expired. The difference between the carrying amount of a financial liability that has been extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss as other gains/(loss).

p. Borrowings Cost

Borrowing costs are expensed in the period in which they are incurred.

q. Cash Flow Statement

Cash flows are reported using the indirect method, whereby profit/(loss) before tax is adjusted for the effects of the transactions of non-cash nature.

r. Earnings Per Share

The basic earnings per share is computed by dividing the net profit/loss attributable to the equity shareholders for the period by the weighted average number of equity shares outstanding during the reporting period. The number of shares used in computing diluted earnings per share comprises the weighted average number of shares considered for deriving earnings per share, and also the weighted average number of equity shares, which could have been issued on the conversion of all dilutive potential shares. In computing diluted earnings per share, only potential equity shares that are dilutive and that reduce profit per share are included.

s. Impairment of Non-Financial Assets

Assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less the costs of disposal and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or groups of assets (cash-generating units). Non-financial assets other than goodwill that suffered impairment are reviewed for possible reversal of the impairment at the end of each reporting period.

t. Lease

The Company evaluates each contract or arrangement, and whether it qualifies as lease as defined under IND-AS 116. The Company as a lessee, 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,

(c) The right to direct the use of the identified asset.

The Company at the inception of the lease contract recognises a Right-of-Use (RoU) asset at cost and a corresponding lease liability, except for leases with a term of less than twelve months (short term) and low-value assets.

(All amounts in ₹ Crore unless otherwise stated)

The cost of the right-of-use assets comprises the amount of the initial measurement of the lease liability, any lease payments made at or before the inception date of the lease plus any initial direct costs, less any lease incentives received. Subsequently, the right-of-use assets are measured at cost less any accumulated depreciation and accumulated impairment losses, if any. The right-of-use assets are depreciated using the straight-line method from the commencement date over the shorter of lease term or useful life of right-of-use assets.

For lease liabilities at inception, the Company measures the lease liability at the present value of the lease payments that are not paid at that date.

The lease payments are discounted using the incremental borrowing rate.

For short-term leases and low-value assets (assets of less than ₹500,000 in value), the Company recognises the lease payments as an operating expense on a straight-line basis over the lease term.

The Company has also elected not to reassess whether a contract is, or contains a lease at the date of initial application. Instead, for contracts entered into before the transition date the group relied on its assessment made applying IND-AS 17.

Lease payments have been classified as cash flow used in financing activities.

u. Segment Reporting

There is no separate reportable segment as per IND-AS 108 on 'Operating Segments' in respect of the Company.

v. Provisions

A provision is recorded when the Company has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation and the amount can be reasonably estimated.

w. Contingent Liabilities

Wherever there is a possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity or a present obligation that arises from past events but is not recognised because (a) It is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation, or (b) The amount of the obligation cannot be measured with sufficient reliability are considered as contingent liabilities. Show cause notices are not considered as Contingent Liabilities unless converted into demand.

x. Equity

Equity shares are classified as equity. Distributions to holders of an equity instrument are recognised by the entity directly in equity. Transaction costs of an equity transaction shall be accounted for as a deduction from equity.

(All amounts in ₹ Crore unless otherwise stated)

NOTE 2 Cash and Cash Equivalents

S.No.	Description	As at 31st March, 2023	As at 31st March, 2022
a)	Cash on hand*	2.49	5.69
b)	Balance with banks		
	- Current accounts	1,522.68	950.54
	Total	**1,525.17**	**956.23**

* Represents cash collected from borrowers as on Balance Sheet date subsequently deposited with Bank.

Cash and Cash Equivalents for the purpose of cash flow statement

S.No.	Description	As at 31st March, 2023	As at 31st March, 2022
a)	Cash and Cash equivalents as shown above	1,525.17	956.23
b)	Less: Overdrafts utilised	0.16	8.62
	(Grouped under Borrowings (other than debt securities) - Note 16)		
	Total	**1,525.01**	**947.61**

NOTE 3 Bank Balance other than Cash and Cash Equivalents*

S.No.	Description	As at 31st March, 2023	As at 31st March, 2022
a)	Bank Balance other than Cash and Cash equivalents	5.72	6.00
	Total	**5.72**	**6.00**

* Balance maintained in Fixed Deposits as Cash Collateral towards Cash Credit (CC) facilities.

NOTE 4 Derivative Financial Instruments

S.No.	Description	As at 31st March, 2023		
		Notional amounts	Fair Value - Assets	Fair Value - Liabilities
a)	Other Derivatives - Cross Currency Swap Derivatives designated as cash flow hedges	1,473.21	170.86	-
	Total	**1,473.21**	**170.86**	**-**
S.No.	**Description**	**As at 31st March, 2022**		
		Notional amounts	Fair Value - Assets	Fair Value - Liabilities
a)	Other Derivatives - Cross Currency Swap Derivatives designated as cash flow hedges	2,108.05	64.06	-
	Total	**2,108.05**	**64.06**	**-**

The Company has a Board approved policy for entering into derivative transactions. Derivative transactions comprises of Cross Currency Interest Rate Swaps (CCIRS). The Company undertakes such transactions for hedging interest/foreign exchange risk on borrowings. The Asset Liability Management Committee periodically monitors and reviews the risks involved.

The notional amount for CCIRS represents underlying foreign currency borrowings for which the Company has entered to hedge the variable interest rate and foreign exchange risks.

(All amounts in ₹ Crore unless otherwise stated)

NOTE 5 Trade Receivables

S.No.	Particulars	Outstanding for following periods from due date of payment as at 31st March, 2023					
		Less than 6 months	6 months -1 year	1-2 years	2-3 years	More than 3 years	Total
i.	Undisputed Trade Receivables – considered good	64.36	-	-	-	-	64.36
ii.	Undisputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-
iii.	Undisputed Trade Receivables – credit impaired	-	-	-	-	-	-
iv.	Disputed Trade Receivables – considered good	-	-	-	-	-	-
v.	Disputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-
vi.	Disputed Trade Receivables – credit impaired	-	-	-	-	-	-
	Total	**64.36**	**-**	**-**	**-**	**-**	**64.36**

S.No.	Particulars	Outstanding for following periods from due date of payment as at 31st March, 2022					
		Less than 6 months	6 months -1 year	1-2 years	2-3 years	More than 3 years	Total
i.	Undisputed Trade Receivables – considered good	37.90	-	-	-	-	37.90
ii.	Undisputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-
iii.	Undisputed Trade Receivables – credit impaired	-	-	-	-	-	-
iv.	Disputed Trade Receivables–considered good	-	-	-	-	-	-
v.	Disputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-
vi.	Disputed Trade Receivables – credit impaired	-	-	-	-	-	-
	Total	**37.90**	**-**	**-**	**-**	**-**	**37.90**

NOTE 6 Loans

S.No.	Description	As at 31st March, 2023	As at 31st March, 2022
		Amortised Cost	
a)	Term Loans		
	i) Automobile Financing	15,449.23	11,143.54
	ii) Consumer Lending	4,793.90	2,519.56
	iii) Small Business Lending	1,012.02	739.87
	Total Loans - Gross	**21,255.15**	**14,402.97**
b)	Less: Impairment Loss Allowance	710.06	388.66
c)	**Total Loans - Net (a) - (b)**	**20,545.09**	**14,014.31**
	Nature		
a)	Secured by Tangible Assets	15,893.44	11,212.16
b)	Unsecured Loans	5,361.71	3,190.81
c)	**Total Gross (a) + (b)**	**21,255.15**	**14,402.97**
d)	Less: Impairment Loss Allowance	710.06	388.66
e)	**Total - Net (c) - (d)**	**20,545.09**	**14,014.31**

(All amounts in ₹ Crore unless otherwise stated)

NOTE 6 Loans (Contd.)

S.No.	Description	As at 31st March, 2023	As at 31st March, 2022
i)	Loans in India		
	Public Sector	-	-
	Others	21,255.15	14,402.97
	Total Gross	**21,255.15**	**14,402.97**
	Less: Impairment Loss Allowance	710.06	388.66
	Total - Net	**20,545.09**	**14,014.31**
ii)	Loans Outside India	-	-
iii)	**Total Loans (i) + (ii)**	**20,545.09**	**14,014.31**

a. Secured indicates loans secured, wholly or partly, by way of hypothecation of automobile assets and/or equitable mortgage of property and/or equipment.

b. The stock of loan (automobile finance) includes 6,958 nos repossessed vehicles as at Balance Sheet date. (March 31, 2022: 11,926 nos).

c. The term loans include loans given to related parties (refer note 38) and these loans which have been granted to related parties are specified with terms or periods of repayment. These loans have been classified under the Stage 1 category at the various reporting periods and related impairment provision as per the Company's accounting policy has been created.

d. There is no divergence in asset classification and provisioning in the financial statement in the previous year assessed by RBI.

NOTE 7 Investments

S.No.	Description	As at 31st March, 2023	As at 31st March, 2022
a)	**Investment in Equity Instruments of Subsidiaries***		
i)	TVS Housing Finance Private Limited (1,20,00,000 (March 31, 2022: 1,20,00,000) shares of ₹10 each fully paid up)	12.00	12.00
ii)	Harita Two Wheeler Mall Private Ltd (2,500 (March 31, 2022: 2,500) shares of ₹10 each fully paid up)	0.00	0.00
iii)	Harita ARC Private Limited (2,500 (March 31, 2022: 2,500) shares of ₹10 each fully paid up)	0.00	0.00
	Total – Gross (A)	**12.01**	**12.01**
	(i) Investments outside India	-	-
	(ii) Investments in India	12.01	12.01
	Total (B)	12.01	12.01
	Total	12.01	12.01
	Less: Allowance for Impairment Loss (C)	-	-
	Total - Net (D) = (A) - (C)	**12.01**	**12.01**

* Investments in subsidiaries is carried at cost as per IND-AS 27

(All amounts in ₹ Crore unless otherwise stated)

NOTE 8 Other Financial Assets

S.No.	Description	As at 31st March, 2023	As at 31st March, 2022
a)	Employees Related Receivables	7.97	4.85
b)	Security Deposit for Leased Premises	9.65	8.27
c)	Advances to Related Parties	-	38.10
d)	Other Financial Assets - Related Parties	0.02	0.02
e)	Other Financial Assets - Non-Related Parties	9.74	10.24
f)	Deposit with Service Providers	5.19	6.39
	Total Gross (A)	**32.57**	**67.87**
	Less: Allowance for Impairment Loss (B)	9.73	9.41
	Total (A)-(B)	**22.84**	**58.46**

NOTE 9 Current Tax Assets

S.No.	Description	As at 31st March, 2023	As at 31st March, 2022
a)	Opening Balance	7.10	17.26
b)	Add: Taxes Paid	181.08	54.68
c)	Less: Taxes Payable	(197.78)	(64.84)
	Total	**(9.60)**	**7.10**

NOTE 10 Deferred Tax Assets/(Liabilities)

The balance comprises temporary differences attributable to:

S.No.	Description	As at March 31, 2021	Charge/ (Credit) to profit and loss	Charge/ (Credit) to OCI	As at March 31, 2022	Charge/ (Credit) to profit and loss	Charge/ (Credit) to OCI	As at March 31, 2023
	Deferred Tax Assets/(Liabilities) on account of :							
a)	Impairment allowance for financial instruments	78.31	22.81	-	101.12	74.04	-	175.16
b)	Difference between depreciation as per Books of Account and the Income Tax Act, 1961	5.07	0.17	-	5.24	(0.40)	-	4.84
c)	Provision for Compensated Absences and Gratuity	5.55	1.50	0.15	7.20	3.17	1.44	11.81
d)	Provision for Pension	2.93	0.26	0.28	3.47	0.19	(1.20)	2.46
e)	Expenses Disallowed under Section 40 (a) (ia)	6.10	4.47	-	10.57	11.93	-	22.50
f)	Impact of effective interest rate adjustment on Financial Assets	8.56	9.12	-	17.68	(12.78)	-	4.90
g)	Impact of unwinding the advances to related parties	2.38	(1.57)	-	0.81	(0.81)	-	0.00
h)	Mark-to-market on derivatives	5.94	-	(10.25)	(4.30)	-	(2.20)	(6.50)
i)	Impact of effective interest rate adjustment on Financial Liabilities	-	(2.52)	-	(2.52)	(0.30)	-	(2.82)
j)	Impact of Lease Accounting as per IND-AS 116	0.84	0.12	-	0.96	0.14	-	1.10
	Total Deferred Tax Assets/(Liabilities)	**115.68**	**34.36**	**(9.82)**	**140.23**	**75.18**	**(1.96)**	**213.45**

(All amounts in ₹ Crore unless otherwise stated)

NOTE 11 Investment Property

Description	Land	Building	Total
Year ended 31st March, 2023			
Gross carrying amount as of 1st April, 2022	85.16	-	85.16
Additions	-	-	-
Sub-total	**85.16**	**-**	**85.16**
Disposals	-	-	-
Closing gross carrying amount (A)	**85.16**	**-**	**85.16**
Depreciation and amortisation	-	-	-
Opening accumulated depreciation	-	-	-
Depreciation/amortisation charge for the year	-	-	-
Sub-total	**-**	**-**	**-**
Disposals	-	-	-
Closing accumulated depreciation and amortisation (B)	**-**	**-**	**-**
Net carrying value as at 31st March, 2023 (A)-(B)	**85.16**	**-**	**85.16**
Net carrying value as at 31st March, 2022	**85.16**	**-**	**85.16**

Description	Land	Building	Total
Year ended 31st March, 2022			
Gross carrying amount as of 1st April, 2021	85.16	-	85.16
Additions	-	-	-
Sub-total	**85.16**	**-**	**85.16**
Disposals	-	-	-
Closing gross carrying amount (A)	**85.16**	**-**	**85.16**
Depreciation and amortisation	-	-	-
Opening accumulated depreciation	-	-	-
Depreciation/amortisation charge for the year	-	-	-
Sub-total	-	-	-
Disposals	-	-	-
Closing accumulated depreciation and amortisation (B)	-	-	-
Net carrying value as at 31st March, 2022 (A)-(B)	**85.16**	-	**85.16**

(i) Fair value

	As at 31st March, 2023	As at 31st March, 2022
Investment Properties	451.09	451.09

a) The fair value of the investment property is based on the independent valuation obtained by the Company.

b) The title deed of the investment property is in the name of the Company.

(All amounts in ₹ Crore unless otherwise stated)

NOTE 12 Property, Plant and Equipment and Intangible Assets

Description	Property, Plant and Equipment					Right-to-use Asset	Intangible Assets (Computer Software)
	Computer	Furniture & fixtures	Office equipment	Vehicles	Total		
Year ended 31st March, 2023							
Gross carrying amount as on 31st March, 2022	32.74	12.56	14.59	1.17	61.06	39.57	16.18
Additions	17.89	0.84	2.61	1.57	22.91	17.29	2.19
Adjustment due to revaluation and acquisitions through business combinations	-	-	-	-	-	-	-
Sub-total	**50.63**	**13.40**	**17.20**	**2.74**	**83.97**	**56.86**	**18.37**
Disposals	7.53	0.14	1.75	1.25	10.67	-	-
Closing gross carrying amount (A)	**43.10**	**13.26**	**15.45**	**1.49**	**73.30**	**56.86**	**18.37**
Depreciation and amortisation							
Opening accumulated depreciation	22.35	8.56	9.77	0.16	40.84	21.45	14.82
Depreciation/amortisation charge during the year	8.50	1.34	2.80	0.49	13.13	6.68	1.60
Sub-Total	**30.85**	**9.90**	**12.57**	**0.65**	**53.97**	**28.13**	**16.42**
Disposals	7.53	0.13	1.70	0.55	9.91	-	-
Closing accumulated depreciation and amortisation (B)	**23.32**	**9.77**	**10.87**	**0.10**	**44.06**	**28.13**	**16.42**
Net carrying value as at 31st March, 2023 (A)-(B)	**19.78**	**3.49**	**4.58**	**1.39**	**29.24**	**28.73**	**1.95**
Net carrying value as at 31st March, 2022	**10.39**	**4.00**	**4.82**	**1.01**	**20.22**	**18.12**	**1.36**

Description	Property, Plant and Equipment					Right-to-use Asset	Intangible Assets (Computer Software)
	Computer	Furniture & fixtures	Office equipment	Vehicles	Total		
Year ended 31st March, 2022							
Gross carrying amount as on 31st March, 2021	23.41	11.87	13.08	0.02	48.38	33.08	16.08
Additions	9.38	0.83	1.64	1.15	13.00	6.49	0.10
Adjustment due to revaluation and acquisitions through business combinations	-	-	-	-	-	-	-
Sub-total	**32.79**	**12.70**	**14.72**	**1.17**	**61.38**	**39.57**	**16.18**
Disposals	0.05	0.14	0.13	-	0.32	-	-
Closing gross carrying amount (A)	**32.74**	**12.56**	**14.59**	**1.17**	**61.06**	**39.57**	**16.18**
Depreciation and amortisation							
Opening accumulated depreciation	16.85	7.30	7.69	0.01	31.85	14.40	12.04
Depreciation/amortisation charge during the for the year	5.54	1.38	2.21	0.15	9.28	7.05	2.78
Sub-Total	**22.39**	**8.68**	**9.90**	**0.16**	**41.13**	**21.45**	**14.82**
Disposals	0.04	0.12	0.13	-	0.29	-	-
Closing accumulated depreciation and amortisation(B)	**22.35**	**8.56**	**9.77**	**0.16**	**40.84**	**21.45**	**14.82**
Net carrying value as at 31st March, 2022 (A)-(B)	**10.39**	**4.00**	**4.82**	**1.01**	**20.22**	**18.12**	**1.36**

There are no proceedings that have been initiated or pending against the company for holding any Benami Property under the Benami Transactions (Prohibition) Act, 1998 and rules made thereunder.

(All amounts in ₹ Crore unless otherwise stated)

NOTE 13 Other Non-Financial Assets

S.No.	Description	As at 31st March, 2023	As at 31st March, 2022
a)	Dealer Commission Advance	0.55	0.17
b)	Prepaid Expenses	27.37	24.11
c)	Vendor Advance	9.24	9.30
d)	Balance with GST/ Service Tax Department	5.86	3.42
e)	Gratuity	2.31	2.81
	Total	**45.33**	**39.81**

NOTE 14 Trade Payables

S.No.	Description	As at 31st March, 2023	As at 31st March, 2022
(a)	Total outstanding dues of micro enterprises and small enterprises	19.13	3.55
(b)	Total outstanding dues of creditors other than micro enterprises and small enterprises	616.56	331.07
	Total	**635.69**	**334.62**

NOTE 14.1 Trade Payables (Ageing Schedule)

The following schedules reflect ageing of trade payables with respect to the date of transactions:

S.No.	Descriptions	Outstanding for following periods from due date of payment as at 31st March, 2023				
		<1 Year	1-2 years	2-3 years	More than 3 years	Total
(i)	Undisputed dues - MSME*	19.13	-	-	-	19.13
(ii)	Undisputed dues - Others	616.52	-	0.04	-	616.56
(iii)	Disputed dues – MSME*	-	-	-	-	-
(iv)	Disputed dues – Others	-	-	-	-	-
	Total	**635.65**	**-**	**0.04**	**-**	**635.69**

S.No.	Descriptions	Outstanding for following periods from due date of payment as at 31st March, 2022				
		<1 Year	1-2 years	2-3 years	More than 3 years	Total
(i)	Undisputed dues - MSME*	3.55	-	-	-	3.55
(ii)	Undisputed dues - Others	325.10	1.15	0.03	4.79	331.07
(iii)	Disputed dues – MSME*	-	-	-	-	-
(iv)	Disputed dues – Others	-	-	-	-	-
	Total	**328.65**	**1.15**	**0.03**	**4.79**	**334.62**

* Dues to Micro and Small Enterprises have been determined to the extent such parties have been identified on the basis of information received by the management. The entire closing balance represents the principal amount payable to these enterprises. There are no interests due or outstanding on the same. .

NOTE 14 Trade Payables (Contd.)

Disclosure under Micro, Small and Medium Enterprises Development Act, 2006

Under the Micro, Small and Medium Enterprises Development Act, 2006, (MSMED) which came into force from 2nd October, 2006 certain disclosures are required to be made relating to Micro, Small and Medium enterprises. On the basis of the information and records available with management and confirmation sought from suppliers on registration with specified authority under MSMED, the principal amount, interest accrued and remaining unpaid and interest paid during the year to such enterprise is Nil.

Particulars	As at 31st March, 2023	As at 31st March, 2022
The principal amount and the interest due thereon (to be shown separately) remaining unpaid to any supplier as at the end of each accounting period		
- Principal	-	-
- Interest	-	-
The amount of interest paid by the buyer in terms of Section 16 of the Micro, Small and Medium Enterprises Development Act, 2006 along with the amount of the payment made to the supplier beyond the appointed day during each accounting year;	-	-
The amount of interest due and payable for the period of delay in making payment (which has been paid but beyond the appointed day during the year) but without adding the interest specified under the Micro, Small and Medium Enterprises Development Act, 2006;	-	-
The amount of interest accrued and remaining unpaid at the end of each accounting year; and	-	-
The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprise, for the purpose of disallowance of a deductible expenditure under Section 23 of the Micro, Small and Medium Enterprises Development Act, 2006.	-	-

NOTE 15 Debt Securities

Description	As at 31st March, 2023	As at 31st March, 2022
At Amortised Cost		
Commercial Paper (Unsecured)	1,382.04	1,788.69
Non-Convertible Debentures (Secured)	1,225.00	424.99
Total (A)	**2,607.04**	**2,213.68**
Debt Securities in India	2,607.04	2,213.68
Debt Securities outside India	-	-
Total (B)	**2,607.04**	**2,213.68**

(All amounts in ₹ Crore unless otherwise stated)

NOTE 16 Borrowings (Other than Debt Securities)

Description	As at 31st March, 2023	As at 31st March, 2022
At Amortised Cost		
(a) Term Loans (Secured)		
i) From banks	10,243.50	6,069.73
ii) From other parties	200.00	4.93
iii) External Commercial Borrowings	1,615.27	2,169.82
(b) Loans Repayable on Demand		
i) Cash Credit from Banks (Secured)	0.16	8.62
ii) Working Capital Demand Loan (Secured)	2,195.00	1,189.00
iii) Working Capital Demand Loan (Unsecured)	265.00	15.00
Total (A)	**14,518.93**	**9,457.10**
Borrowings in India	12,903.66	7,287.28
Borrowings outside India	1,615.27	2,169.82
Total (B)	**14,518.93**	**9,457.10**

NOTE 17 Subordinated Liabilities

Description	As at 31st March, 2023	As at 31st March, 2022
At Amortised Cost - Unsecured		
(a) Perpetual Debt Instruments to the extent that do not qualify as equity	99.88	99.86
(b) Other Subordinated Liabilities		
From Banks	100.00	199.98
From Others	1,544.92	993.50
Total (A)	**1,744.80**	**1,293.34**
Subordinated Liabilities in India	1,744.80	1,293.34
Subordinated Liabilities outside India	-	-
Total (B)	**1,744.80**	**1,293.34**

a. Refer Annexure for the terms of the debt securities, borrowings and subordinated liabilities.

b. The Company has utilised the borrowed funds for the purposes for which the fund is obtained.

c. The Company has not been declared wilful defaulter by any Bank or financial Institution or other lender.

d. There are no charges or satisfaction yet to be registered with ROC beyond the statutory time period.

e. There is no unhedged foreign currency exposures.

f. The Company has not breached any covenant of loan availed or debt securities issued.

(All amounts in ₹ Crore unless otherwise stated)

Annexure

Institution	Amount Outstanding as on 31st March, 2023	Type of Security	Interest Rate	Total Installment	No. of Installments Remaining	Frequency	Repayable From	Repayable To
Debt Securities								
Commercial Paper	396.25	Unsecured	7.75%	1	1	Bullet	16/05/2023	16/05/2023
Commercial Paper	345.18	Unsecured	8.27%	1	1	Bullet	02/06/2023	02/06/2023
Commercial Paper	147.93	Unsecured	8.27%	1	1	Bullet	02/06/2023	02/06/2023
Commercial Paper	246.39	Unsecured	8.27%	1	1	Bullet	05/06/2023	05/06/2023
Commercial Paper	246.28	Unsecured	8.27%	1	1	Bullet	07/06/2023	07/06/2023
Non-Convertible Debentures	500.00	Secured	8.30%	2	2	Bullet	14/08/2025	12/09/2025
Non-Convertible Debentures	120.00	Secured	8.30%	2	2	Bullet	14/08/2025	12/09/2025
Non-Convertible Debentures	100.00	Secured	8.30%	2	2	Bullet	14/08/2025	12/09/2025
Non-Convertible Debentures	80.00	Secured	8.30%	2	2	Bullet	14/08/2025	12/09/2025
Non-Convertible Debentures	300.00	Secured	8.15%	2	2	Bullet	19/09/2024	18/10/2024
Non-Convertible Debentures	75.00	Secured	8.15%	2	2	Bullet	19/09/2024	18/10/2024
Non-Convertible Debentures	50.00	Secured	8.15%	2	2	Bullet	19/09/2024	18/10/2024
	2,607.03							
Loan repayable on demand	2,195.16	Secured	7.40% - 8.10%	Repayable on demand				
	265.00	Unsecured						
	2,460.16							
Term Loan								
Bank	74.99	Secured	8.40%	8.00	3.00	Quaterly	18/02/2022	18/11/2023
Bank	149.98	Secured	7.85%	8.00	4.00	Quarterly	29/06/2022	29/03/2024
Bank	187.47	Secured	6.30%	8.00	6.00	Quarterly	21/12/2022	30/09/2024
Bank	250.00	Secured	6.30%	8.00	8.00	Quarterly	31/05/2023	28/02/2025
Bank	499.92	Secured	7.00%	10.00	10.00	Quarterly	30/04/2023	30/07/2025
Bank	698.56	Secured	7.59%	10.00	10.00	Quaterly	01/07/2023	01/10/2025
Bank	416.63	Secured	7.70%	12.00	10.00	Quarterly	26/11/2022	26/08/2025
Bank	149.91	Secured	7.90%	12.00	6.00	Quarterly	30/09/2024	31/12/2025
Bank	249.84	Secured	7.80%	10.00	10.00	Quaterly	31/07/2023	31/10/2025
Bank	166.53	Secured	8.00%	12.00	8.00	Quarterly	25/09/2022	25/03/2025
Bank	200.00	Secured	7.00%	1.00	1.00	Bullet	27/10/2024	27/10/2024
Bank	24.99	Secured	7.25%	10.00	1.00	Quarterly	04/08/2022	04/05/2023
Bank	199.97	Secured	8.00%	1.00	1.00	Bullet	01/05/2024	01/05/2024
Bank	150.00	Secured	8.76%	1.00	1.00	Bullet	25/10/2024	25/10/2024
Bank	50.00	Secured	8.76%	6.00	2.00	Half Yearly	12/08/2022	01/02/2024
Bank	300.00	Secured	7.25%	4.00	4.00	Quarterly	20/11/2023	20/05/2025
Bank	41.67	Secured	8.40%	36.00	5.00	Monthly	21/09/2020	21/08/2023
Bank	50.00	Secured	8.57%	36.00	9.00	Monthly	31/01/2021	31/12/2023
Bank	208.31	Secured	7.75%	36.00	15.00	Monthly	25/07/2021	24/06/2024
Bank	250.00	Secured	7.50%	36.00	18.00	Monthly	28/10/2021	27/09/2024
Bank	145.80	Secured	8.37%	36.00	21.00	Monthly	31/01/2022	30/12/2024
Bank	337.76	Secured	5.60%	37.00	25.00	Monthly	30/04/2022	29/04/2025
Bank	567.53	Secured	6.35%	37.00	28.00	Monthly	29/07/2022	28/07/2025
Bank	457.58	Secured	7.25%	12.00	11.00	Quaterly	23/03/2023	21/01/2026
Bank	91.74	Secured	7.60%	37.00	34.00	Monthly	02/02/2023	21/01/2026
Bank	60.00	Secured	7.75%	12.00	12.00	Quaterly	20/05/2023	21/03/2026
Bank	87.57	Secured	7.75%	37.00	36.00	Monthly	20/03/2023	21/03/2026
Bank	374.18	Secured	7.25%	12.00	12.00	Quaterly	30/06/2023	28/04/2026
Bank	120.00	Secured	8.50%	10.00	6.00	Quarterly	29/04/2022	29/07/2024
Bank	120.00	Secured	8.50%	10.00	6.00	Quarterly	13/05/2022	13/08/2024

(All amounts in ₹ Crore unless otherwise stated)

Institution	Amount Outstanding as on 31st March, 2022	Type of Security	Interest Rate	Total Installment	No. of Installments Remaining	Frequency	Repayable From	Repayable To
Bank	249.95	Secured	7.50%	1.00	1.00	Bullet	30/09/2025	30/09/2025
Bank	499.91	Secured	7.65%	10.00	10.00	Quarterly	02/06/2023	02/09/2025
Bank	100.00	Secured	7.75%	10.00	10.00	Quarterly	29/06/2023	29/09/2025
Bank	399.91	Secured	7.75%	10.00	10.00	Quarterly	01/07/2023	01/10/2025
Bank	180.00	Secured	7.00%	10.00	9.00	Quarterly	31/01/2023	30/04/2025
Bank	33.32	Secured	8.50%	36.00	12.00	Monthly	30/04/2021	30/03/2024
Bank	199.91	Secured	8.03%	10.00	10.00	Quarterly	30/06/2023	30/09/2025
Bank	300.00	Secured	8.03%	10.00	10.00	Quarterly	31/07/2023	31/10/2025
Bank	499.90	Secured	8.10%	10.00	10.00	Quarterly	30/09/2023	30/12/2025
Bank	249.86	Secured	7.60%	8.00	8.00	Quarterly	23/06/2023	23/03/2025
Bank	250.00	Secured	7.60%	8.00	8.00	Quarterly	20/07/2023	20/04/2025
Bank	499.83	Secured	7.50%	12.00	12.00	Quarterly	10/05/2023	10/02/2026
Bank	99.98	Secured	8.75%	10.00	4.00	Quarterly	19/12/2021	19/03/2024
Others	200.00	Secured	7.60%	5.00	5.00	Quarterly	05/05/2023	30/06/2024
Bank-ECB	410.43	Secured	6.94%	1.00	1.00	Bullet	13/07/2023	13/07/2023
Bank-ECB	385.94	Secured	6.94%	1.00	1.00	Bullet	19/10/2023	19/10/2023
Bank-ECB	818.90	Secured	6.92%	1.00	1.00	Bullet	02/12/2024	02/12/2024
	12,058.77							
Subordinated Liabilities								
Perpertual Debt	99.88	Unsecured	11.50%	1	1	Bullet	25/11/2027	25/11/2027
Other Subordinated Liabilities:								
Bank	50.00	Unsecured	9.70%	1	1	Bullet	29/05/2023	29/05/2023
Bank	50.00	Unsecured	10.48%	1	1	Bullet	24/07/2023	24/07/2023
Others	99.60	Unsecured	10.90%	1	1	Bullet	07/08/2024	07/08/2024
Others	99.00	Unsecured	8.85%	1	1	Bullet	02/06/2027	02/06/2027
Others	35.00	Unsecured	8.85%	1	1	Bullet	11/06/2027	11/06/2027
Others	35.00	Unsecured	8.85%	1	1	Bullet	11/06/2027	11/06/2027
Others	30.00	Unsecured	8.85%	1	1	Bullet	11/06/2027	11/06/2027
Others	200.00	Unsecured	8.85%	1	1	Bullet	11/06/2027	11/06/2027
Others	50.00	Unsecured	8.85%	1	1	Bullet	11/06/2027	11/06/2027
Others	64.20	Unsecured	9.40%	1	1	Bullet	10/06/2026	10/06/2026
Others	34.57	Unsecured	9.40%	1	1	Bullet	10/06/2026	10/06/2026
Others	49.39	Unsecured	9.40%	1	1	Bullet	10/06/2026	10/06/2026
Others	128.40	Unsecured	9.40%	1	1	Bullet	26/08/2026	26/08/2026
Others	19.76	Unsecured	9.40%	1	1	Bullet	26/08/2026	26/08/2026
Others	95.00	Unsecured	9.50%	1	1	Bullet	18/01/2028	18/01/2028
Others	80.00	Unsecured	9.50%	1	1	Bullet	31/01/2028	31/01/2028
Others	115.00	Unsecured	9.50%	1	1	Bullet	31/01/2028	31/01/2028
Others	110.00	Unsecured	9.50%	1	1	Bullet	31/01/2028	31/01/2028
Others	50.00	Unsecured	9.35%	1	1	Bullet	29/08/2028	29/08/2028
Others	50.00	Unsecured	9.35%	1	1	Bullet	29/08/2028	29/08/2028
Others	50.00	Unsecured	9.35%	1	1	Bullet	29/08/2028	29/08/2028
Others	50.00	Unsecured	9.35%	1	1	Bullet	29/08/2028	29/08/2028
Others	100.00	Unsecured	10.00%	1	1	Bullet	01/07/2026	01/07/2026
Total	**1,644.92**							
Subordinated Liabilities Total	**1,744.80**							

(All amounts in ₹ Crore unless otherwise stated)

Institution	Amount Outstanding as on 31st March, 2022	Type of Security	Interest Rate	Total Installment	No. of Installments Remaining	Frequency	Repayable From	Repayable To
Debt Securities								
Commercial Paper	299.28	Unsecured	4.41%	1	1	Bullet	21/04/2022	21/04/2022
Commercial Paper	199.43	Unsecured	4.41%	1	1	Bullet	25/04/2022	25/04/2022
Commercial Paper	199.40	Unsecured	4.41%	1	1	Bullet	26/04/2022	26/04/2022
Commercial Paper	49.85	Unsecured	4.41%	1	1	Bullet	26/04/2022	26/04/2022
Commercial Paper	298.15	Unsecured	4.65%	1	1	Bullet	20/05/2022	20/05/2022
Commercial Paper	148.98	Unsecured	4.65%	1	1	Bullet	25/05/2022	25/05/2022
Commercial Paper	247.48	Unsecured	4.90%	1	1	Bullet	16/06/2022	16/06/2022
Commercial Paper	148.37	Unsecured	4.90%	1	1	Bullet	22/06/2022	22/06/2022
Commercial Paper	98.91	Unsecured	4.90%	1	1	Bullet	22/06/2022	22/06/2022
Commercial Paper	49.42	Unsecured	4.90%	1	1	Bullet	28/06/2022	28/06/2022
Commercial Paper	49.42	Unsecured	4.90%	1	1	Bullet	28/06/2022	28/06/2022
Non-Convertible Debentures	300.00	Secured	8.35%	1	1	Bullet	22/03/2023	22/03/2023
Non-Convertible Debentures	25.00	Secured	8.35%	1	1	Bullet	22/03/2023	22/03/2023
Non-Convertible Debentures	99.99	Secured	7.40%	1	1	Bullet	08/04/2022	08/04/2022
	2,213.68							
Loan repayable on demand	1,197.62	Secured	5.80% - 7.85%	Repayable on demand				
	15.00	Unsecured						
	1,212.62							
Term Loan								
Bank	199.98	Secured	7.35%	1.00	1.00	Bullet	19/11/2022	19/11/2022
Bank	97.50	Secured	6.30%	8.00	6.00	Quarterly	24/12/2021	24/09/2023
Bank	174.98	Secured	5.90%	8.00	7.00	Quarterly	18/02/2022	18/11/2023
Bank	299.96	Secured	5.60%	8.00	8.00	Quarterly	29/06/2022	29/03/2024
Bank	249.96	Secured	6.30%	8.00	8.00	Quarterly	21/12/2022	21/09/2024
Bank	250.00	Secured	6.30%	8.00	8.00	Quarterly	31/05/2023	28/02/2025
Bank	83.32	Secured	7.40%	11.00	4.00	Quarterly	06/08/2020	06/02/2023
Bank	249.95	Secured	7.45%	12.00	10.00	Quarterly	31/12/2021	24/09/2024
Bank	22.50	Secured	6.90%	10.00	3.00	Quarterly	15/07/2020	15/10/2022
Bank	79.98	Secured	6.90%	10.00	4.00	Quarterly	24/11/2020	24/02/2023
Bank	50.00	Secured	7.90%	4.00	2.00	Half yearly	18/06/2021	18/12/2022
Bank	41.66	Secured	5.17%	36.00	5.00	Monthly	30/09/2019	30/08/2022
Bank	33.33	Secured	6.28%	36.00	6.00	Monthly	30/10/2019	29/09/2022
Bank	166.67	Secured	5.85%	36.00	12.00	Monthly	19/04/2020	19/03/2023
Bank	141.67	Secured	5.90%	36.00	17.00	Monthly	21/09/2020	21/08/2023
Bank	116.67	Secured	5.29%	36.00	21.00	Monthly	31/01/2021	31/12/2023
Bank	374.96	Secured	5.25%	36.00	27.00	Monthly	25/07/2021	24/06/2024
Bank	416.67	Secured	5.00%	36.00	30.00	Monthly	28/10/2021	28/09/2024
Bank	229.17	Secured	5.29%	36.00	33.00	Monthly	31/01/2022	31/12/2024
Bank	499.89	Secured	5.60%	37.00	37.00	Monthly	30/04/2022	30/04/2025
Bank	249.78	Secured	6.10%	8.00	8.00	Quarterly	28/06/2023	28/03/2025
Bank	150.00	Secured	6.95%	1.00	1.00	Bullet	25/10/2024	25/10/2024
Bank	100.00	Secured	7.40%	6.00	4.00	Half yearly	12/08/2021	01/02/2024
Bank	249.77	Secured	6.80%	12.00	12.00	Quarterly	25/06/2022	25/03/2025
Bank	99.93	Secured	7.35%	10.00	4.00	Quarterly	20/12/2020	20/03/2023
Bank	124.94	Secured	7.25%	10.00	5.00	Quarterly	04/02/2021	04/05/2023
Bank	39.99	Secured	7.25%	10.00	4.00	Quarterly	31/12/2020	30/03/2023
Bank	199.96	Secured	7.30%	10.00	8.00	Quarterly	19/12/2021	19/03/2024
Bank	66.63	Secured	7.40%	36.00	24.00	Monthly	30/04/2021	30/03/2024
Bank	200.00	Secured	6.95%	10.00	10.00	Quarterly	29/04/2022	29/07/2024
Bank	200.00	Secured	6.95%	10.00	10.00	Quarterly	13/05/2022	13/08/2024

(All amounts in ₹ Crore unless otherwise stated)

Institution	Amount Outstanding as on 31st March, 2023	Type of Security	Interest Rate	Total Installment	No. of Installments Remaining	Frequency	Repayable From	Repayable To
Bank	189.38	Secured	8.57%	1.00	1.00	Bullet	31/05/2022	31/05/2022
Bank	189.38	Secured	8.57%	1.00	1.00	Bullet	10/06/2022	10/06/2022
Bank	151.51	Secured	8.06%	1.00	1.00	Bullet	26/08/2022	26/08/2022
Bank	151.51	Secured	8.06%	1.00	1.00	Bullet	16/09/2022	16/09/2022
Bank	59.99	Secured	7.35%	10.00	2.00	Quarterly	20/05/2020	20/08/2022
Bank	200.00	Secured	7.00%	1.00	1.00	Bullet	27/10/2024	27/10/2024
Bank	199.94	Secured	6.45%	1.00	1.00	Bullet	24/05/2024	24/05/2024
Others	4.93	Secured	6.43%	10.00	1.00	Quarterly	10/03/2020	10/06/2022
Bank	378.07	Secured	6.94%	1.00	1.00	Bullet	13/07/2023	13/07/2023
Bank	356.04	Secured	6.94%	1.00	1.00	Bullet	19/10/2023	19/10/2023
Bank	753.93	Secured	6.92%	1.00	1.00	Bullet	02/12/2024	02/12/2024
Bank	150.00	Secured	6.10%	1.00	1.00	Bullet	23/09/2022	23/09/2022
	8,244.48							
Subordinated Liabilities								
Perpertual Debt	99.86	Unsecured	11.50%	1	1	Bullet	25/11/2027	25/11/2027
Other Subordinated Liabilities:								
Bank	49.99	Unsecured	8.60%	1	1	Bullet	29/05/2023	29/05/2023
Bank	50.00	Unsecured	8.94%	1	1	Bullet	24/07/2023	24/07/2023
Bank	25.00	Unsecured	9.70%	1	1	Bullet	01/09/2022	01/09/2022
Bank	24.99	Unsecured	9.70%	1	1	Bullet	01/09/2022	01/09/2022
Others	99.30	Unsecured	10.90%	1	1	Bullet	07/08/2024	07/08/2024
Others	112.91	Unsecured	9.40%	1	1	Bullet	10/06/2026	10/06/2026
Others	34.36	Unsecured	9.40%	1	1	Bullet	10/06/2026	10/06/2026
Others	99.00	Unsecured	8.85%	1	1	Bullet	02/06/2027	02/06/2027
Others	35.00	Unsecured	8.85%	1	1	Bullet	11/06/2027	11/06/2027
Others	35.00	Unsecured	8.85%	1	1	Bullet	11/06/2027	11/06/2027
Others	30.00	Unsecured	8.85%	1	1	Bullet	11/06/2027	11/06/2027
Others	200.00	Unsecured	8.85%	1	1	Bullet	11/06/2027	11/06/2027
Others	50.00	Unsecured	8.85%	1	1	Bullet	11/06/2027	11/06/2027
Others	50.00	Unsecured	10.02%	1	1	Bullet	28/04/2022	28/04/2022
Others	147.93	Unsecured	9.40%	1	1	Bullet	26/08/2026	26/08/2026
Others	50.00	Unsecured	11.25%	1	1	Bullet	01/05/2022	01/05/2022
Others	100.00	Unsecured	10.00%	1	1	Bullet	01/07/2026	01/07/2026
Total	**1,193.48**							
Subordinated Liabilities Total	**1,293.34**							

Details of Security

i. Non-Convertible Debentures of ₹1,225.00 Cr inclusive of Current and Non-Current Dues (Previous Year: ₹424.99 Cr as on 31st March, 2022) are fully secured by an exclusive floating charge against hypothecation of receivables under the financing activity of the Company.

ii. Term Loan received from Banks and Other Parties of ₹12,058.77 Cr inclusive of Current and Non-Current Dues (Previous Year: ₹8,244.47 Cr as on 31st March 2022) is fully secured by an exclusive floating charge against hypothecation of receivables under the financing activity of the Company.

iii. Working Capital Demand Loan and Cash Credit of ₹2,195.16 Cr (Previous Year: ₹1,197.62 Cr as at 31st March, 2022) is fully secured by an exclusive floating charge against hypothecation of receivables under the financing activity of the Company.

External Commercial Borrowings

During the previous year, the Company had raised funds in the overseas market amounting to ₹751.50 Cr (equivalent to USD 100 million) under External Commercial Borrowings (ECB) accessed through an automatic route after receiving the Loan Registration Number from RBI as per ECB Master Directions. These are unlisted instruments, for a total duration of 3 years and the loan has been fully hedged. The net proceeds from the issue of these ECB were applied for the purpose of on-lending, in accordance with the directions issued by the RBI.

(All amounts in ₹ Crore unless otherwise stated)

NOTE 18 Other Financial Liabilities

S.No.	Description	As at 31st March, 2023	As at 31st March, 2022
a)	Interest Accrued But Not Due	154.78	69.69
b)	Employee Related Liabilities	139.40	57.69
c)	Security Deposit	64.39	81.37
d)	Lease Liability (refer Note 37)	33.11	21.96
	Total	**391.68**	**230.71**

NOTE 19 Provisions

S.No.	Description	As at 31st March, 2023	As at 31st March, 2022
a)	Pension	9.78	13.80
b)	Compensated Absences	42.89	24.54
	Total	**52.67**	**38.34**

NOTE 20 Other Non-Financial Liabilities

S.No.	Description	As at 31st March, 2023	As at 31st March, 2022
a)	Statutory Dues	31.39	29.54
	Total	**31.39**	**29.54**

NOTE 21 Equity Share Capital

S.No.	Description	As at 31st March, 2023	As at 31st March, 2022
a)	**Authorised Share Capital:**		
	250,000,000 Equity Shares of ₹10 each	250.00	250.00
	(Previous Year 250,000,000 Equity Shares)		
		250.00	**250.00**
b)	**Issued, Subscribed and Fully Paid-up Share Capital:**		
	228,223,926 number of equity shares of ₹10 each	228.22	201.20
	(Previous year 201,196,900 equity shares of ₹10 each)		
c)	**Par Value per Share**	₹10 each	₹10 each
d)	**Number of equity shares at the beginning of the year**	201,196,900	191,937,700
	Changes in equity share capital due to prior period errors	-	-
	Restated number of equity shares at the beginning of the year	201,196,900	191,937,700
	Add: Preferential Allotment made during the year	27,027,026	9,259,200
	Number of equity shares at the end of the year	228,223,926	201,196,900
e)	**Equity Shares held by Holding Companies**		
	Particulars	**No. of Shares**	**No. of Shares**
	Holding Company - TVS Motor Company Limited	195,424,754	168,397,728
	Sundaram-Clayton Limited (Holding Company of TVS Motor Company Limited)	5,266,650	2,180,250

(All amounts in ₹ Crore unless otherwise stated)

NOTE 21 Equity Share Capital (Contd.)

f) **Number of Shares held by Shareholders holding more than 5% of total shares as at the end of the year**

Name of the Shareholders	As at 31st March, 2023		As at 31st March, 2022	
	No. of Shares	% of Holding	No. of Shares	% of Holding
TVS Motor Company Limited	195,424,754	85.63%	168,397,728	83.70%
Lucas-TVS Limited	11,337,297	4.97%	11,337,297	5.63%

g) **Shares held by Promoters at the the end of year**

S.No.	Promoter Name	No. of Shares	% of Total Shares	% change during the year
1	TVS Motor Company Limited	195,424,754	85.63%	1.93%
2	Sundaram-Clayton Limited	5,266,650	2.31%	1.22%
3	TVS Motor Services Limited	1,090,125	0.48%	(0.06%)

NOTE 22 Other Equity

Description	As at 31st March, 2023	As at 31st March, 2022
a) Securities Premium Reserves	1,336.35	863.37
b) Statutory Reserve	242.03	164.29
c) Retained Earnings	932.20	621.98
d) Other Reserves	19.31	12.79
Total reserves and surplus	**2,529.89**	**1,662.44**

a) Securities Premium Reserves	As at 31st March, 2023	As at 31st March, 2022
Opening balance	863.37	722.63
Additions during the year	472.98	140.74
Closing balance	**1,336.35**	**863.37**

b) Statutory Reserve	As at 31st March, 2023	As at 31st March, 2022
Opening balance	164.30	140.15
Transfer from retained earnings	77.73	24.15
Closing balance	**242.03**	**164.30**

c) Retained Earnings	As at 31st March, 2023	As at 31st March, 2022
Opening balance	621.98	526.65
Net Profit for the Year	388.67	120.73
Items of other Comprehensive Income recognised directly in Retained Earnings:		
- Remeasurements of post-employment benefit obligation net off tax	(0.72)	(1.25)
Transfer to Statutory Reserve	(77.73)	(24.15)
Closing balance	**932.20**	**621.98**

d) Other Reserves - Hedging Reserve	As at 31st March, 2023	As at 31st March, 2022
Opening balance	12.79	(17.67)
Add: Change in fair value of hedging instruments, net of tax	6.52	30.46
Closing balance	**19.31**	**12.79**

Securities Premium

The reserve represents premium on issue of shares. It will be utilised in accordance with the provisions of the Companies Act, 2013.

(All amounts in ₹ Crore unless otherwise stated)

NOTE 22 Other Equity (Contd.)

Statutory Reserves:

According to Section 45 - IC of the Reserve Bank of India Act, 1934, the Company transfers a sum not less than 20% of its net profit every year as disclosed in the statement of Profit and Loss and before declaration of any dividend to the Statutory reserves.

Retained Earnings:

Represents Company's cumulative undistributed earnings since its inception. This is available for distribution to Shareholders through dividends/capitalisation.

NOTE 23 Interest Income

Description	Year ended 31st March, 2023	Year ended 31st March, 2022
On Financial assets measured at amortised cost:		
Interest on Loans	3,736.84	2,444.16
Interest on Deposits with Bank	17.94	1.77
Total	**3,754.78**	**2,445.93**

NOTE 24 Fees and Commission Income

Description	Year ended 31st March, 2023	Year ended 31st March, 2022
Fee-based Income	316.42	255.86
Service Income	84.42	44.66
Total	**400.84**	**300.52**

NOTE 25 Other Income

Description	Year ended 31st March, 2023	Year ended 31st March, 2022
Unwinding of discount on security deposits and receivable for investments	3.92	6.80
Other Non-Operating Income	0.78	0.23
Interest on Income tax refund	-	1.91
Total	**4.70**	**8.94**

NOTE 26 Finance Costs

Description	Year ended 31st March, 2023	Year ended 31st March, 2022
On Financial liabilities measured at amortised cost		
Interest Cost		
- Interest on Borrowings (other than Debt Securities)	826.56	547.34
- Interest on Debt Securities	191.67	85.47
- Interest on Subordinated Liabilities	141.51	102.12
- Interest on Lease Liabilities	2.08	1.99
Other Finance Charges	6.46	6.01
Total	**1,168.28**	**742.93**

(All amounts in ₹ Crore unless otherwise stated)

NOTE 27 Impairment of Financial Instruments

Description	Year ended 31st March, 2023	Year ended 31st March, 2022
On Financial Instruments measured at Amortised Cost		
Bad Debts Written-off (net)	136.26	231.29
Net Loss on Sale of Repossessed Assets	171.46	216.03
Impairment Provision on Loans	321.40	98.98
Impairment Provision on Trade Receivables and Other Financial Assets	0.02	7.85
Total	**629.14**	**554.15**

NOTE 28 Employee Benefit Expenses

Description	Year ended 31st March, 2023	Year ended 31st March, 2022
Salaries and Wages	922.69	638.95
Contribution to Provident and other funds	49.21	40.92
Staff Welfare	67.61	31.91
Total	**1,039.51**	**711.78**

NOTE 29 Other Expenses

Description	Year ended 31st March, 2023	Year ended 31st March, 2022
Travelling and Conveyance	124.21	91.45
Communication Costs	152.60	91.45
Rent, Taxes and Energy Costs (Refer Note 37c)	33.03	25.48
Repairs & Maintenance	14.51	12.30
Insurance Expenses	0.69	0.51
Legal and Prof Charges	149.36	81.81
Auditors Fees and Expenses*	0.65	0.53
Directors Sitting Fees & Commission Expenses	0.71	0.73
Corporate Social Responsibility **	5.00	3.50
Donation	2.83	-
Printing and Stationery	9.95	5.81
Others	16.12	9.92
Total	**509.66**	**323.49**

*__Auditors Fees and Expenses__

Description	Year ended 31st March, 2023	Year ended 31st March, 2022
Statutory Audit	0.38	0.24
Tax Audit	0.08	0.07
Certification	0.04	0.15
Reimbursement of Expenses	0.15	0.07
Auditors Fees and Expenses	**0.65**	**0.53**

(All amounts in ₹ Crore unless otherwise stated)

NOTE 29 Other Expenses (Contd.)

** **Expenditure incurred on Corporate Social Responsibility activities:**

Particulars	Year ended 31st March, 2023	Year ended 31st March, 2022
(i) Amount required to be spent by the Company during the year	5.00	3.42
(ii) Amount of expenditure incurred	5.00	3.50
(iii) Shortfall at the end of the year	-	-
(iv) Total of previous years shortfall	-	-
(v) Reason for shortfall	NA	NA
(vi) Nature of CSR activities		
a. Expenses incurred through trusts	5.00	3.50
Total	**5.00**	**3.50**

NOTE 30 Income Tax Expenses

Description	Year ended 31st March, 2023	Year ended 31st March, 2022
(a) Income tax expense:		
Current tax on profits for the year	197.78	64.84
Tax profits relating to prior period	-	-
Total current tax expense	**197.78**	**64.84**
Deferred tax		
Decrease/(increase) in deferred tax assets	(75.17)	(34.36)
(Decrease)/increase in deferred tax liabilities	-	-
Total deferred tax expense/(benefit)	**(75.17)**	**(34.36)**
Income tax expense for the year	**122.61**	**30.48**
(b) Reconciliation of tax expense and the accounting profit multiplied by India's tax rate:		
Profit before income tax expense	511.28	151.21
Tax at the Indian tax rate of 25.168% (PY – 25.168%)	128.68	38.06
Tax effect of amounts which are permanent differences in nature in calculation of taxable income	(6.07)	(7.57)
Income tax expense	**122.61**	**30.49**

NOTE 31 Other Comprehensive Income

Description	Year ended 31st March, 2023	Year ended 31st March, 2022
Items that will not be reclassified to profit or loss		
Remeasurement of the defined benefit plans	(0.96)	(1.67)
Income tax relating to these items	0.24	0.42
Items that will be reclassified to profit or loss		
Fair value change on cash flow hedge	8.71	40.71
Income tax relating to these items	(2.19)	(10.25)
Other Comprehensive Income	**5.80**	**29.21**

(All amounts in ₹ Crore unless otherwise stated)

NOTE 32 Earnings Per Share

Description	Year ended 31st March, 2023	Year ended 31st March, 2022
(a) Basic earnings per share		
Basic earnings per share attributable to the equity holders of the Company	18.72	6.17
(b) Diluted earnings per share		
Diluted earnings per share attributable to the equity holders of the Company	18.72	6.17
(c) Reconciliations of earnings used in calculating earnings per share		
Basic earnings per share		
Profit attributable to equity holders of the Company used in calculating basis earnings per share	388.67	120.73
Diluted earnings per share		
Profit attributable to equity holders of the Company used in calculating diluted earnings per share	388.67	120.73
(d) Weighted average number of equity shares used as the denominator in calculating basic earnings per share	207,631,553	195,548,365
(e) Weighted average number of equity shares used as the denominator in calculating diluted earnings per share	207,631,553	195,548,365

NOTE 33 Employee Benefit Obligations

Defined Benefit Obligation

The Company provides gratuity for employees in India as per the Payment of Gratuity Act, 1972. Employees who are in continuous service for a period of 5 years are eligible for gratuity. The amount of gratuity payable on retirement/ termination is the employees last drawn basic salary per month computed proportionately for 15 days salary multiplied for the number of years of service. The gratuity plan is a funded plan and the Company makes contributions to recognised fund in India.

The Company operates defined benefit pension plan, which provide benefits to members in the form of a guaranteed level of pension payable for life. The level of benefits provided depends on members' length of service and their salary in the final years leading up to retirement.

Particulars	Gratuity			Pension			Compensated Absences		
	Present value of obligation	Fair value of plan assets	Total	Present value of obligation	Fair value of plan assets	Total	Present value of obligation	Fair value of plan assets	Total
As on 1st April, 2021	**22.13**	**(20.33)**	**1.80**	**11.68**	**-**	**11.68**	**20.27**	**-**	**20.27**
Current service cost	3.66	-	3.66	-	-	-	-	-	-
Interest expense/(income)	1.25	(1.32)	(0.06)	0.76	-	0.76	1.04	-	1.04
Total amount recognised in profit or loss	**4.91**	**(1.32)**	**3.60**	**0.76**	**-**	**0.76**	**1.04**	**-**	**1.04**
Remeasurements									
Return on plan assets, excluding amounts included in interest expense/(income)	-	(0.79)	(0.79)	-	-	-	-	-	-
(Gain)/loss from change in financial assumptions	(0.26)	-	(0.26)	(0.29)	-	(0.29)	(0.18)	-	(0.18)
Experience (gains)/losses	1.36	-	1.36	1.65	-	1.65	5.55	-	5.55
Total amount recognised in other comprehensive (income)/losses	**1.10**	**(0.79)**	**0.31**	**1.36**	**-**	**1.36**	**5.37**	**-**	**5.37**
Employer contributions	-	(8.52)	(8.52)	-	-	-	(2.14)	-	(2.14)
Benefit payments	(0.40)	0.40	(0.00)	-	-	-	-	-	-
As on 31st March, 2022	**27.74**	**(30.56)**	**(2.81)**	**13.80**	**-**	**13.80**	**24.54**	**-**	**24.54**

(All amounts in ₹ Crore unless otherwise stated)

NOTE 33 Employee Benefit Obligations (Contd.)

Particulars	Gratuity			Pension			Compensated Absences		
	Present value of obligation	Fair value of plan assets	Total	Present value of obligation	Fair value of plan assets	Total	Present value of obligation	Fair value of plan assets	Total
As on 1st April, 2022	**27.74**	**(30.56)**	**(2.81)**	**13.80**	**-**	**13.80**	**24.54**	**-**	**24.54**
Current service cost	4.52	-	4.52	-	-	-	-	-	-
Interest expense/(income)	1.99	(2.16)	(0.18)	0.75	-	0.75	2.10	-	2.10
Total amount recognised in profit or loss	**6.51**	**(2.16)**	**4.34**	**0.75**	**-**	**0.75**	**2.10**	**-**	**2.10**
Remeasurements									
Return on plan assets, excluding amounts included in interest expense/(income)	-	2.59	2.59	-	-	-	-	-	-
(Gain)/loss from change in financial assumptions	(1.29)	-	(1.29)	(1.72)	-	(1.72)	(1.15)	-	(1.15)
Experience (gains)/losses	4.43	-	4.43	(3.06)	-	(3.06)	17.39	-	17.39
Total amount recognised in other comprehensive (income)/losses	**3.14**	**2.59**	**5.73**	**(4.78)**	**-**	**(4.78)**	**16.24**	**-**	**16.24**
Employer contributions	-	(9.57)	(9.57)	-	-	-	-	-	-
Benefit payments	(3.54)	3.54	-	-	-	-	-	-	-
As on 31st March, 2023	**33.85**	**(36.16)**	**(2.31)**	**9.77**	**-**	**9.77**	**42.88**	**-**	**42.88**

Details	Gratuity		Pension		Compensated Absences	
	31st March, 2023	31st March, 2022	31st March, 2023	31st March, 2022	31st March, 2023	31st March, 2022
Discount Rate	7.11%	5.36%	7.13%	6.13%	7.10%	5.17%
Salary Growth Rate	6.00%	6.00%	5.50%	5.50%	6.00%	6.00%
Attrition Rate	36.00%	36.00%	0.00%	0.00%	36.00%	36.00%
Retirement Age	58	58	60	60	58	58
Mortality inclusive of provision for disability	100% of Indian Assured Lives Mortality (IALM)					

(i) Sensitivity Analysis

FY 2022-23

Particulars	Gratuity			Pension			Compensated Absences		
	Change in Assump-tion	Due to increase in assump-tion	Due to decrease in assump-tion	Change in Assump-tion	Due to increase in assump-tion	Due to decrease in assump-tion	Change in Assump-tion	Due to increase in assump-tion	Due to decrease in assump-tion
Discount Rate	0.50%	33.45	34.23	1.00%	8.69	11.07	0.50%	42.46	43.34
Salary Growth Rate	0.50%	34.22	33.46	1.00%	11.13	8.63	0.50%	43.34	42.46
Mortality	5.00%	33.84	33.84	5.00%	9.71	9.85	5.00%	42.89	42.89

FY 2021-22

Particulars	Gratuity			Pension			Compensated Absences		
	Change in Assump-tion	Due to increase in assump-tion	Due to decrease in assump-tion	Change in Assump-tion	Due to increase in assump-tion	Due to decrease in assump-tion	Change in Assump-tion	Due to increase in assump-tion	Due to decrease in assump-tion
Discount Rate	0.50%	27.41	28.09	1.00%	12.05	15.91	0.50%	24.28	24.81
Salary Growth Rate	0.50%	28.08	27.41	1.00%	15.99	11.97	0.50%	24.81	24.28
Mortality	5.00%	27.74	27.74	5.00%	13.69	13.91	5.00%	24.54	24.54

(All amounts in ₹ Crore unless otherwise stated)

NOTE 33 Employee Benefit Obligations (Contd.)

(ii) The following payments are expected contributions to the defined benefit plan in future years:

Particulars	
Within the next 12 months (next annual reporting period)	11.01
Between 2 and 5 years	22.77
Beyond 5 years	5.92
Total	**39.70**

(iii) Risk Exposure:

Through its defined benefit plans, the Company is exposed to a number of risks, the most significant of which are detailed below::

Asset Volatility

The plan liabilities are calculated using a discount rate set with reference to bond yield.

Changes in Bond Yields

A decrease in bond yields will increase plan liabilities, although this will be partially offset by an increase in the value of the plans' bond holdings.

(iv) Defined Contribution Plans:

The Company's contribution to the defined contribution plan viz., provident fund, of ₹30.41 Cr (31st March, 2022: ₹25.99 Cr) has been recognised in the Statement of Profit and Loss. There are numerous interpretative issues relating to the Supreme Court (SC) judgment dated 28th February, 2019 on components/allowances paid to employees that need to be taken into account while computing an employer's contribution to provident fund under the EPF Act. The Company is in the process of evaluating the method of computation of its PF contribution in relation to above judgement and would record any further effect in its financial statements, upon receiving further clarification on the subject.

NOTE 34 Fair Value Measurements

Financial assets and financial liabilities measured at amortised cost, including their levels in the fair value hierarchy:

Particulars	Carrying Amount		Fair Value Hierarchy	Fair Value	
	31st March, 2023	31st March, 2022		31st March, 2023	31st March, 2022
Financial assets:					
Cash and Cash Equivalents	1,525.17	956.23	Level 3	1,525.17	956.23
Other Bank Balances	5.72	6.00	Level 3	5.72	6.00
Trade Receivables	64.36	37.90	Level 3	64.36	37.90
Loans	20,545.09	14,014.31	Level 3	20,545.09	14,014.31
Investments	12.01	12.01	Level 3	12.01	12.01
Other Financial Assets					
Employees Related Receivables	7.97	4.85	Level 3	7.97	4.85
Security Deposit for Leased Premises	9.65	8.27	Level 3	9.65	8.27
Advances to Related Parties	-	38.10	Level 3	-	38.75
Other Financial Assets - Related Parties	0.02	0.02	Level 3	0.02	0.02
Other Financial Assets - Non-Related Parties	0.01	0.83	Level 3	0.01	0.83
Deposit with Service Providers	5.19	6.39	Level 3	5.19	6.39
Total	**22,175.19**	**15,084.91**		**22,175.19**	**15,085.56**

(All amounts in ₹ Crore unless otherwise stated)

NOTE 34 Fair Value Measurements (Contd.)

Financial Liabilities carried at amortised cost

Particulars	Carrying Amount		Fair Value Hierarchy	Fair Value	
	31st March, 2023	31st March, 2022		31st March, 2023	31st March, 2022
Trade Payables	635.69	334.62	Level 3	635.69	334.62
Debt Securities	2,607.04	2,213.68	Level 3	2,607.04	2,213.68
Borrowings other than Debt Securities	14,518.93	9,457.10	Level 3	14,518.93	9,457.10
Subordinated Liabilities	1,744.80	1,293.34	Level 3	1,744.80	1,293.34
Other Financial Liabilities	391.68	230.71	Level 3	391.68	230.71
Total	**19,898.14**	**13,529.45**		**19,898.14**	**13,529.45**

Financial assets and liabilities measured at fair value (Level 2)

Particulars	31st March, 2023	31st March, 2022
Financial Assets		
Derivative Financial Instruments	170.86	64.06
Total Financial Assets	**170.86**	**64.06**
Financial Liabilities		
Derivative Financial Instruments	-	-
Total Financial Liabilities	**-**	**-**

There were no transfers between any levels during the year.

(i) Fair value hierarchy

IND-AS 113, 'Fair Value Measurement' requires classification of the valuation method of financial instruments measured at fair value in the Statement of Balance sheet, using a three-level fair-value hierarchy (which reflects the significance of inputs used in the measurements). The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements). The fair value of derivative financial assets and liabilities is estimated by discounting expected future contractual cash flows using prevailing market interest rate curves. The three levels of the fair-value hierarchy under IND-AS 113 are described below:

Level 1: Level 1 hierarchy includes financial instruments measured using quoted prices. This includes publicly traded derivatives and mutual funds that have a quoted price. The quoted market price used for financial assets held by the Company is the current bid price.

Level 2: The fair value of financial instruments that are not traded in an active market (for example over-the-counter derivatives) is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in Level 2.

Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in Level 3.

ii. Valuation Technique Used to Determine Fair Value

Specific valuation techniques used to value financial instruments include:

- The Management assessed that Cash and Cash equivalents, bank balance other than Cash and Cash equivalents, receivable, other financial assets, payables, and other financial liabilities approximate their carrying amount largely due to short-term maturities of these instruments. The fair value of the investments has been considered as the carrying value of these investments since these investments have been made in the subsidiaries of the Company..
- The majority of borrowings are floating rate borrowings, the carrying value is representative of the fair value.
- The fair values for advance to related parties and rent advance were calculated based on cash flows discounted using a current lending rate. They are classified as Level 3 fair values in the fair value hierarchy due to the inclusion of unobservable inputs including counterparty credit risk.
- The fair value of forward foreign exchange contracts and cross currency interest rate swaps (CCIRS) is determined using forward exchange rates at the balance sheet date.

(All amounts in ₹ Crore unless otherwise stated)

NOTE 35 Financial Risk Management

The Company's financial assets include loan and advances, investments and cash and cash equivalents that derive directly from its operations. The Company's financial liabilities comprise mainly borrowings from banks, debentures and commercial papers.

The Company is exposed to various risks such as credit risk, liquidity risk, foreign currency risks, and interest rate risks.

The Board of Directors have the overall responsibility for the establishment of governance and oversight in relation to the Company's Risk Management Framework. The Board of Directors have established Committees such as the Risk Management Committee and Asset Liability Committee for developing and monitoring the Company's risk management policies and treasury policies. The Committees report regularly to the Board of Directors on their activities.

The Company's risk management policies are established to identify and analyse the various risks faced by the Company, to set appropriate risk benchmarks limits, and controls, and to monitor risks and adherence to limits from time to time. The Risk Management Committee oversees how management monitors compliance with the risk management policies and procedures and other governance frameworks and reviews the adequacy of the risk management framework in relation to the various risks faced by the Company from time to time.

(A) Credit Risk

Credit Risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Company. The Company has adopted a policy of only dealing with creditworthy counterparties and obtaining sufficient collateral, where appropriate, as a means of mitigating the risk of financial loss from defaults. The exposure is continuously monitored to determine significant increase in credit risk. The Company monitors the credit assessment on a portfolio basis, assesses all credit exposures in excess of designated limits. The Company does a risk grading based upon the credit worthiness of the borrowers. All these factors are taken into consideration for computation of Expected Credit Loss (ECL).

Loans

The following table sets out information about the credit quality of retail loan assets measured at amortised cost based on the number of days past due information. The amount represents the gross carrying value of assets as on each reporting date.

Particulars	31st March, 2023	31st March, 2022
Gross Carrying value of Loans		
Stage-1 (Upto 30 Days)	19,691.90	12,776.84
Stage-2 (31-90 Days)#	989.54	1,097.14
Stage-3 (More than 90 Days)*	573.71	528.99
Total Gross carrying value as of year end	**21,255.15**	**14,402.97**

Includes restructured contracts under one-time resolution framework vide RBI circular dated 6th August, 2020 and RBI/2021-22/31/DOR.STR.REC.11/21.04.048/2021-22 dated 5th May, 2021 even though days past due is less than and equal to 30 days on the reporting date.

* Includes restructured contracts under Prudential Framework for Resolution of Stressed Assets vide circular RBI/2018-19/203 DBR. No.BP.BC.45/21.04.048/2018-19 dated 7th June, 2019 irrespective of days past due on the reporting date.

Other financial assets

Credit risk with respect to Other Financial Assets is extremely low except for "Other Financial Assets-Non Related Parties". Based on the credit assessment, the historical trend of low default is expected to continue. No provision for ECL has been created for Other Financial Assets except full provision on "Other Financial Assets - Non-Related Parties".

Credit Quality

The Company has a comprehensive framework for monitoring the credit quality of its retail and other loans based on days past due monitoring. Repayment by individual customers and portfolio is tracked regularly and required steps for recovery are taken through follow-ups and legal recourse.

Inputs considered in the ECL model

In assessing the impairment of loans assets under ECL model, the loan assets have been segmented into three stages.

(All amounts in ₹ Crore unless otherwise stated)

NOTE 35 Financial Risk Management (Contd.)

The three stages reflect the general pattern of credit deterioration of a financial instrument. The differences in accounting between stages relate to the recognition of expected credit losses and the calculation and presentation of interest revenue.

The Company categorises loan assets into stages based on the Days Past Due status:

— Stage 1: Up to 30 Days Past Due

— Stage 2: 31-90 Days Past Due

— Stage 3: More than 90 Days Past Due

Assumptions Considered in the ECL model

The Company has made the following assumptions in the ECL Model:

— "Loss Given default" (LGD) is common for all three stages and is based on loss in past portfolios. Actual cash flows are discounted with the average rate for arriving loss rate. EIR has been taken as the discount rate for all loans.

Estimation Technique

The Company has applied the following estimation technique in its ECL model:

— "Probability of Default" (PD) is applied in Stage 1 and Stage 2 on a portfolio basis and for Stage 3 PD is 100%.

— Probability of default for Stage 1 loan assets is calculated as average of historical trend from Stage 1 to Stage 3 in next 12 months.

— Probability of default for Stage 2 loan assets is calculated based on the lifetime PD as average of historical trend from Stage 2 to Stage 3 for the remaining tenure.

— Loss given default is calculated based on discounted actual cash flow on past portfolio in default along with reversals.

There is no change in estimation techniques or significant assumptions during the reporting period.

The Company considers a broad range of forward-looking information with reference to external forecasts of economic parameters such as GDP growth, Government borrowing, private consumption expenditure, policy interest rates, etc., as considered relevant so as to determine the impact of macroeconomic factors on the Company's ECL estimates. The internal estimates of PD, LGD rates used in the ECL model may not always capture all the characteristics of the market/external environment as at the date of the financial statements. To reflect this, qualitative adjustments or overlays are made as temporary adjustments to reflect the emerging risks reasonably.

Assessment of Significant Increase in Credit Risk

When determining whether the risk of default has increased significantly since initial recognition, the Company considers both quantitative and qualitative information and analysis based on the business historical experience, including forward-looking information. The Company considers reasonable and supportable information that is relevant and available without undue cost and effort.

The Company uses the number of Days Past Due to classify a financial instrument in the low credit risk category and to determine a significant increase in credit risk in retail. As a backstop, the Company considers that a significant increase in credit risk occurs no later than when an asset is more than 30 days past due.

In accordance with the Board approved moratorium policy read with the Reserve Bank of India (RBI) guidelines dated 27th March, 2020 and 17th April, 2020 relating to 'COVID-19 – Regulatory Package', the Company has offered a moratorium up to six months on the payment of installments falling due between 1st March 1, 2020 and 31st August, 2020 to all eligible borrowers. The Company has extended one-time resolution framework as for COVID-19-related Stress to eligible customers as per applicable RBI guidelines and as per the policy of the Company. The Company has classified all restructured accounts done under Prudential Framework for Resolution of Stressed Assets vide circular RBI/2018-19/203 DBR.No.BP.BC.45/21.04.048/2018-19 dated 7th June, 2019 in Stage 3 and with regard to restructured contracts done under one-time resolution framework vide RBI circular dated August 6, 2020 and RBI/2 021- 22/31/DOR.STR.REC.11 /21.04.048/2021-22 dated 5th May, 2021 in Stage 2 irrespective of days past due status on the reporting date.

COVID-19 has severe impact on global as well as domestic macro and micro economies, businesses and consumers. Due to this uncertainty, Company's assessments of impairment loss allowance on its loans are subject to a number of management judgements and estimates. Since the Company's impairment loss allowance estimates are inherently uncertain, actual results may differ from these estimates.

(All amounts in ₹ Crore unless otherwise stated)

NOTE 35 Financial Risk Management (Contd.)

Definition of Default

The Company considers a financial instrument is in default when the borrower becomes 90 Days Past Due on its contractual payments. The Company considers Loans under default as 'credit impaired' and classified as Stage-3 except for restructured contracts as disclosed above.

Impairment Loss

The expected credit loss allowance provision is determined as follows:

	Stage 1	Stage 2	Stage 3	Grand Total
Gross Balance as at 31st March, 2023	**19,691.90**	**989.54**	**573.71**	**21,255.15**
Expected Credit Loss	264.74	138.78	306.54	710.06
Expected Credit Loss Rate	1.34%	14.02%	53.43%	3.34%
Net of Impairment Provision	19,427.16	850.76	267.17	20,545.09

	Stage 1	Stage 2	Stage 3	Grand Total
Gross Balance as at 31st March, 2022	**12,776.84**	**1,097.14**	**528.99**	**14,402.97**
Expected Credit Loss	87.80	33.25	267.61	388.66
Expected Credit Loss Rate	0.69%	3.03%	50.59%	2.70%
Net of Impairment Provision	12,689.04	1,063.89	261.38	14,014.31

Reconciliation of Expected Credit Loss

Particulars	Stage 1	Stage 2	Stage 3	Grand Total
Balance as at 1st April, 2021	**81.90**	**42.34**	**165.43**	**289.67**
Transfer from Stage 1	(29.74)	18.52	11.22	-
Transfer from Stage 2	2.12	(12.60)	10.48	-
Transfer from Stage 3	4.64	2.41	(7.05)	-
Loans that have derecognised during the year	(21.70)	(19.63)	(90.95)	(132.28)
New Loans originated during the year	60.76	2.65	17.14	80.55
Net Remeasurement of Loss Allowance	(10.17)	(0.44)	161.34	150.73
Balance as at 31st March, 2022	**87.81**	**33.25**	**267.61**	**388.67**
Transfer from Stage 1	(6.38)	3.96	2.42	-
Transfer from Stage 2	2.16	(8.41)	6.25	-
Transfer from Stage 3	11.64	2.96	(14.60)	-
Loan that have derecognised during the year	(22.10)	(9.86)	(141.35)	(173.31)
New Loans originated during the year	118.95	46.44	48.07	213.46
Net Remeasurement of Loss Allowance	72.66	70.44	138.14	281.24
Balance as at 31st March, 2023	**264.74**	**138.78**	**306.54**	**710.06**

Concentration of Credit Risk

The business manages concentration of risk primarily by geoghraphical region. The following details show the geographical concentrations of the loans at the year end:

	31st March, 2023	31st March, 2022
Carrying value		
Concentration by geographical region in India		
South	8,470.99	5,619.31
West	5,917.79	3,870.72
East	3,307.58	2,517.92
North	3,558.79	2,395.02
Total Loans as at reporting period	**21,255.15**	**14,402.97**


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LOW	ZERO	LOAN UP TO
INTEREST RATE	DOCUMENTATION	₹5 LAKHS*

*Terms & conditions apply.

(All amounts in ₹ Crore unless otherwise stated)

NOTE 35 Financial Risk Management (Contd.)

(B) Liquidity Risk

Liquidity risk is a risk that an entity will encounter difficulty in meeting financial obligations.

As per Company's policy, management ensures the availability of sufficient funds either through Installment receivables/ sourcing through debts at each point in time. The fund requirement is ascertained at the beginning of the period by taking into consideration installment receivable, likely disbursement, loan installment payment, and other operational expenses. The Company is continuously getting good support from bankers and financial institutions at the time of need.

i. Financing arrangements

The Company had access to the following undrawn borrowing facilities at the end of the reporting period:

	31st March, 2023	31st March, 2022
Floating rate		
Expiring within one year (bank overdraft and other facilities)	2,440	1,215
Expiring beyond one year (bank loans)	-	-
	2,440	1,215

The bank cash credit and other facilities may be drawn at any time and may be terminated by the bank without notice.

ii. Maturities of Financial Liabilities

The tables below analyse the Company's financial liabilities into relevant maturity groupings based on their contractual maturities for:

a. All non-derivative financial liabilities, and

b. Net and gross settled derivative financial instruments for which the contractual maturities are essential for an understanding of the timing of the cash flows.

The table below summarises the maturity profile of the Company's non derivative financial liabilities based on contractual undiscounted payments as at the balance sheet date.

Particulars	Contractual Cashflows					
	Less than 3 months	3 to 6 months	6 months to 1 year	Between 1 and 5 years	More than 5 years	Total Carrying Amount
As at 31st March, 2023						
Financial Assets:						
Cash and Cash Equivalents	1,525.17	-	-	-	-	1,525.17
Fixed Deposits	-	-	5.72	-	-	5.72
Derivative Financial Instruments	-	35.27	46.69	88.90	-	170.86
Trade Receivables	39.34	25.02	-	-	-	64.36
Loans	4,622.32	3,218.00	5,637.25	12,889.67	22.68	26,389.92
Investments	-	-	-	-	12.01	12.01
Other Financial Assets	3.67	1.88	7.53	7.65	2.11	22.84
Total	**6,190.50**	**3,280.17**	**5,697.19**	**12,986.22**	**36.80**	**28,190.88**
Financial Liabilities:						
Borrowings	2,600.41	1,848.07	5,520.08	10,983.52	209.55	21,161.63
Security Deposit	51.81	2.85	4.90	4.83	-	64.39
Trade Payables	352.02	153.78	111.94	17.95	-	635.69
Other Financial Liabilities	158.67	2.55	140.20	24.24	7.67	333.32
Total	**3,162.91**	**2,007.25**	**5,777.12**	**11,030.54**	**217.22**	**22,195.03**

(All amounts in ₹ Crore unless otherwise stated)

NOTE 35 Financial Risk Management (Contd.)

Particulars	Contractual Cashflows					
	Less than 3 months	3 to 6 months	6 months to 1 year	Between 1 and 5 years	More than 5 years	Total Carrying Amount
As at 31st March, 2022						
Financial Assets:						
Cash and Cash Equivalents	956.23	-	-	-	-	956.23
Fixed Deposits	-	-	6.00	-	-	6.00
Derivative Financial Instruments	20.82	14.92	-	28.32	-	64.06
Trade Receivables	9.41	8.61	19.88	-	-	37.90
Loans	3,163.57	2,263.33	3,962.84	8,267.58	10.02	17,667.34
Investments	-	-	-	-	12.01	12.01
Other Financial Assets	1.44	7.42	44.51	5.09	-	58.46
Total	**4,151.47**	**2,294.28**	**4,033.23**	**8,300.99**	**22.03**	**18,802.00**
Borrowings	3,192.51	1,129.72	3,314.25	6,032.30	566.63	14,235.41
Security Deposit	43.70	29.13	5.26	3.28	-	81.37
Trade Payables	149.02	75.24	98.70	11.66	-	334.62
Other Financial Liabilities	72.39	2.32	57.53	19.23	0.37	151.83
Total Non-Derivative Liabilities	**3,457.62**	**1,236.41**	**3,475.74**	**6,066.47**	**567.00**	**14,803.24**

(a) Foreign Currency Risk Exposure:

Foreign exchange risk arises on financial instruments being denominated in a currency that is not the functional currency of the entity. The Company is exposed to foreign exchange risk due to continuous fluctuation in the foreign currency(USD) of the loan originated. The Company has entered into cross currency swaps (CCS)/forward contracts/ Interest rate swaps to fully hedge all foreign currency exchange risk on the principal and interest amount payable on borrowings.

Particulars	31st March, 2023	31st March, 2022
Financial liabilities		
Variable Foreign Currency Borrowings (USD 197 million) (PY USD 287 million)	1,473.21	2,108.05
Derivative Liabilities		
Hedged through forward contracts and CCS	1,473.21	2,108.05
Net exposure to foreign currency risk (Liabilities)	-	-

(b) Sensitivity analysis:

The Company has hedged all its foreign currency exposures by entering into CCS/Forwards contracts, it shall not be subject to any sensitivity on settlement due to foreign currency fluctuation due to the movements in foreign exchanges i.e. USD. Forward Contract & Cross Currency Swaps are to buy USD for Hedging Foreign Currency Loans. The Company shall not maintain as per IND-AS 109 to be considered a Foreign Currency Loan.

Impact on Profit After Tax		
USD sensitivity	31st March, 2023	31st March, 2022
INR/USD Increases by 5%	-	-
INR/USD Decreases by 5%	-	-

(D) Fair Value Interest Rate Risk:

The Company's main interest rate risk arises from long-term borrowings with variable rates, which expose the Company to cash flow interest rate risk. During 31st March, 2023 and 31st March, 2022, the Company's borrowings at variable rates were mainly denominated in INR.

The Company's floating rate borrowings are carried at amortised cost. For NBFC business, a loan is the major source for running the business. In India, loans are generally available at a Floating Rate Interest. And there are no such options available to obtain a swap option for floating rate Interest linked to the respective bank MCLR with fixed interest. Hence except for foreign currency loans, other loans are not hedged.

(All amounts in ₹ Crore unless otherwise stated)

NOTE 35 Financial Risk Management (Contd.)

(a) Interest rate risk exposure

The exposure of the Company's borrowing to interest rate changes at the end of the reporting period are as follows:

Particulars	31st March, 2023	31st March, 2022
Variable rate borrowings	8,211.28	6,232.48
Total borrowings	**18,870.77**	**12,964.11**

As at the end of the reporting period, the Company had the following variable rate borrowings outstanding:

Particulars	31st March, 2023		
	Weighted average interest rate	Balance	% of total loans
Cash credits, bank loans etc.	7.88%	8,211.28	43.51%

Particulars	31st March, 2022		
	Weighted average interest rate	Balance	% of total loans
Cash credits, bank loans etc.	6.53%	6,232.48	48.07%

An analysis by maturities is provided in note 35 B (ii) above.

(b) Sensitivity

Profit or loss is sensitive to higher/lower interest expense from borrowings as a result of changes in interest rates. Other components of equity change as a result of an increase/decrease in the fair value of the cash flow hedges related to borrowings.

Impact on Profit After Tax		
Particulars	**31st March, 2023**	**31st March, 2022**
Interest rates – increase by 50 basis points (50 bps) *	30.72	23.32
Interest rates – decrease by 50 basis points (50 bps) *	(30.72)	(23.32)

* Holding all other variables constant

NOTE 36 Capital Management

(a) Risk management

The Risk Management policy includes identification of element of risks, including those which in the opinion of Board may lead to Company not meeting its financial objectives. The risk management process has been established across the Company and design to identify, access and frame a response to threat that affect the achievement of its objecticves.Further it is embedded across all the major functions and revolve around the goals and objectives of the Company.

Maintaining optimal capital to debt is one such measure to ensure healthy returns to the shareholders. Company envisages maintaining gearing ratio of maximum 7 times to the total equity, the Company monitors the ratio as below:

Particulars	31st March, 2023	31st March, 2022
Net debt (total borrowings, less cash and cash equivalents)	17,345.60	12,007.88
Total Equity (as shown in the balance sheet)	2,758.11	1,863.64
Net debt to equity ratio	**6.29**	**6.44**

(b) Externally Imposed Capital Restrictions

1. As per RBI requirements, the Capital Adequacy Ratio should be a minimum of 15%, not meeting RBI requirements will lead to the cancellation of NBFC licenses issued by RBI.
2. As per various lending arrangements with banks, TOL (Total Outside Liability) to TNW (Tangible Net Worth) ratio should be less than 8.5 times, not meeting the said requirements may lead to higher interest rates.
3. Shareholding of the promoter shall not be less than 51% without prior approval from lenders.

The Company has complied with these covenants throughout the reporting period.

(All amounts in ₹ Crore unless otherwise stated)

NOTE 37 Leases

a) Lease Disclosures pertaining to Right-to-use Asset

Particulars	31st March, 2023	31st March, 2022
Building		
Gross Block		
Opening/(On transition to IND-AS 116)	18.12	18.68
Revaluation due to change in future lease rentals	-	-
Additions during the year	17.29	6.49
(Deletions during the year)	-	-
Closing Balance during the year	35.41	25.17
Amortisation		
Additions	-	-
Amortisation for the year	6.68	7.05
Closing Balance during the year	**28.73**	**18.12**

b) The Company has offices across the country with varied lease period. The lease term considered for arriving at the Right to use Asset and Lease liabities are based on the non-cancellable period of the respective agreements.

c) The Company has exercised the option of short-term leases and low value asset exemption.

Lease Disclosures pertaining to Statement of Profit & Loss

Particulars	31st March, 2023	31st March, 2022
Finance charges		
Interest expense	2.08	1.99
Depreciation		
Amortisation of Right to use Asset	6.68	7.05
Other expenses		
Rent expenses		
Expense relating to short-term leases (included in other expenses)	17.75	11.65
Expense relating to leases of low-value assets that are not short-term leases (included in other expenses)	-	-
Expense relating to variable lease payments not included in the measurement of lease liabilities	-	-
Total	**26.51**	**20.69**

d) Additional Disclosures in Cash Flow Statement

Particulars	31st March, 2023	31st March, 2022
Cash flow financing activities		
Principal repayments related to lease liabilities	6.11	6.56
Interest payments related to lease liabilities	2.12	1.99

(All amounts in ₹ Crore unless otherwise stated)

38. Related Party Disclosure

Disclosure in respect of Related Parties and their relationship where transaction exists:

Nature of Relationship	Parties Name
Reporting Enterprise	TVS Credit Services Limited
Holding Company	TVS Motor Company Limited Sundaram-Clayton Limited (holding company of TVS Motor Company Limited)
Ultimate Holding Company	TV Sundram Iyengar & Sons Private Limited (up to 4th February, 2022) TVS Holdings Private Limited (with effect from 4th February, 2022)
Subsidiaries	TVS Housing Finance Private Limited Harita ARC Private Limited Harita Two Wheeler Mall Private Limited TVS Micro Finance Private Limited (up to 3rd September, 2021) Harita Collection Services Private Limited (up to 3rd September, 2021) TVS Commodity Financial Solutions Private Limited (up to 9th February, 2022)
Fellow Subsidiary	TVS Motor Services Limited Sundaram Auto Components Limited TVS Automobile Solutions Private Limited
Associate of Holding Company	Emerald Haven Realty Limited Emerald Haven Development Limited Drive X Mobility Millennial Solutions Private Limited
Subsidiary of Holding Company's Associate Company	Scienaptic Systems Private Limited
Key Managerial Personnel	G Venkatraman, Director and Chief Executive Officer (up to 31st August, 2022) Ashish Sapra, Chief Executive Officer (from 1st September, 2022) V Gopalakrishnan, Chief Financial Officer (up to 26th July, 2022) Roopa Sampath Kumar, Chief Financial Officer (from 27th July, 2022) Ashwin J, Company Secretary (up to 15th March, 2022) Anand Vasudev, Company Secretary (from 26th July 2022)

Transactions with related parties and balance outstanding as at the end of the year:

S.No.	Name of the Related Party	Nature of Transactions	March 31, 2023	March 31, 2022
1	TVS Motor Services Limited	Advance received	41.33	41.33
		Unwinding of advance	3.24	6.23
		Balance outstanding [Dr/(Cr)]	0.00	38.10
2	TVS Motor Company Limited	Contribution towards Equity Share Capital	27.03	6.17
		Contribution towards Security Premium	472.97	93.83
		Services rendered	14.58	9.03
		Availing of services	10.25	8.34
		Balance outstanding [Dr/(Cr)]	1.57	(2.80)
3	Sundaram-Clayton Limited	Loan recovered	0.08	0.10
		Interest received	0.01	0.02
		Availing of services	2.41	3.92
		Balance outstanding [Dr/(Cr)]	(0.02)	(0.48)

(All amounts in ₹ Crore unless otherwise stated)

38. Related Party Disclosure (Contd.)

S.No.	Name of the Related Party	Nature of Transactions	March 31, 2023	March 31, 2022
4	Sundaram Auto Components Limited	Loan recovered	0.04	0.10
		Interest received	0.00	0.01
		Balance outstanding [Dr/(Cr)]	-	0.04
5	Scienaptic Systems Private Limited	Availing of services	3.03	-
		Balance outstanding [Dr/(Cr)]	0.45	-
6	Drive X Mobility Millennial Solutions Private Limited	Services rendered	0.14	-
		Sale of fixed assets	0.52	
		Balance outstanding [Dr/(Cr)]	0.44	-
7	Emerald Haven Realty Limited	Loan disbursed	3.00	-
		Loan recovered	3.00	-
		Interest received	0.06	-
		Balance outstanding [Dr/(Cr)]	-	-
8	Emerald Haven Development Limited	Loan disbursed	14.00	-
		Loan recovered	14.00	-
		Interest received	0.32	-
		Balance outstanding [Dr/(Cr)]	-	-

Remuneration to Key Managerial Personnel

Particulars	2022-23	2021-22
Short Term Benefits	9.07	6.13
Post Retirement Benefits	0.18	0.18

The Company maintains Gratuity Fund with Life Insurance Corporation of India (LIC). Post retirement benefits do not include yearly preimum paid by the Company to maintain the fund. The LIC has paid ₹0.66 Cr to Mr. G Venkatraman, Director and Chief Executive Officer (up to 31st August, 2022) during FY 2022-23 towards gratuity.

The Company has not granted any Loans or Advances in the nature of loans to Promoters, Directors, Key Managerial Personnel, and the related parties, either severally or jointly with any other person, which are (a) Repayable on demand; or (b) Without specifying any terms or period of repayment.

(All amounts in ₹ Crore unless otherwise stated)

38. Related Party Disclosure (Contd.)

Related Party disclosure pursuant to Scale Based Regulation (SBR) disclosure requirements vide notification no. RBI/2021-22/112 DOR.CRE.REC.No.60/03.10.001/ 2021-22:

Related Party Balance outstanding:

Related Party Items	Parent (as per ownership or control)		Subsidiaries		Associates/ Joint Ventures		KMP*		Relatives of KMP*		Others		Total	
	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year
Borrowings:														
Outstanding at the year end	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Maximum outstanding during the year	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Deposits:														
Outstanding at the year end	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Maximum outstanding during the year	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Placement of deposits:														
Outstanding at the year end	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Maximum outstanding during the year	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Advances:														
Outstanding at the year end	-	-	-	-	-	-	-	-	-	-	0.63	38.70	0.63	38.70
Maximum outstanding during the year	-	-	-	-	-	-	-	-	-	-	52.19	80.31	52.19	80.31
Investments:														
Outstanding at the year end	-	-	12.01	12.01	-	-	-	-	-	-	-	-	12.01	12.01
Maximum outstanding during the year	-	-	12.01	12.01	-	-	-	-	-	-	-	-	12.01	12.01

Related Party Transactions During the Year:

Related Party Items	Parent (as per ownership or control)		Subsidiaries		Associates/ Joint Ventures		KMP*		Relatives of KMP*		Others		Total	
	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year
Purchase of fixed/other assets	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Sale of fixed assets	-	-	-	-	-	-	-	-	-	-	0.52	-	0.52	-
Interest paid	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Interest received	0.01	0.02	-	-	-	-	-	-	-	-	0.38	0.01	0.39	0.03
Unwinding of advance	-	-	-	-	-	-	-	-	-	-	3.24	6.23	3.24	6.23
Services rendered	14.58	9.03	-	-	-	-	-	-	-	-	0.14	-	14.72	9.03
Availing of services	12.66	12.27	-	-	-	-	-	-	-	-	3.03	-	15.69	12.27

* There is no transaction with directors and relatives of directors.

(All amounts in ₹ Crore unless otherwise stated)

39. Additional Notes forming part of Standalone Financial Statements for the year ended 31st March, 2023

1. Capital Commitments

Description	31st March, 2023	31st March, 2022
Estimated amount of contracts remaining to be executed on Capital Account not provided for	13.55	0.78

2. Other Commitments

Description	31st March, 2023	31st March, 2022
Undrawn Loans sanctioned to borrowers	43.58	48.33

3. Contingent Liabilities not provided for

Claims against the Company not acknowledged as debts.

Description	31st March, 2023	31st March, 2022
Disputed Service Tax Demand inclusive of Penalty – Commissioner order/Additional Commissioner appealed against by Company during previous years (Pre-deposit of ₹0.38 Cr)	8.34	7.70
Legal cases filed by borrowers against the Company	4.04	1.48

The Company's pending litigations comprise of claims against the Company and proceedings pending with Statutory Authorities. The future cash flows on the above items are determinable only on receipt of decisions/ judgments that are pending at various forums/authorities. The Company does not expect the outcome of these proceedings to have a materially adverse effect on its financial results.

4. The Code on Social Security, 2020 ('The Code') relating to employee benefits during employment and post-employment benefits, received Presidential assent in September 2020. The Code has been published in the Gazette of India. However, the date on which the Code will come into effect has not been notified. The Ministry of Labour and Employment has also released draft rules thereunder on 13th November, 2020 and has invited suggestions from Stakeholders, which are under consideration by the Ministry. The Company will evaluate the rules, assess the impact, if any, and account for the same once the rules are notified and become effective.

5. Pursuant to a Business Transfer Agreement (BTA) entered into with TVS Finance and Services Limited (TVSFS) on 21st April, 2010, the Company acquired the retail finance business of TVSFS as a going concern along with the related assets (comprising of fixed assets, receivables, loans and advances and bank balances) of ₹50.75 Cr and liabilities (comprising of borrowings from Banks and Institution, current liabilities and provisions) of ₹298.75 Cr. TVSFS issued Unsecured Redeemable Bonds to the Company, for the excess of liabilities over assets of ₹248 Cr. The bonds are redeemable between the 7th and 12th year from the date of allotment. The said bonds have been purchased by TVS Motor Services Limited (TVSMS), the Holding Company, during 2010-11 at book value and the same is repayable by TVSMS in 6 years. The TVSMS has fully paid the advance to the Company and there is no outstanding as at 31st March, 2023.

6. Pursuant to Para 2 of general instructions for the preparation of financial statements of a NBFC as mentioned in Division III of Schedule III of The Companies Act, 2013, the current and non-current classification has not been provided.

7. Exceptional items of ₹5 Cr. represents the contribution made by the Company towards COVID-related expenses for the year ended 31st March, 2022.

8. Segment Reporting

There is no separate reportable segment as per IND-AS 108 on 'Operating Segments' for the Company since it is primarily engaged in the business of financing.

9. The Company has a process, whereby periodically all long-term contracts are assessed for material foreseeable losses. At the year-end, Company has reviewed and ensured that adequate provisions as required under any law/ accounting standard for material foreseeable losses on such long-term contracts have been made in the books of accounts.

10. The Company has no transactions with companies struck off under Section 248 of the Companies Act, 2013 or Section 560 of the Companies Act, 1956.

(All amounts in ₹ Crore unless otherwise stated)

39. Additional Notes forming part of Standalone Financial Statements for the year ended 31st March, 2023 (Contd.)

11. The Company is in compliance with the number of layers prescribed under Clause (87) of Section 2 of the Act read with the Companies (Restriction on number of Layers) Rules, 2017.

12. There have been no events after the repoting date that require disclosure in the Financial Statements.

13. Prior period figures have been regrouped, wherever necessary, to confirm to the current period presentation.

14. Disclosure of ratios:

S.No.	Particulars	31st March, 2023	31st March, 2022
a.	Current Ratio	NA	NA
b.	Total Borrowings	18,870.77	12,964.11
	Shareholders' Equity	2,758.11	1,863.64
	Debt-Equity Ratio	6.84	6.96
	[total borrowings/shareholders' equity]		
c.	Debt Service Coverage Ratio	NA	NA
d.	Return on Equity Ratio	16.82%	7.04%
e.	Inventory Turnover Ratio	NA	NA
f.	Trade Receivable Turnover Ratio	NA	NA
g.	Trade Payable Turnover Ratio	NA	NA
h.	Net Capital Turnover Ratio	NA	NA
i.	Net Profit Ratio	9.34%	4.38%
j.	Return on Capital Employed Ratio	NA	NA
k.	Return on Investment Ratio	NA	NA
l.	Capital to Risk-weighted Assets Ratio (CRAR) (Calculated as per RBI guidelines)	18.75%	18.64%
m.	Tier I CRAR (Calculated as per RBI guidelines)	12.17%	12.31%
n.	Tier II CRAR (Calculated as per RBI guidelines)*	6.59%	6.34%
o.	Liquidity Coverage Ratio (LCR) (Calculated as per RBI guidelines)#	184%	133%

* The Company has issued Subordinated Debenture of ₹600 Cr during FY 2022-23
# The LCR is more than regulatory requirement

Notes:

i. Certain ratios/line items marked with the remark "N/A" are not applicable since the Company is a Non-Banking Financial Company registered with the Reserve Bank of India

ii. Return on Equity Ratio = Profit after tax/Average Networth

iii. Net profit ratio (%) = Profit after Tax/Total Income

15. No funds (which are material either individually or in the aggregate) 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 or entity, including foreign entity ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

16. No funds (which are material either individually or in the aggregate) have been received by the Company from any person or entity, including foreign entity ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

17. There is no "undisclosed income" which has been reported by the Company during the assessment.

(All amounts in ₹ Crore unless otherwise stated)

39. Additional Notes forming part of Standalone Financial Statements for the year ended 31st March, 2023 (Contd.)

18. The Company has not traded or invested in Crypto currency or Virtual Currency during the financial year.

19.1 Schedule to the Balance Sheet of a Non-Deposit taking Non-Banking Financial company (as required in terms of Annex II as amended from time to time of Systemically Important Non-Banking Financial (Non-Deposit Accepting or Holding) Companies Prudential Norms (Reserve Bank) Directions, 2016)

S.No.	Description	Amount Outstanding	Amount Overdue
		as at 31st March, 2023	
	Liabilities		
(1)	**Loans and advances availed by the NBFCs inclusive of interest accrued thereon but not paid:**		
A	Debentures	-	-
	- Secured	1,276.76	-
	- Unsecured (other than falling within the meaning of public deposits)	-	-
B	Deferred Credits	-	-
C	Term Loans (including Sub-Ordinated Debt)	16,346.03	-
D	Inter-Corporate Loans and Borrowings	-	-
E	Commercial Paper	1,397.19	-
F	Other Loans:	-	-
	i. Cash Credit & WCDL	5.56	-
	ii. Securitised Trust Borrowing	-	-
	Total	**19,025.54**	-

S.No.	Description	Amount Outstanding	Amount Overdue
		as at 31st March, 2022	
	Liabilities		
(1)	**Loans and advances availed by the NBFCs inclusive of interest accrued thereon but not paid:**		
A	Debentures	-	-
	- Secured	449.02	-
	- Unsecured (other than falling within the meaning of public deposits)	-	-
B	Deferred Credits	-	-
C	Term Loans (including Sub-Ordinated Debt)	10,778.41	-
D	Inter-Corporate Loans and Borrowings	-	-
E	Commercial Paper	1,795.29	-
F	Other Loans:	-	-
	i. Cash Credit & WCDL	11.08	-
	ii. Securitised Trust Borrowing	-	-
	Total	**13,033.80**	-

(All amounts in ₹ Crore unless otherwise stated)

39. Additional Notes forming part of Standalone Financial Statements for the year ended 31st March, 2023 (Contd.)

S.No.	Description	Amount Outstanding as at 31st March, 2023	Amount Outstanding as at 31st March, 2022
	Assets		
(2)	**Break-up of Loans and Advances including bills receivable (other than those included in (4) below) :**		
(a)	Secured	15,893.44	11,212.16
(b)	Unsecured considered good	5,361.71	3,190.81
(3)	**Break-up of Leased Assets and Stock on Hire and other Assets counting towards AFC activities:**		
	(i) Lease assets including lease rentals under sundry debtors:		
	(a) Financial lease	-	-
	(b) Operating lease	-	-
	(ii) Stock on Hire including hire charges under sundry debtors:		
	(a) Assets on hire	-	-
	(b) Repossessed assets	-	-
	(iii) Other Loan counting towards AFC activities:		
	(a) Loans where assets have been repossessed	-	-
	(b) Loans other than (a) above	-	-
	Total	**21,255.15**	**14,402.97**

S.No.	Description	Amount Outstanding	Amount Overdue
		as at 31st March, 2023	
4.	**Current Investments:**		
	1. Quoted:		
	(i) Shares: (a) Equity	-	-
	(b) Preference	-	-
	(ii) Debentures and Bonds	-	-
	(iii) Units of Mutual Funds	-	-
	(iv) Government Securities	-	-
	(v) Others	-	-
	2. Unquoted:		
	(i) Shares: (a) Equity	-	-
	(b) Preference	-	-
	(ii) Debentures and Bonds	-	-
	(iii) Units of Mutual Funds	-	-
	(iv) Government Securities	-	-
	(v) Others	-	-
	Long-term Investments:		
	1. Quoted:		
	(i) Shares: (a) Equity	-	-
	(b) Preference	-	-
	(ii) Debentures and Bonds	-	-
	(iii) Units of Mutual Funds	-	-
	(iv) Government Securities	-	-
	(v) Others	-	-

(All amounts in ₹ Crore unless otherwise stated)

39. Additional Notes forming part of Standalone Financial Statements for the year ended 31st March, 2023 (Contd.)

S.No.	Description	Amount Outstanding	Amount Overdue
		as at 31st March, 2023	
	2. Unquoted:		
	(i) Shares: (a) Equity	12.01	12.01
	(b) Preference	-	-
	(ii) Debentures and Bonds	-	-
	(iii) Units of Mutual Funds	-	-
	(iv) Government Securities	-	-
	(v) Others (Pass-through Certificates - Securitisation)	-	-
	Total	**12.01**	12.01

(5)	**Borrower group-wise classification of assets financed as in (2) and (3) above**			
	Category	**Amount (Net of provisions for Non-performing assets)**		
		Secured	**Unsecured**	**Total**
	1. Related Parties			
	(a) Subsidiaries	-	-	-
	(b) Companies in the same group	0.63	-	0.63
	(c) Other related parties	-	-	-
	2. Other than related parties	15,650.76	5,246.27	20,897.03
	Total	**15,651.39**	**5,246.27**	**20,897.66**

(6)	**Investor group-wise classification of all investments (current and long-term) in shares and securities (both quoted and unquoted)**		
	Category	**Market Value / Breakup or Fair Value of NAV**	**Book Value (Net of Provisions)**
1	Related parties		
	(a) Subsidiaries	12.01	12.01
	(b) Companies in the same group	-	-
	(c) Other related parties	-	-
2	Other than related parties	-	-
	Total	**12.01**	**12.01**

(7)	**Other Information**	**Amount**
(i)	Gross Non-performing assets	
	(a) Related Parties	-
	(b) Other than related parties	910.02
(ii)	Net Non-performing assets	
	(a) Related Parties	-
	(b) Other than related parties	552.53
(iii)	Assets acquired in satisfaction of debt	-

(All amounts in ₹ Crore unless otherwise stated)

39. Additional Notes forming part of Standalone Financial Statements for the year ended 31st March, 2023 (Contd.)

19.2 Disclosures required in terms of Annexure XIV of the RBI Master Direction DNBR. PD. 008/03.10.119/2016-17 dated 1st September, 2016 (Updated as on 22nd February, 2019) "Master Direction - Non-Banking Financial Company - Systemically Important Non - Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016.

(A) Capital Adequacy Ratio

Description	2022-23	2021-22
Tier I Capital	2,589.42	1,780.70
Tier II Capital	1,402.31	916.80
Total Capital	**3,991.73**	**2,697.50**
Total Risk Weighted Assets	**21,284.10**	**14,469.18**
Amount of Subordinated Debt as Tier II Capital (Discounted Value)	1,139.20	829.00
Capital Ratios		
Tier I Capital as a Percentage of Total Risk Weighted Assets (%)	12.17%	12.31%
Tier II Capital as a Percentage of Total Risk Weighted Assets (%)	6.59%	6.34%
Total (%)	**18.75%**	**18.64%**
Amount of Perpetual debt raised and qualifying as Tier I capital during the year	-	-
Amount of Subordinated debt raised and qualifying as Tier II capital during the year	600.00	449.00

(B) Investment

S.No.	Description	2022-23	2021-22
1.	**Value of Investments**		
	i) Gross Value of Investments		
	a) In India	12.01	12.01
	b) Outside India	-	-
	ii) Provision for Depreciation		
	a) In India	-	-
	b) Outside India	-	-
	iii) Net Value of Investments		
	a) In India	12.01	12.01
	b) Outside India	-	-
2.	**Movement of Provisions held towards depreciation on Investments**		
	i) Opening Balance	-	-
	ii) Add: Provisions made during the year	-	-
	iii) Less: Write off/write back of excess provisions during the year	-	-
	iv) Closing Balance	-	-

(C) Derivative

The Company has fully hedged all its foreign currency borrowing at the time of drawal of each loan.

(All amounts in ₹ Crore unless otherwise stated)

39. Additional Notes forming part of Standalone Financial Statements for the year ended 31st March, 2023 (Contd.)

(D) Exposure to Real Estate Sector, both Direct and Indirect

Description	2022-23	2021-22
(i) Direct Exposure		
(a) Residential Mortgages -		
Lending fully secured by mortgages on residential property that is or will be occupied by the borrower or that is rented	3.38	4.21
(b) Commercial Real Estate -		
Lending secured by mortgages on commercial real estates (office building, retail space, multi-purpose commercial premises, multi-family residential buildings, multi-tenanted commercial premises, industrial or warehouse space, hotels, land acquisition, development and construction etc.).	8.31	6.83
(c) Investments in Mortgage Backed Securities (MBS) and other Securitised exposures-		
a. Residential	-	-
b. Commercial Real Estate	-	-
(ii) Indirect Exposure		
Fund based and non-fund based exposures on National Housing Bank (NHB) and Housing Finance Companies(HFC's)	-	-

(E) Exposure to Capital Market

S.No.	Description	2022-23	2021-22
i	Direct Investment in equity shares, convertible bonds, convertible debentures and units of equity-oriented mutual funds the corpus of which is not exclusively invested in corporate debt.	-	-
ii	Advances against shares/bonds/debentures or other securities or on clean basis to individuals for investment in shares (including IPOs/ESOPs), convertible bonds, convertible debentures and units of equity-oriented mutual funds.	-	-
iii	Advances for any other purpose where shares or convertible bonds or convertible debentures or units of equity oriented mutual funds are taken as a primary security.	-	-
iv	Advances for any other purpose to the extent secured by the collateral security of shares or convertible bonds or convertible debentures or units of equity oriented mutual funds i.e. where the primary security other than shares/ convertible bonds/convertible debentures/units of equity oriented mutual funds does not fully cover the advances.	-	-
v	Secured and unsecured advances to stock brokers and guarantees issued on behalf of stock brokers and market makers.	-	-
vi	Loans sanctioned to corporates against the security of shares/bonds/debentures or other securities or on clean basis for meeting promoter's contribution to the equity of new companies in anticipation of raising resources.	-	-
vii	Bridge loans to companies against expected equity flows/issues.	-	-
viii	All exposures to Venture Capital Funds (both registered and unregistered)	-	-
ix	Underwriting commitments taken up by the NBFCs in respect of primary issue of shares or convertible bonds or convertible debentures or units of equity oriented mutual funds	-	-
x	Financing to stockbrokers for margin trading	-	-
xi	All exposures to Alternative Investment Funds (i) Category I (ii) Category II (iii) Category III	-	-

(All amounts in ₹ Crore unless otherwise stated)

39. Additional Notes forming part of Standalone Financial Statements for the year ended 31st March, 2023 (Contd.)

(F) Disclosure on Sectoral Exposures

S.No.	Sector	2022-23			2021-22		
		Total Exposure (includes on balance sheet and off-balance sheet exposure)	Gross NPA	% of Gross NPA	Total Exposure (includes on balance sheet and off-balance sheet exposure)	Gross NPA	% of Gross NPA
1	Agriculture and Allied Activities	5,727.06	460.43	8.04%	3,849.62	234.37	6.09%
2	Industry						
	i. MSME	293.13	4.44	1.51%	442.54	12.15	2.74%
	ii. Other	444.30	23.21	5.22%	83.68	3.67	4.38%
	Total	**737.43**	**27.65**	**3.75%**	**526.21**	**15.82**	**3.01%**
3	Services	-	-	-	-	-	-
4	Personal Loans	3,576.58	79.33	2.22%	1,620.50	20.36	1.26%
5	Others						
	i. Vehicles	9,714.04	305.59	3.15%	7,276.64	241.60	3.32%
	ii. Consumer Durable	1,217.36	22.87	1.88%	892.21	3.86	0.43%
	iii. Advance to Dealers	282.69	14.15	5.00%	237.78	12.98	5.46%
	Total	**11,214.09**	**342.61**	**3.06%**	**8,406.63**	**258.44**	**3.07%**

(G) Disclosure on Intra-Group Exposures

Description	2022-23	2021-22
Total amount of intra-group exposures	0.63	0.59
Total amount of top 20 intra-group exposures	0.63	0.59
Percentage of intra-group exposures to total exposure of the NBFC on borrower/customers	0.00%	0.00%

The above disclosure in note 39.2.C to 39.2.G also covers disclosure pursuant to Scale Based Regulation (SBR) disclosure requirements vide notification no. RBI/2021-22/112 DOR.CRE.REC.No.60/03.10.001/2021-22.

(H) Asset Liability Management Maturity Pattern of certain items of Assets and Liabilities

As at March 31, 2023										
Time Bucket	1 to7 days	8 to 14 days	15 days to 30 /31 days	Over 1 month up to 2 months	Over 2 months up to 3 months	Over 3 months up to 6 months	Over 6 months up to 1 year	Over 1 year up to 3 year	Over 3 year up to 5 year	Over 5 years
Deposits	-	-	-	-	-	-	5.72	-	-	-
Advances	581.40	387.60	415.29	1,057.66	1,219.94	2,285.29	4,103.24	8,959.05	2,077.05	168.63
Investments	-	-	-	-	-	-	-	-	-	12.01
Borrowings	0.16	-	180.16	719.82	1,441.78	1,201.71	4,738.43	7,424.56	1,348.88	200.00
Foreign Currency Assets	-	-	-	-	-	-	-	-	-	-
Foreign Currency Liabilities	-	-	-	-	-	377.90	343.80	893.57	-	-
Grand Total	**581.56**	**387.60**	**595.45**	**1,777.48**	**2,661.72**	**3,864.90**	**9,191.19**	**17,277.18**	**3,425.93**	**380.64**

(All amounts in ₹ Crore unless otherwise stated)

39. Additional Notes forming part of Standalone Financial Statements for the year ended 31st March, 2023 (Contd.)

As at March 31, 2022										
Time Bucket	1 to7 days	8 to 14 days	15 days to 30 /31 days	Over 1 month up to 2 months	Over 2 months up to 3 months	Over 3 months up to 6 months	Over 6 months up to 1 year	Over 1 year up to 3 year	Over 3 year up to 5 year	Over 5 years
Deposits	-	-	-	-	-	-	6.00	-	-	-
Advances	401.75	267.84	286.97	823.86	941.62	1,727.76	3,085.52	6,067.93	791.81	7.91
Investments	-	-	-	-	-	-	-	-	-	12.01
Borrowings	-	270.17	747.97	730.64	875.79	672.59	3,061.07	3,478.83	408.37	548.86
Foreign Currency Assets	-	-	-	-	-	-	-	-	-	-
Foreign Currency Liabilities	-	-	-	189.38	189.38	303.02	-	1,488.04	-	-
Grand Total	**401.75**	**538.01**	**1,034.94**	**1,743.88**	**2,006.79**	**2,703.37**	**6,152.59**	**11,034.80**	**1,200.18**	**568.78**

(I) Category-wise classification of frauds reported during the year vide DNBS.PPD.01/66.15.001/2016-17 dtd 29th September, 2016

There were 42 cases of frauds amounting to ₹ 3.13 crore reported during the year. (Previous year 33 cases amounting to ₹ 2.92 crore).

19.3 Disclosure relating Securitisation

(a) Outstanding amount of Securitised assets of as per books of SPVs

S.No.	Description	2022-23	2021-22
1.	No. of SPVs sponsored by the NBFC for securitisation transactions	-	-
2.	Total amount of securitised assets as per books of the SPVs sponsored by NBFC's	-	-
3.	Total amount of exposures retained by the NBFC to comply with MRR as on the date of balance sheet:		
	a) Off-balance sheet exposures		
	- First loss	-	-
	- Others	-	-
	b) On-balance sheet exposures		
	- First loss (cash collateral term deposits with banks)	-	-
	- Second Loss	-	-
	- Others	-	-
4.	Amount of exposures to securitisation transactions other than MRR		
	a) Off-balance sheet exposures		
	i) Exposure to own securitisations		
	- First loss	-	-
	- Loss	-	-
	ii) Exposure to third-party securitisations		
	- First loss	-	-
	- Others	-	-
	b) On-balance sheet exposures		
	i) Exposure to own securitisations		
	- First loss	-	-
	- Others	-	-
	ii) Exposure to third-party securitisations		
	- First loss	-	-
	- Others	-	-

(All amounts in ₹ Crore unless otherwise stated)

39. Additional Notes forming part of Standalone Financial Statements for the year ended 31st March, 2023 (Contd.)

(b) The value of "excess interest spread receivable" and "unrealised gain" on securitisation transactions undertaken in terms of guidelines on securitisation transaction issued by Reserve bank of India on 21st August, 2012 are given below:

S.No.	Description	2022-23		2021-22	
		Non-Current	Current	Non-Current	Current
1	Excess Interest Spread Receivable	-	-	-	-
2	Unrealised gain on Securitisation Transactions	-	-	-	-

(c) Details of Financial Assets sold to Securitisation/Reconstruction Company for Asset Reconstruction

Description	2022-23	2021-22
No. of Accounts	-	-
Aggregate value (net of Provisions) of accounts sold to SC/RC	-	-
Aggregate Consideration	-	-
Additional Consideration realised in respect of accounts transferred in earlier years	-	-
Aggregate Gain/Loss over net book value	-	-

(d) Details of Assignment Transactions undertaken by NBFCs

Description	2022-23	2021-22
No. of Accounts	-	-
Aggregate value (net of Provisions) of accounts sold	-	-
Aggregate Consideration	-	-
Additional Consideration realised in respect of accounts transferred in earlier years	-	-
Aggregate Gain/Loss over net book value	-	-

19.4 (a) Disclosure pursuant to Reserve Bank of India notification DNBR (PD) CC. No.0029/03.10.001/2014-15 dated 10th April, 2015

S.No.	Movement of NPA	2022-23	2021-22
(I)	**Net NPA to Net advances (%)**	**2.64%**	**1.85%**
(II)	**Movement of gross NPA***		
	a. Opening Balance	528.99	567.10
	b. Additions during the year	872.67	527.95
	c. Reductions during the year	259.36	267.52
	d. Write off during the year	232.28	298.54
	e. Closing Balance	910.02	528.99
(III)	**Movement of Net NPA**		
	a. Opening Balance	261.38	383.70
	b. Additions during the year	612.54	335.18
	c. Reductions during the year	89.11	158.96
	d. Write off during the year	232.28	298.54
	e. Closing Balance	552.53	261.38
(IV)	**Movement of Provision for NPAs****		
	a. Opening Balance	267.62	183.40
	b. Provisions made during the Year	260.12	192.77
	c. Reductions/Write off during the year	170.25	108.55
	d. Closing Balance	357.49	267.61

(All amounts in ₹ Crore unless otherwise stated)

39. Additional Notes forming part of Standalone Financial Statements for the year ended 31st March, 2023 (Contd.)

The Reserve Bank of India (RBI) vide its circular no. RBI/2021-2022/125 DOR.STR.REC.68/21.04.048/2021-22, dated 12th November, 2021 on "Prudential Norms on Income Recognition, Asset Classification and Provisioning (IRACP) pertaining to Advances - Clarifications", had clarified/harmonised certain aspects of extant regulatory guidelines with a view to ensuring uniformity in the implementation of IRACP norms across all lending institutions. The Company has since taken necessary steps to implement the provisions of this circular under IRACP norms for regulatory purposes. The aforementioned circular has no impact on the financial results for the quarter and year ended 31st March, 2023, as the Company continues to prepare financial statements in accordance with Indian Accounting Standards ('IND-AS') notified under the Companies (Indian Accounting Standards) Rules, 2015 as amended and the RBI circular dated 13th March, 2020 on "Implementation of Indian Accounting Standards.

* NPA figures includes provision on assets taken over from Chennai Business Consulting Services Limited (erstwhile TVS Finance and Services Limited) vide BTA dated 21st April, 2010.

** NPA figures mentioned above includes Restructured contracts under Prudential Framework for Resolution of Stressed Assets vide circular RBI/2018-19/203 DBR.No.BP.BC.45/21.04.048/2018-19 dated 7th June, 2019.

(b) Details of resolution plan implemented under the Resolution Framework for COVID-19-related Stress as per RBI circular dated 6th August, 2020 and RBI/2 021- 22/31/DOR.STR.REC.11 /21.04.048/2021-22 dated 5th May, 2021 are given below:

	(A)	(B)	(C)	(D)	(E)
Type of Borrower	Exposure to accounts classified as standard consequent to implementation of resolution plan - position as at the end of previous half-year (A)	Of (A), aggregate debt that slipped into NPA during the half-year	Of (A), amount written off during the half-year	Of (A), amount paid by borrowers during the half-year	Exposure to accounts classified as standard consequent to implementation of resolution plan - position as at the end of this half-year (A)
Personal Loans	88.07	8.29	1.13	30.86	47.79
Corporate persons	4.72	-	-	2.06	2.66
Of which, MSMEs	4.72	-	-	2.06	2.66
Others	-	-	-	-	-
Total	**92.79**	**8.29**	**1.13**	**32.92**	**50.45**

(c) Disclosure on restructured accounts under Prudential Framework for Resolution of Stressed Assets vide circular RBI/2018-19/203 DBR.No.BP.BC.45/21.04.048/2018-19 dated 7th June, 2019

Particulars		Amount
Restructured loans as on 1st April, 2022	Amount Outstanding	94.62
	Provision thereon	52.07
Fresh restructuring during the year	Amount Outstanding	-
	Provision thereon	-
Reductions during the year	Amount Outstanding	35.94
	Provision thereon	25.69
Write-off of restructured accounts during the year	Amount Outstanding	20.94
	Provision thereon	11.10
Restructured loans as on 31st March, 2023	Amount Outstanding	37.74
	Provision thereon	15.28

(All amounts in ₹ Crore unless otherwise stated)

39. Additional Notes forming part of Standalone Financial Statements for the year ended 31st March, 2023 (Contd.)

(d) Provisions and Contingencies

Break-up of 'Provisions and Contingencies' shown under the Head Expenditure in Statement of Profit and Loss

Description	31st March, 2023	31st March, 2022
Provision for Depreciation on Investments	-	-
Provision/Impairment allowance towards NPA (Net)	89.88	84.21
Provision/Impairment allowance towards Standard Assets	231.52	14.78
Provision/Impairment allowance on trade receivables & Other Financial Assets	0.02	7.85
Provision made towards Income Tax	197.78	64.84
Other Provision and Contingencies	-	-
Total	**519.20**	**171.68**

19.5 Disclosure as required by DOR (NBFC).CC.PD.No.109/22.10.106/2019-20
Comparison between ECL as per books and RBI provision as at 31st March, 2023

Asset Classification as per RBI Norms	Asset classification as per IND-AS 109	Gross Carrying Amount as per IND-AS 109	Loss Allowances (Provisions) as required under IND-AS 109	Net Carrying Amount	Provisions required as per IRACP norms	Difference between IND-AS 109 provisions and IRACP norms
Performing Assets						
Standard	Stage 1	19,639.93	263.11	19,376.82	78.56	184.55
	Stage 2	705.20	89.46	615.74	5.98	83.48
Subtotal		**20,345.13**	**352.57**	**19,992.56**	**84.54**	**268.03**
Non-Performing Assets (NPA)						
Substandard	Stage 3	761.05	267.74	493.31	124.71	143.03
Doubtful - up to 1 year	Stage 3	110.84	51.78	59.06	39.10	12.68
1 to 3 years	Stage 3	9.94	9.82	0.12	7.29	2.53
More than 3 years	Stage 3	2.71	2.67	0.04	2.29	0.38
Subtotal for doubtful		**123.49**	**64.27**	**59.22**	**48.68**	**15.59**
Loss	Stage 3	25.48	25.48	-	25.48	-
Subtotal for NPA		**910.02**	**357.49**	**552.53**	**198.87**	**158.62**
Total	**Stage 1**	**19,639.93**	**263.11**	**19,376.82**	**78.56**	**184.55**
	Stage 2	**705.20**	**89.46**	**615.74**	**5.98**	**83.48**
	Stage 3 *	**910.02**	**357.49**	**552.53**	**198.87**	**158.62**
	Total	**21,255.15**	**710.06**	**20,545.09**	**283.41**	**426.65**

* Includes restructured contracts under Prudential Framework for Resolution of Stressed Assets vide circular RBI/2018-19/203 DBR.No.BP.BC.45/21.04.048/2018-19 dated 7th June 2019 irrespective of days past due on the reporting date.

* Includes contracts vide circular RBI/2021-2022/125 DOR.STR.REC.68/21.04.048/2021-22 dated 12th November 2021 even though days past due on reporting date is less than 91.

(All amounts in ₹ Crore unless otherwise stated)

39. Additional Notes forming part of Standalone Financial Statements for the year ended 31st March, 2023 (Contd.)

As at 31st March,2022

Asset Classification as per RBI Norms	Asset classifi-cation as per IND-AS 109	Gross Carrying Amount as per IND-AS 109	Loss Allowances (Provisions) as required under IND-AS 109	Net Carrying Amount	Provisions required as per IRACP norms	Difference between IND-AS 109 provisions and IRACP norms
Performing Assets						
Standard	Stage 1	12,776.84	87.80	12,689.03	51.11	36.69
	Stage 2	1,097.14	33.25	1,063.89	21.25	11.99
Subtotal		**13,873.97**	**121.05**	**13,752.92**	**72.36**	**48.68**
Non-Performing Assets (NPA)						
Substandard	Stage 3	351.07	158.91	192.17	68.29	90.61
Doubtful - up to 1 year	Stage 3	142.57	73.35	69.21	36.58	36.77
1 to 3 years	Stage 3	7.45	7.45	-	3.00	4.45
More than 3 years	Stage 3	2.42	2.42	-	1.38	1.04
Subtotal for doubtful		**152.44**	**83.22**	**69.21**	**40.96**	**42.26**
Loss	Stage 3	25.48	25.48	-	25.48	-
Subtotal for NPA		**528.99**	**267.61**	**261.38**	**134.73**	**132.87**
Total	**Stage 1**	**12,776.83**	**87.80**	**12,689.03**	**51.11**	**36.69**
	Stage 2	**1,097.14**	**33.25**	**1,063.89**	**21.25**	**11.99**
	Stage 3	**528.99**	**267.61**	**261.38**	**134.73**	**132.87**
	Total	**14,402.97**	**388.66**	**14,014.30**	**207.09**	**181.55**

In terms of the above notification on the implementation of Indian Accounting Standards, Non-Banking Financial Companies (NBFCs) are required to create an Impairment reserve for any shortfall in Impairment allowances under IND-AS 109 and Income Recognition, Asset Classification and Provisioning (IRACP) norms (including a provision on standard assets). The impairment allowances under IND-AS 109 made by the Company exceed the total provision required under IRACP (including standard asset provisioning), as at 31st March, 2023 and as at 31st March, 2022 and accordingly, no amount is required to be transferred to Impairment Reserve.

19.6 Concentration of Advances, Exposures & NPAs (Stage 3 Assets)

(a) Concentration of Advances

Description	2022-23	2021-22
Total Advances to twenty largest borrowers	126.91	131.36
Percentage of Advances to twenty largest borrowers to Total Advances	0.60%	0.91%

(b) Concentration of Exposures

Description	2022-23	2021-22
Total Exposures to twenty largest borrowers/customers	126.91	131.36
Percentage of Exposures to twenty largest borrowers to Total Advances	0.60%	0.91%

(c) Concentration of NPAs

Description	2022-23	2021-22
Total Exposure to Top Four NPA Accounts	2.29	4.18

(All amounts in ₹ Crore unless otherwise stated)

39. Additional Notes forming part of Standalone Financial Statements for the year ended 31st March, 2023 (Contd.)

19.7 a. Summary information on complaints received by the NBFCs from customers

Description	2022-23	2021-22
No. of Complaints pending at the beginning of the year	7	43
No. of Complaints received during the year	4,490	3,733
No. of complaints disposed during the year	4,341	3,769
of which No. of complaints rejected by the NBFC	27	-
No. of complaints pending at the end of the year	156	7

b. Maintainable complaints received by the NBFCs from offices of Ombudsman

Description	2022-23	2021-22
No. of complaints received by the NBFC from the office of Ombudsman	222	-
No. of complaints resolved in favour of the NBFC by office of Ombudsman	215	-
No. of complaints resolved after passing of awards by office of Ombudsman against the NBFC	-	-
No. of complaints resolved through conciliation/mediation/advisories issued by office of Ombudsman	7	-
Number of awards unimplemented within the stipulated time (other than those appealed)	-	-

c. Details of awards unimplemented within the stipulated time

Description	2022-23	2021-22
No. of awards unimplemented within the stipulated time (other than those appealed)	-	-

d. Top five grounds of complaints received by the NBFCs from customers

Grounds of Complaints	No. of Complaints pending at the beginning of the Year	No. of Complaints received during the Year	% Increase/ Decrease in the no. of Complaints received over the previous year	No. of Complaints pending at the end of the Year	No. of Complaints pending beyond 30 Days
2022-23					
(a) Charges Waiver	1	509	83%	8	2
(b) Executive Behaviour problem	-	500	108%	19	-
(c) Loan Cancellation	1	350	100%	20	1
(d) Stop Promotional SMS/Calls	-	338	135%	9	-
(e) Loan Application Cancellation Request	-	306	100%	6	-
(f) Others	5	2,487	132%	87	7
2021-22					
(a) Charges Waiver	7	610	265%	1	-
(b) Executive Behaviour problem	6	465	85%	-	-
(c) Loan settlement	-	345	100%	-	-
(d) Stop Promotional SMS/Calls	-	251	1091%	-	-
(e) CIBIL Issue	5	184	418%	-	-
(f) Others	25	1,878	137%	6	-

The above disclosure in note 39.19.7 also covers disclosure pursuant to Scale Based Regulation (SBR) disclosure requirements vide notification no. RBI/2021-22/112 DOR.CRE.REC.No.60/03.10.001/2021-22.

(All amounts in ₹ Crore unless otherwise stated)

39. Additional Notes forming part of Standalone Financial Statements for the year ended 31st March, 2023 (Contd.)

19.8 Details of non-performing financial assets purchased/sold

Description	2022-23	2021-22
No. of Accounts	-	-
Aggregate Outstanding	-	-
Aggregate Consideration Received	-	-

19.9 Registration under Other Regulators

S.No.	Regulator	Registration No.
1	Ministry of Company Affairs	CIN:U65920TN2008PLC069758
2	Reserve Bank of India	Certificate of Registration dt 13/04/2010 No. 07-00783

19.10 Disclosure of penalties imposed by RBI and other regulators

No penalties have been imposed by RBI and other regulators during the FY 2022-23 and FY 2021-22.

19.11 Details of financing of parent company products

During the year the Company has financed 5,71,390 nos. of two-wheelers and 57 nos. of three-wheelers of TVS Motor Company Limited as against 4,76,643 nos. of two-wheelers and Nil nos. of three-wheelers in the previous year.

19.12 Ratings assigned by Credit Rating Agencies

Description	2022-23	2021-22
Commercial Paper/Short term loans	CRISIL A1+/ ICRA A1+	CRISIL A1+/ICRA A1+
Cash Credit/ Working Capital Demand Loans	CRISIL AA	CRISIL AA-/BWR AA
Long Term Loans	CRISIL AA / ICRA AA	CRISIL AA-/ ICRA AA- / BWR AA
Non-Convertible Debentures - Long Term	CRISIL AA	CRISIL AA-
Perpetual Debt (Tier I Capital)	CRISIL AA- / ICRA AA-	CRISIL A+/BWR AA-
Subordinated Debt (Tier II Capital)	CRISIL AA / BWR AA	CRISIL AA-/BWR AA

19.13 Directors' Sitting Fees and Commission

S.No.	Name of the Director	Nature	2022-23	2021-22
1	Mr. Venu Srinivasan	Sitting Fees*	-	0.01
		Commission	-	-
2	Mr.Sudarshan Venu	Sitting Fees	0.01	0.01
		Commission	-	-
3	Mr.K.N. Radhakrishnan	Sitting Fees	0.02	0.02
		Commission	-	-
4	Mr V. Srinivasa Rangan	Sitting Fees	0.02	0.02
		Commission	0.16	0.13
5	Ms.Sasikala Varadhachari	Sitting Fees	-	0.01
		Commission	-	0.04
6	Mr.Balasubramanyam Sriram	Sitting Fees	0.02	0.01
		Commission	0.16	0.13
7	Mr.R. Gopalan	Sitting Fees	0.02	0.01
		Commission	0.16	0.13
8	Ms.Kalpana Unadkat	Sitting Fees	0.02	0.01
		Commission	0.16	0.09
	Total		**0.75**	**0.62**

* The amounts mentioned are below the rounding off norms of the Company.

(All amounts in ₹ Crore unless otherwise stated)

39. Additional Notes forming part of Standalone Financial Statements for the year ended 31st March, 2023 (Contd.)

19.14 Details of Single Borrower Limits (SBL)/Group Borrower Limits (GBL) exceeded

The Company has not exceeded the Single Borrower Limit and Group Borrowers Limit as set by Reserve Bank of India for the year ended 31st March, 2023.

19.15 Advance against Intangible Securities

The Company has not given any loans against intangible securities.

19.16 Related Party Transactions

Refer Note 38 to IND-AS financial statements.

19.17 Derivatives

1. Forward Rate Agreement/Interest Rate Swap

S.No.	Description	2022-23	2021-22
(i)	Notional principal of swap agreements	1,473.21	2,108.05
(ii)	Losses which would be incurred if counterparties failed to fulfil their obligations under the agreements	-	-
(iii)	Collateral required by the NBFC upon entering into swaps	-	-
(iv)	Concentration of credit risk arising from the swaps	-	-
(v)	Fair value of the swap books	1,644.07	2,172.11

2. Exchange Traded Interest Rate (IR) Derivatives

S.No.	Description	Amount
(i)	Notional principal amount of exchange traded IR derivatives undertaken during the year (instrument-wise)	-
(ii)	Notional principal amount of exchange traded IR derivatives outstanding as on 31st March, 2023 (instrument-wise)	-
(iii)	Notional principal amount of exchange traded IR derivatives outstanding and not " highly effective" (instrument-wise)	-
(iv)	Mark-to-market value of exchange traded IR derivatives outstanding and not "highly effective" (instrument-wise)	-

3. Disclosure on Risk Exposure in Derivatives

Towards the foreign currency loan availed, the Company has taken forward cover to hedge the foreign current risks and cross currency interest rate swap.

S.No.	Description	31st March, 2023	31st March, 2022
i)	Outstanding Derivatives		
	For Hedging (Currency/Interest Rate Derivatives)	1,644.07	2,172.11
ii)	Marked to Market Positions		
	a) Asset (+)	170.86	64.06
	b) Liability (-)	-	-
iii)	Credit Exposure	1,473.21	2,108.05
iv)	Unhedged Exposures	-	-

19.18 Overseas assets (for those with JV and Subsidiaries abroad)

There are no overseas assets owned by the Company during the year ended 31st March, 2023 and 31st March, 2022.

19.19 Drawdown from Reserves

No draw down from reserves existed for the year ended 31st March, 2023 and 31st March, 2022.

(All amounts in ₹ Crore unless otherwise stated)

39. Additional Notes forming part of Standalone Financial Statements for the year ended 31st March, 2023 (Contd.)

19.20 Off balance sheet SPV sponsored

There are no SPVs which are required to be consolidated by the Company during the year ended 31st March, 2023 and 31st March, 2022.

19.21 There are no prior period items accounted during the year.

19.22 There are no circumstances in which revenue recognition postponed pending the resolution of significant uncertainties.

19.23 Disclosures as required for liquidity risk as required by Circular DOR.NBFC (PD) CC. No.102/03.10.001/2019-20 dated 4th November, 2019

(i) Funding Concentration based on significant counterparty (both deposits and borrowings)

Particulars	As at 31st March, 2023	As at 31st March, 2022
Number of significant counter parties*	22	25
Amount (₹ In Cr)	17,110.12	12,169.87
Percentage of funding concentration to total deposits	NA	NA
Percentage of funding concentration to total liabilities**	85.59%	89.51%

* Significant counterparty is as defined in RBI Circular RBI/2019-20/88 DOR.NBFC (PD) CC.No.102/03.10.001/2019-20 dated 4th November, 2019 on Liquidity Risk Management Framework for Non-Banking Financial Companies and Core Investment Companies.

** Total Liabilities has been computed as Total Assets less Equity Share Capital less Reserves & Surplus and computed basis extant regulatory ALM guidelines..

(ii) Top 20 large deposits (amount in ₹ Cr and % of total deposits) - NA

(iii) Top 10 borrowings (amount in ₹ Cr and % of total borrowings)

Particulars	As at 31st March, 2023	As at 31st March, 2022
Total amount of top 10 borrowings	5,458.75	4,360.57
Percentage of amount of top 10 borrowings to total borrowings	28.93%	33.64%

(iv) Funding concentration based on significant instrument/product*

Particulars	As at 31st March, 2023	Percentage of Total Liabilities	As at 31st March, 2022	Percentage of Total Liabilities
Term Loans from Banks	10,243.50	51.24%	6,069.73	44.64%
External Commercial Borrowings	1,615.27	8.08%	2,169.82	15.96%
Sub-ordinated Debts	1,644.92	8.23%	1,193.48	8.78%
Term Loan from Financial Institution	200.00	1.00%	-	0.00%
Commercial Paper	1,382.04	6.91%	1,788.69	13.15%
Non-Convertible Debentures	1,225.00	6.13%	424.99	3.13%
Working Capital Demand Loan	2,460.00	12.31%	1,204.00	8.85%

* Significant instrument/product is as defined in RBI Circular RBI/2019-20/88 DOR.NBFC (PD) CC.No.102/03.10.001/2019-20 dated 4th November, 2019 on Liquidity Risk Management Framework for Non-Banking Financial Companies and Core Investment Companies.

(All amounts in ₹ Crore unless otherwise stated)

39. Additional Notes forming part of Standalone Financial Statements for the year ended 31st March, 2023 (Contd.)

(v) Stock Ratios

S.No.	Particulars	As at 31st March, 2023	As at 31st March, 2022
1.	Commercial papers as a % of total public funds	7.32%	13.80%
2.	Commercial papers as a % of total liabilities	6.91%	13.15%
3.	Commercial papers as a % of total assets	6.07%	11.57%
4.	Non-convertible debentures (original maturity of less than one year) as a % of total public funds	NA	3.28%
5.	Non-convertible debentures (original maturity of less than one year) as a % of total liabilities	NA	3.13%
6.	Non-convertible debentures (original maturity of less than one year) as a % of total assets	NA	2.75%
7.	Other short-term Liabilities as a % of total public funds	46.29%	41.75%
8.	Other short-term Liabilities as a % of total liabilities	43.70%	39.81%
9.	Other short-term Liabilities as a % of total assets	38.40%	35.01%

* Other Short-term Liabilities is computed as current maturities of long-term debt, short-term bank borrowings including outstanding CC/WCDL and other short-term liabilities has been considered, but excludes commercial paper and Non-convertible debentures (original maturity of less than one year).

* Public funds are as defined in Master Direction - Non-Banking Financial Company – Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Direction, 2016.

(vi) Institutional set-up for Liquidity Risk Management

The Company constituted an Asset Liability Management Committee as a guideline issued by RBI to NBFCs. ALCO consists of members having the requisite skill set and expertise in the business and sector of the Company. ALCO monitors asset-liability mismatches to ensure that there are no excessive imbalances on either side of the balance sheet and also reviews the Asset Liability Management strategy. The borrowing strategy of the Company has always been in tandem with assets composition with appropriate consideration for mitigation of interest rate and liquidity risk. The Asset Liability Committee constantly reviews and monitors the funding mix and ensures the optimum mix of funds based on the cash flow requirements, and market conditions and keeping the interest rate view in consideration. The Company has put in place robust processes to monitor and manage liquidity risks. ALCO supervises the liquidity management of the Company at regular intervals.

The Company has taken various initiatives to raise funds at a cost commensurate with its rating by way of a diversified mix of borrowings with respect to the source, type of instrument, tenure, and nature of security. The Company has raised subordinated debt (Tier II) to the extent of ₹600 Cr with participation from Assets Management Companies and maiden investment by leading Insurance Companies during the year ended 31st March, 2023.

(vii) Disclosure on Liquidity Coverage Ratio (LCR)

The Liquidity Coverage Ratio (LCR) is a key compliance requirement for NBFCs. Its objective is to ensure short-term resilience of the liquidity risk profile of the NBFCs by way of maintenance of adequate High-Quality Liquid Assets (HQLA) to survive a significant financial/economic stress scenario lasting for thirty days period. The Company is maintaining adequate liquidity to manage its commitments. Additionally, the Company has unutilised sanctioned lines of credit from banks to meet liquidity needs.

In line with RBI regulations, the cash outflows and inflows have been stressed by 115% and 75% of their respective original values for computing LCR. The key drivers on the inflow side are the expected collections from the performing assets of the company and on the outflow side the scheduled maturities of borrowings. The High Quality Liquid Assets are entirely held in the assets, without any haircut. The LCR has been consistently maintained above 100% through the year which is well over the regulatory threshold of 70% (60% up to 30th November, 2022).

(All amounts in ₹ Crore unless otherwise stated)

39. Additional Notes forming part of Standalone Financial Statements for the year ended 31st March, 2023 (Contd.)

S.No.	Particulars	Q1 FY23		Q2 FY23		Q3 FY23		Q4 FY23	
		Total Unweighted Value (average) (i)	Total Weighted Value (average) (ii)	Total Unweighted Value (average) (i)	Total Weighted Value (average) (ii)	Total Unweighted Value (average) (i)	Total Weighted Value (average) (ii)	Total Unweighted Value (average) (i)	Total Weighted Value (average) (ii)
	High Quality Liquid Assets								
1	Total High Quality Liquid Assets (HQLA)	677.18	677.18	1,259.10	1,259.10	1,572.94	1,572.94	1,635.07	1,635.07
	Cash Outflows								
2	Deposits (for deposit taking companies)	-	-	-	-	-	-	-	-
3	Unsecured wholesale funding **(iii)**	593.41	682.42	619.57	712.50	619.57	712.50	766.67	881.67
4	Secured wholesale funding **(iv)**	390.63	449.22	573.76	659.82	803.16	923.63	680.80	782.92
5	Additional requirements, of which	-	-	-	-	-	-	-	-
i)	Outflows related to derivative exposures and other collateral requirements	-	-	-	-	-	-	-	-
ii)	Outflows related to loss of funding on debt products	-	-	-	-	-	-	-	-
iii)	Credit and liquidity facilities	-	-	-	-	-	-	-	-
6	Other contractual funding obligations	243.41	279.92	253.11	291.08	333.17	383.15	296.82	341.34
7	Other contingent funding obligations	46.29	53.24	46.29	53.24	46.29	53.24	46.29	53.23
8	**TOTAL CASH OUTFLOWS**	**1,273.74**	**1,464.80**	**1,492.73**	**1,716.64**	**1,802.19**	**2,072.52**	**1,790.58**	**2,059.17**
	Cash Inflows								
9	Secured lending	974.71	731.03	985.26	738.95	1,011.13	758.35	1,147.13	860.35
10	Inflows from fully performing exposures	338.52	253.89	340.33	255.25	345.44	259.08	394.17	295.63
11	Other cash inflows	12.00	9.00	13.99	10.49	18.18	13.64	18.36	13.77
12	**TOTAL CASH INFLOWS**	**1,325.23**	**993.92**	**1,339.58**	**1,004.68**	**1,374.76**	**1,031.07**	**1,559.66**	**1,169.75**
			Total Adjusted Value		Total Adjusted Value		Total Adjusted Value		Total Adjusted Value
	TOTAL HQLA		**677.18**		**1,259.10**		**1,572.94**		**1,635.07**
	TOTAL NET CASH OUTFLOWS (Weighted value of Total Cash Outflows – Minimum of (Weighted value of Total Cash Inflows, 75% of Weighted value of Total Cash Outflows))		**470.88**		**711.96**		**1,041.45**		**889.42**
	LIQUIDITY COVERAGE RATIO (%)		**144%**		**177%**		**151%**		**184%**

(All amounts in ₹ Crore unless otherwise stated)

39. Additional Notes forming part of Standalone Financial Statements for the year ended 31st March, 2023 (Contd.)

S.No.	High Quality Liquid Assets (HQLA)	Q2 FY23		Q2 FY23		Q3 FY23		Q4 FY23	
		Total Unweighted Value (average) (i)	Total Weighted Value (average) (ii)	Total Unweighted Value (average) (i)	Total Weighted Value (average) (ii)	Total Unweighted Value (average) (i)	Total Weighted Value (average) (ii)	Total Unweighted Value (average) (i)	Total Weighted Value (average) (ii)
1	Assets to be included as HQLA without any haircut	677.18	677.18	1,259.10	1,259.10	1,572.94	1,572.94	1,635.07	1,635.07
2	Assets to be considered for HQLA with a minimum haircut of 15%	-	-	-	-	-	-	-	-
3	Assets to be considered for HQLA with a minimum haircut of 50%	-	-	-	-	-	-	-	-
4	Approved securities held as per the provisions of section 45 IB of RBI Act	-	-	-	-	-	-	-	-
	Total HQLA	677.18	677.18	1,259.10	1,259.10	1,572.94	1,572.94	1,635.07	1,635.07

(i) Unweighted values calculated as outstanding balances maturing within one month (for inflows and outflows).

(ii) Weighted values calculated after the application of respective haircuts (for HQLA) and stress factors on inflow (75%) and outflow (115%).

(iii) Unsecured wholesale funding includes cash outflow on account of Commercial Paper and other unsecured borrowing repayments.

(iv) Secured wholesale funding includes all Secured borrowing repayments.

19.24 Summary of total borrowings, receivables and provision

Category-wise breakup	2022-23	2021-22
Secured:		
Term Loan from Banks	12,058.77	8,244.47
Working Capital Demand Loan	2,195.16	1,197.62
Non-Convertible Debentures	1,225.00	424.99
Securitised Trust Borrowing	-	-
Unsecured:		
Term Loan from Banks	-	-
Working Capital Demand Loan	265.00	15.00
Commercial Paper	1,382.04	1,788.69
Subordinated Debts	1,644.92	1,193.48
Perpetual Debt	99.88	99.86
Total	**18,870.77**	**12,964.11**

(All amounts in ₹ Crore unless otherwise stated)

39. Additional Notes forming part of Standalone Financial Statements for the year ended 31st March, 2023 (Contd.)

Total Loans

Description	2022-23	2021-22
Category-wise breakup		
Secured Loans	15,893.44	11,212.16
Unsecured Loans	5,361.71	3,190.81
Total Loans	**21,255.15**	**14,402.97**
Less: Impairment Allowance	710.06	388.66
Net Loans	**20,545.09**	**14,014.31**

Total Assets Provisions

Description	31st March, 2023	31st March, 2022
Provision/Impairment allowance towards NPA	357.49	267.61
Provision/Impairment allowance towards Standard Assets	352.57	121.05
Provision/Impairment allowance for Trade Receivables and other Financial Assets	29.88	29.25
Total	**739.94**	**417.91**

20. Disclosure pursuant to Para 5 of the Annex XVII of the Master Direction on NBFC-NDSI 2016

Particulars	31st March, 2023	31st March, 2022
Fund raised through PDI during the year	-	-
Outstanding at the end of the FY	99.88	99.86
Percentage of PDI to Tier I capital	3.9%	5.6%
FY in which interest for PDI Not Paid	NA	NA

21. Disclosure pursuant to RBI/2022-23/29 DOR.CRE.REC.No.25/03.10.001/2022-23:

Loans to Directors, Senior Officers and relatives of Directors:

Particulars	31st March, 2023	31st March, 2022
Directors and their relatives	-	-
Entities associated with directors and their relatives	7.00	-
Senior Officers and their relatives	-	-

The above notification is applicable w.e.f. October 01, 2022 and the transactions have been disclosed accordingly.

(All amounts in ₹ Crore unless otherwise stated)

39. Additional Notes forming part of Standalone Financial Statements for the year ended 31st March, 2023 (Contd.)

22. Disclosure pursuant to Scale Based Regulation (SBR) disclosure requirements vide notification no. RBI/2021-22/112 DOR.CRE.REC.No.60/03.10.001/2021-22:

The Statutory Auditors have not expressed any modified opinion on the financial statement for the year ended March 31, 2023.

As per our report of even date

For Sundaram & Srinivasan
Chartered Accountants
ICAI Regn No. FRN 004207S

S. Usha
Partner
Membership No. 211785

For CNGSN & Associates LLP
Chartered Accountants
ICAI Regn No. FRN 004915S

C.N. Gangadaran
Partner
Membership No. 011205

Place : Chennai
Date : 3rd May, 2023

For and on behalf of the Board of Directors of
TVS Credit Services Limited

Sudarshan Venu
Chairman
DIN-03601690

Ashish Sapra
Chief Executive Officer

Roopa Sampath Kumar
Chief Financial Officer

Anand Vasudev
Company Secretary

Place : Chennai
Date : 3rd May, 2023

To the Members of TVS Credit Services Limited

Report on the Consolidated Financial Statements

Opinion

We have audited the accompanying consolidated financial statements of TVS Credit Services Limited ("the Parent"/"the Holding Company") and its three subsidiaries (the Parent/Holding Company and its subsidiaries together referred to as"the Group"), which comprise the Consolidated Balance Sheet as at 31st March, 2023 and the Consolidated Statement of Profit and Loss, the Consolidated Cash Flow Statement for the year ended 31st March, 2023, and a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us and based on the consideration of reports of the other auditors on separate financial statements of the subsidiaries, the aforesaid consolidated 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 Accounting Standards prescribed under Section 133 of the Act read with the Companies (Accounting Standards) Rules, 2006, as amended ("Accounting Standards"), and other accounting principles generally accepted in India, of the consolidated state of affairs of the Group as at 31st March, 2023 and their consolidated profit, and their consolidated cash flows for the year ended 31st March, 2023.

Basis for Opinion

We conducted our audit of the consolidated financial statements in accordance with the Standards on Auditing specified under Section 143 (10) of the Act (SAs). Our responsibilities under those Standards are further described in the Auditor's Responsibility for the Audit of the Consolidated Financial Statements Section of our Report. We are independent of the Group in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI), together with the ethical requirements that are relevant to our audit of the consolidated 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 and the audit evidence obtained by other auditors in terms of their reports referred to in the sub-paragraphs (a) and (b) of the Other Matter Section below is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of the most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated 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.

Key Audit Matter	How our Audit addressed the Key Matter
Impairment Loss Allowance Management's judgements in the calculation of impairment allowances have a significant impact on the financial statements. The estimates regarding impairment allowances are complex and require a significant degree of judgement, which increased with the implementation of the Expected Credit Loss ("ECL") approach as required by IND-AS 109 relating to "Financial instruments." Management is required to determine the expected credit loss that may occur over either a 12-month period or the remaining life of an asset, depending on the categorisation of the individual asset. The key areas of judgement include: 1. Categorisation of loans in Stage I, II and III based on the identification of: (a) Exposures with a significant increase in credit risk since their origination and (b) Individually impaired/default exposures.	• We obtained an understanding of Management's assessment of the impairment of loans and advances, including the IND-AS 109 implementation process, internal rating model, impairment allowance policy and ECL modelling methodology. • We assessed the design and implementation and tested the operating effectiveness of controls over the modelling process, including governance over monitoring of the model and approval of key assumptions. • We also verified the key judgements and assumptions relating to the macroeconomic scenarios, including the impact of the COVID-19 pandemic and the associated probability weights. • We also assessed the approach of the Group for categorisation of the loans in various stages, reflecting the inherent risk in the respective loans.

Key Audit Matter	How our Audit Addressed the Key Matter
2. Techniques used to determine Loss Given Default ('LGD') and Probability of Default ('PD') to calculate an ECL based on experience. 3. The impact of different future macroeconomic conditions in the determination of ECL. These judgements required the models to be reassessed, including the impact of the COVID-19 pandemic, to measure the ECL. Management has made several interpretations and assumptions when designing and implementing models that are compliant with the standard. The accuracy of data flows, and the implementation of related controls is critical for the integrity of the estimated impairment provisions. Given the significance of judgements and the high complexity related particularly to the calculation of ECL, we considered this area as a key audit matter.	• For a sample of financial assets, we tested the correctness of Staging, the reasonableness of PD, and the accuracy of LGD and ECL computation. • We have also verified the compliance of circulars issued by the Reserve Bank of India from time to time during the year on this subject. As a result of the above audit procedures, no material differences were noted. We confirm the adequacy of disclosures made in the financial statements.
IT Systems and Controls The Group's key financial accounting and reporting processes are highly dependent on the automated controls in information systems, Any control lapses, validation failures, incorrect input data and wrong extraction of data may result in the financial accounting and reporting records being misstated.	We tested a sample of key controls operating over the information technology in relation to financial accounting and reporting systems, including system access and system change management, programme development and computer operations. We tested the design and operating effectiveness of key controls over user access management which includes granting access rights, new user creation, removal of user rights and preventative controls designed to enforce segregation of duties. We have focused on user access management, change management, segregation of duties, system reconciliation controls, and system application controls over key financial accounting and reporting systems. Reliance was also placed on the System Audit report of the Group. Based on our review, no material weakness was found in the IT Systems and Controls.

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

- The Parent's/Holding Company's Board of Directors is responsible for the other information. The other information comprises the Board Report but does not include the Consolidated Financial Statements, Standalone Financial Statements, and our Auditor's Report thereon.
- In connection with our audit of the Consolidated Financial Statements, our responsibility is to read the other information, compare with the financial statements of the Subsidiaries audited by the other auditors to the extent it relates to these entities and, in doing so, place reliance on the work of the other auditors and consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated. Other information so far as it relates to the subsidiaries is traced from their financial statements audited by the other auditor.
- 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.

Management's Responsibility for the Consolidated Financial Statements

The Parent's/ Holding 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 Consolidated Financial Statements that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Group in accordance with the Accounting Standards and other accounting principles generally accepted in India. The respective Board of Directors of the companies included in the Group are responsible for the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgements 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, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Parent/ Holding Company, as aforesaid.

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

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

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

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

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

- Identify and assess the risks of material misstatement of the Consolidated Financial Statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal financial control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Parent/ Holding Company has an adequate internal financial controls system 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 ability of the Group to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our Auditor's Report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our Auditor's Report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entity within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of the entity included in the consolidated financial statements of which we are the independent auditors. For the other entity included in the consolidated financial statements, which have been audited by the other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

Materiality is the magnitude of misstatements in the consolidated financial statements that, individually or in aggregate, make it probable that the economic decisions of a reasonably knowledgeable user of the consolidated 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 consolidated financial statements.

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

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

Other Matter

a) We did not audit the financial statements/financial information of three subsidiaries, whose financial statements/ financial information reflect total assets of ₹14.77 Cr as of 31st March, 2023 total revenues of ₹0.73 Cr and net cash inflows amounting to ₹0.53 Cr for the year ended on that date, as considered in the consolidated financial statements. These financial statements have been audited by other auditor whose Report has been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of the Subsidiaries, and our Report in terms of Sub-Section (3) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiaries is based solely on the Report of the other auditor.

b) Our opinion on the consolidated financial statements above and our Report on Other Legal and Regulatory Requirements below is not modified in respect of the above matter with respect to our reliance on the work done and the Report of the other auditor and the financial statements certified by the Management.

Report on Other Legal and Regulatory Requirements

As required by Section 143(3) of the Act, based on our Audit and on the consideration of the reports of other auditor on the separate financial statements of the subsidiaries referred to in the Other Matter Section above, we report, to the extent applicable that:

a) We have sought and obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purposes of our Audit of the aforesaid consolidated financial statements.

b) In our opinion, proper books of account as required by law relating to the preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditors.

c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss, and the Consolidated Cash Flow Statement dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.

d) In our opinion, the aforesaid consolidated financial statements comply with the accounting Standards specified under Section 133 of the Act.

e) On the basis of the written representations received from the Directors of the Parent/ Holding Company as on 31 March, 2023 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors of its Subsidiaries, none of the Directors of the Group, is disqualified as on 31 March, 2023 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 over financial reporting and the operating effectiveness of such controls, refer to our separate Report in "Annexure A" which is based on the Auditors' Reports of the Parent/Holding Company and Subsidiaries. Our Report expresses an unmodified opinion on the adequacy and operating effectiveness of internal financial controls over the financial reporting of those companies.

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,

   The managerial remuneration has been paid and provided in accordance with the requisite approvals mandated by the provisions of Section 197 of the Act read with Schedule V to the Act.

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

   i) The Group has disclosed the impact of pending litigations on its financial position in its financial statements in Note no.38.

   ii) The Group has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts. The derivate contracts being in the nature of the hedge contracts, the Group does not anticipate any material losses from the same.

   iii) There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Holding Company and its Subsidiaries incorporated in India.

   iv) a) The respective Managements of the Company and its Subsidiaries, which are companies incorporated in India, whose financial statements have been audited under the Act, have represented to us that and to their auditors, to the best of their knowledge and belief, no funds (which are material either individually or in the aggregate) 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 or any of such subsidiaries to or in any other person or entity, including foreign entity ("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 or any of such subsidiaries ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

   b) The respective Managements of the Company and its Subsidiaries which are companies incorporated in India, whose financial statements have been audited under the Act, have represented to us that and their auditors, to the best of their knowledge and belief, no funds (which are material either individually or in the aggregate) have been received by the Company or any of such subsidiaries from any person or entity, including foreign entity ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company or any of such subsidiaries 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 that have been considered reasonable and appropriate in the circumstances performed by us on the Company and its subsidiaries, which are companies incorporated in India whose financial statements have been audited under the Act, 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 Group has not declared or paid any dividend during the year.

   vi) With respect to Rule 11(g) of Companies (Audit & Auditors) Rules, 2014 on maintenance of audit trail, transaction log and edit log in the accounting software, the reporting requirement to report on the said clause does not arise since the compliance requirement for the Group (as per proviso to Rule 3 of Companies (Accounts) Rules,2014) becomes applicable only with effect from 1st April, 2023.

for **Sundaram & Srinivasan**
Chartered Accountants
Firm Regn. No. 004207S

S. Usha
Partner
Membership No. 211785

Date: 03rd May, 2023
Place: Chennai

UDIN: 23211785BGWCVN9982

for **CNGSN & Associates** LLP
Chartered Accountants
Firm Regn. No. 004915S

C.N.Gangadaran
Partner
Membership No. 011205

Date: 03rd May, 2023
Place: Chennai

UDIN: 23011205BGPUTV2716

(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 Over Financial Reporting under Clause (i) of Sub-Section 3 of Section 143 of the Companies Act, 2013 ("the Act")

In conjunction with our Audit of the consolidated financial statements of TVS Credit Services Limited as of and for the year ended 31st March, 2023, we have audited the internal financial controls over financial reporting of TVS Credit (hereinafter referred to as "Parent") its three Subsidiaries, which are companies incorporated in India, as of that date.

Management's Responsibility for Internal Financial Controls

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

Auditor's Responsibility

Our responsibility is to express an opinion on the internal financial controls over the financial reporting of the Parent and its Subsidiaries, which are companies incorporated in India, 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. 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 over financial reporting were 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 system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors of the subsidiaries, which is incorporated in India, in terms of their Report referred to in the Other Matter paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls system over financial reporting of the Parent and its Subsidiaries, which are companies incorporated in India.

Meaning of Internal Financial Controls Over Financial Reporting

A Company's internal financial control over financial reporting 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 over financial reporting 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 Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, 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 over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting 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 Parent which is a Company incorporated in India, have, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31st March, 2023, based on the criteria for internal financial control over financial reporting established by the respective companies 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.

Other Matter

The Internal Financial Control Over Financial Reporting for the Subsidiaries in the Group is not applicable since the Company's turnover as per last audited financial statements is less than ₹50 Cr and its borrowings from banks and financial institutions at any time during the year is less than ₹25 Cr, the Company is exempted from getting an audit opinion with respect to the adequacy of the internal financial controls over financial reporting of the Company, and the operating effectiveness of such controls vide notification dated 13th June, 2017.

Our opinion is not modified in respect of the above matter.

for **Sundaram & Srinivasan**
Chartered Accountants
Firm Regn. No. 004207S

S. Usha
Partner
Membership No. 211785

Date: 03rd May, 2023
Place: Chennai

UDIN: 23211785BGWCVN9982

for **CNGSN & Associates** LLP
Chartered Accountants
Firm Regn. No. 004915S

C.N.Gangadaran
Partner
Membership No. 011205

Date: 03rd May, 2023
Place: Chennai

UDIN: 23011205BGPUTV2716

CONSOLIDATED BALANCE SHEET
AS ON 31ST MARCH, 2023

TVS CREDIT

(All amounts in ₹ Crore unless otherwise stated)

	Particulars	Note No.	As at 31st March, 2023	As at 31st March, 2022
	ASSETS			
1	**Financial Assets**			
(a)	Cash and Cash Equivalents	2	1,539.93	970.46
(b)	Bank Balances other than (a) above	3	5.72	6.00
(c)	Derivative Financial Instruments	4	170.86	64.06
(d)	Receivables			
	i) Trade Receivables	5	64.36	37.90
(e)	Loans	6	20,545.09	14,014.31
(f)	Other Financial Assets	7	22.82	58.44
	Total		**22,348.78**	**15,151.17**
2	**Non-Financial Assets**			
(a)	Current Tax Assets (Net)	8	-	7.10
(b)	Deferred Tax Assets (Net)	9	213.45	140.23
(c)	Investment Property	10	85.16	85.16
(d)	Property, Plant and Equipment	11	29.25	20.22
(e)	Right-to-use Assets	11	28.73	18.12
(f)	Other Intangible Assets	11	1.95	1.35
(g)	Other Non-Financial Assets	12	45.33	39.81
	Total		**403.87**	**311.99**
	Total Assets		**22,752.65**	**15,463.16**
	LIABILITIES AND EQUITY			
	LIABILITIES			
1	**Financial Liabilities**			
(a)	Payables			
	I. Trade Payables			
	i) Total outstanding dues of micro enterprises and small enterprises	13	19.13	3.55
	ii) Total outstanding dues of creditors other than micro enterprises and small enterprises	13	616.56	331.10
(b)	Debt Securities	14	2,607.04	2,213.68
(c)	Borrowings other than Debt Securities	15	14,518.93	9,457.10
(d)	Subordinated Liabilities	16	1,744.80	1,293.34
(e)	Other Financial liabilities	17	391.68	230.71
	Total		**19,898.14**	**13,529.48**
2	**Non-Financial Liabilities**			
(a)	Current Tax Liabilities (Net)	8	9.59	-
(b)	Provisions	18	52.67	38.34
(c)	Other Non-Financial Liabilities	19	31.39	29.54
	Total		**93.65**	**67.88**
3	**Equity**			
(a)	Equity Share Capital	20	228.22	201.20
(b)	Other Equity	21	2,532.64	1,664.60
	Total		**2,760.86**	**1,865.80**
	Total Liabilities and Equity		**22,752.65**	**15,463.16**
Significant Accounting Policies forming part of financial statements		**1**		
Additional Notes forming part of financial statements		**38**		

As per our report of even date

For Sundaram & Srinivasan
Chartered Accountants
ICAI Regn No. FRN 004207S

S. Usha
Partner
Membership No. 211785

For CNGSN & Associates LLP
Chartered Accountants
ICAI Regn No. FRN 004915S

C.N. Gangadaran
Partner
Membership No. 011205

Place : Chennai
Date : 3rd May, 2023

For and on behalf of the Board of Directors of
TVS Credit Services Limited

Sudarshan Venu
Chairman
DIN-03601690

Ashish Sapra
Chief Executive Officer

Roopa Sampath Kumar
Chief Financial Officer

Anand Vasudev
Company Secretary

Place : Chennai
Date : 3rd May, 2023

CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2023

(All amounts in ₹ Crore unless otherwise stated)

	Particulars	Note No.	Year ended 31st March, 2023	Year ended 31st March, 2022
	Revenue from Operations			
i)	Interest Income	22	3,755.51	2,446.60
ii)	Fee and Commission Income	23	400.84	300.52
I)	**Total Revenue from Operations**		**4,156.35**	**2,747.12**
II)	Other Income	24	4.70	8.94
III)	**Total Income (I + II)**		**4,161.05**	**2,756.06**
	Expenses			
i)	Finance Costs	25	1,168.28	742.93
ii)	Fees and Commission Expenses		281.02	247.72
iii)	Impairment of Financial Instruments	26	629.14	554.15
iv)	Employee Benefit Expenses	27	1,039.51	711.78
v)	Depreciation, Amortisation and Impairment		21.43	19.12
vi)	Other Expenses	28	509.60	323.51
IV)	**Total Expenses**		**3648.98**	**2,599.21**
V)	Profit/(Loss) before exceptional items and tax		**512.07**	**156.85**
VI)	Exceptional Items		-	5.00
VII)	**Profit/(Loss) before tax**		**512.07**	**151.85**
VIII)	Tax Expenses	29		
	Current Tax		197.96	65.01
	Deferred Tax		(75.17)	(34.36)
IX)	**Profit/(Loss) for the year**		**389.28**	**121.20**
X)	Other Comprehensive Income	30		
A.	Items that will not be reclassified to Profit or Loss - Itemwise			
	Remeasurement of the defined benefit plans		(0.96)	(1.67)
	Income Tax relating to these items		0.24	0.42
B.	Items that will be reclassified to Profit or Loss - Itemwise			
	Fair value change on cash flow hedge		8.71	40.71
	Income Tax relating to these items		(2.19)	(10.25)
	Other Comprehensive Income (A+B)		**5.80**	**29.21**
XI)	Total comprehensive Income for the year (Comprising Profit/(Loss) and other comprehensive income for the year)		**395.08**	**150.41**
XII)	Earnings Per Share	32		
	Basic (₹)		18.75	6.20
	Diluted (₹)		18.75	6.20
Significant Accounting Policies forming part of financial statements		**1**		
Additional Notes forming part of financial statements		**38**		

As per our report of even date

For Sundaram & Srinivasan
Chartered Accountants
ICAI Regn No. FRN 004207S

S. Usha
Partner
Membership No. 211785

For CNGSN & Associates LLP
Chartered Accountants
ICAI Regn No. FRN 004915S

C.N. Gangadaran
Partner
Membership No. 011205

Place : Chennai
Date : 3rd May, 2023

For and on behalf of the Board of Directors of
TVS Credit Services Limited

Sudarshan Venu
Chairman
DIN-03601690

Ashish Sapra
Chief Executive Officer

Roopa Sampath Kumar
Chief Financial Officer

Anand Vasudev
Company Secretary

Place : Chennai
Date : 3rd May, 2023

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*Terms & conditions apply.

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*Terms & conditions apply.

CONSOLIDATED STATEMENT OF CASH FLOW FOR THE YEAR ENDED 31ST MARCH, 2023

(All amounts in ₹ Crore unless otherwise stated)

Particulars	Year ended 31st March, 2023	Year ended 31st March, 2022
Cash Flow from Operating Activity		
Profit Before Income Tax	512.07	151.85
Adjusted For:-		
Depreciation and Amortisation Expense	21.43	19.12
Impairment of Financial Assets	321.42	106.83
(Profit)/Loss on disposal of Property, Plant and Equipment	(0.71)	(0.14)
Finance Charges	1,168.28	742.93
Unwinding of discount on Security Deposits	(3.92)	(6.80)
Remeasurement of defined benefit plans	(0.96)	(1.67)
Cash generated from Operations before Working Capital Changes	**1505.54**	**860.27**
Change in Operating Assets and Liabilities		
(Increase)/Decrease in Trade Receivables	(26.49)	(13.43)
(Increase)/Decrease in Loans	(6,852.18)	(2,958.35)
(Increase)/Decrease in Other Financial Assets	39.53	38.28
(Increase)/Decrease in Other Non-Financial Assets	(5.52)	(12.83)
Increase/(Decrease) in Trade Payables	301.04	105.26
Increase/(Decrease) in Other Financial Liabilities	64.73	29.86
Increase/(Decrease) in Other Non-Financial Liabilities	16.15	10.50
Financing Charges paid	(1,081.67)	(728.56)
Cash used in Operations	**(5,526.80)**	**(2,517.15)**
Income Taxes paid	(181.27)	(54.85)
Net cash outflow from Operating Activities	**(5,708.07)**	**(2,572.00)**
Cash Flow from Investing Activities		
Payments for Property, Plant and Equipment and Investment Property	(25.11)	(13.10)
Proceeds from Sale of Property, Plant and Equipment and Investment Property	1.47	0.05
Decrease in Deposits with Bank	0.28	(5.13)
Net cash outflow from Investing Activities	**(23.36)**	**(18.18)**
Cash Flows from Financing Activities		
Proceeds from Issue of Shares	500.00	150.00
Proceeds from Issue/(Repayment) of Debt Securities (net)	393.36	1,042.83
Proceeds/(Repayment) of Borrowings other than debt securities (net)	4,972.77	1,507.21
Proceeds/(Repayment) of Subordinated Liabilities (net)	451.46	350.55
Payments of Lease Liabilities	(8.23)	(8.55)
Net Cash Inflow from Financing Activities	**6,309.36**	**3,042.04**
Net Increase in Cash & Cash Equivalents	**577.93**	**451.86**
Cash and cash equivalents at the beginning of the financial year	**961.84**	**509.98**
Cash and Cash Equivalents at end of the year	**1,539.77**	**961.84**

As per our report of even date

For Sundaram & Srinivasan
Chartered Accountants
ICAI Regn No. FRN 004207S

S. Usha
Partner
Membership No. 211785

For CNGSN & Associates LLP
Chartered Accountants
ICAI Regn No. FRN 004915S

C.N. Gangadaran
Partner
Membership No. 011205

Place : Chennai
Date : 3rd May, 2023

For and on behalf of the Board of Directors of
TVS Credit Services Limited

Sudarshan Venu
Chairman
DIN-03601690

Ashish Sapra
Chief Executive Officer

Roopa Sampath Kumar
Chief Financial Officer

Anand Vasudev
Company Secretary

Place : Chennai
Date : 3rd May, 2023

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31ST MARCH, 2023

(All amounts in ₹ Crore unless otherwise stated)

1. Equity Share Capital

	Notes	Amounts
Balance as at 01st April,2021		**191.94**
Changes in equity share capital during the year	21	9.26
Balance as at 31st March, 2022		**201.20**
Changes in equity share capital during the year	21	27.03
Balance as at 31st March, 2023		**228.22**

2. Other Equity

		Reserves and Surplus				
	Notes	Securities Premium Account	Statutory Reserve	Retained Earnings	Other Reserves - Hedge Reserve	Total
Balance as at 01st April,2021		**722.64**	**140.15**	**528.31**	**(17.66)**	**1,373.44**
Change in Accounting Policy						
Profit for the Year	21	-	-	121.20	-	121.20
Other Comprehensive Income	21	-	-	(1.25)	30.46	29.21
<u>Transaction in the Capacity as Owners</u>						
Transfer to Statutory Reserve	21	-	24.15	(24.15)	-	-
Issue of Equity Shares	21	140.74	-	-	-	140.74
Balance as at 31st March, 2022		**863.38**	**164.30**	**624.11**	**12.80**	**1,664.59**
Profit for the Year	21	-	-	389.28	-	389.28
Other Comprehensive Income	21	-	-	(0.72)	6.52	5.80
<u>Transaction in the Capacity as Owners</u>						
Transfer to Statutory Reserve	21	-	77.73	(77.73)	-	-
Issue of Equity Shares	21	472.97	-	-	-	472.97
Balance as at 31st March, 2023		**1,336.35**	**242.03**	**934.94**	**19.32**	**2,532.64**

As per our report of even date

For Sundaram & Srinivasan
Chartered Accountants
ICAI Regn No. FRN 004207S

S. Usha
Partner
Membership No. 211785

For CNGSN & Associates LLP
Chartered Accountants
ICAI Regn No. FRN 004915S

C.N. Gangadaran
Partner
Membership No. 011205

Place : Chennai
Date : 3rd May, 2023

For and on behalf of the Board of Directors of
TVS Credit Services Limited

Sudarshan Venu
Chairman
DIN-03601690

Ashish Sapra
Chief Executive Officer

Roopa Sampath Kumar
Chief Financial Officer

Anand Vasudev
Company Secretary

Place : Chennai
Date : 3rd May, 2023

(All amounts in ₹ Crore unless otherwise stated)

1 Significant Accounting Policies forming part of Financial Statements

COMPANY BACKGROUND

TVS Credit Services Limited ('the Company') (CIN U65920TN2008PLC069758) is a public limited company incorporated and domiciled in India. The registered office is located at "Chaitanya", No. 12 Khader Nawaz Khan Road, Nungambakkam, Chennai – 600006, Tamil Nadu, India. The Company with its subsidiaries is collectively referred to as a Group.

The Company received a Certificate of Registration (No. N-07-00783) dated 13th April, 2010 from the Reserve Bank of India (RBI) and commenced Non-Banking Financial activity thereon. The Company 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 engaged in providing Automobile Finance, Consumer Durable Loans, and Small Business Loans. The Company is categorised as "NBFC - Investment and Credit Company (NBFC-ICC)" vide RBI circular DNBR (PD) CC.No.097/03.10.001/2018-19 dated 22nd 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.

SIGNIFICANT ACCOUNTING POLICIES

a. Basis of Preparation of Accounts

The financial results of the Company have been prepared in accordance with Indian Accounting Standards (IND-AS) notified under Section 133 of the Companies Act, 2013 (the Act) read with [Companies (Indian Accounting Standards) Rules, 2015] as amended by the Companies (Indian Accounting Standards) Rules, 2016 and other accounting principles generally accepted in India.

The financial statements have been prepared in accordance with Division III of Schedule III of Companies Act 2013 notified by MCA on 11th October, 2018. Further, the Company follows application guidance, clarifications, circulars, and directions issued by the Reserve Bank of India (RBI) for Non-Banking Financial Companies (NBFC) or other regulators, as and when they are issued and applicable.

Principles of Consolidation

Subsidiaries

Subsidiaries are all entities over which the Group has control. The Group controls an entity when the Group is exposed to or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the relevant activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases.

The Group combines the financial statements of the parent and its subsidiaries line by line adding together items of assets, liabilities, equity, income, and expenses. Intercompany transactions, balances, and unrealised gains on transactions between group companies are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the transferred asset. The accounting policies of subsidiaries are consistent with the policies adopted by the Group.

Non-controlling interests (if any) in the results and equity of subsidiaries are shown separately in the consolidated statement of profit and loss, consolidated statement of changes in equity, and balance sheet, respectively.

The subsidiary companies considered in consolidated financial statements are:

S.No.	Name of the Subsidiary	Proportion of Ownership (Interest/Voting Power -%)		Reporting Date
		2021-22	2020-21	
1	Harita ARC Services Private Limited	100%	100%	31st March, 2023
2	TVS Housing Finance Private Limited	100%	100%	31st March, 2023
3	Harita Two Wheeler Mall Private Limited	100%	100%	31st March, 2023

All the subsidiaries are incorporated in India.

b. Historical Cost Convention

The financial statements have been prepared on a historical cost basis, except for the following:

(a) Certain financial assets and liabilities (including derivative instruments) are measured at fair value as stated in notes;

(b) Defined benefit plans – plan assets measured at fair value.

(All amounts in ₹ Crore unless otherwise stated)

c. Use of Estimates

The preparation of financial statements requires management to make certain estimates and assumptions that affect the amounts reported in the financial statements and notes thereto. The management believes that these estimates and assumptions are reasonable and prudent. However, actual results could differ from these estimates. Any revision to accounting estimates is recognised prospectively in the current and future periods. This note provides an overview of the areas that involved a higher degree of judgment or complexity, and of items that are more likely to be materially adjusted due to estimates and assumptions turning out to be different than those originally assessed. Detailed information about each of these estimates and judgments is included in the relevant notes together with information about the basis of calculation for each affected line item in the financial statements.

d. Significant Estimates and Judgements

The areas involving critical estimates are:

(a) Determining inputs into the ECL measurement model - (Refer Note 33)

(b) Estimation of defined benefit obligation - (Refer Note 32)

The areas involving critical judgements are:

(a) Classification of financial assets: Assessment of the business model within which the assets are held and assessment of whether the contractual terms of the financial asset are SPPI (Solely Payments of Principal and Interest) on the principal amount outstanding.

(b) Derecognition of financial assets and securitisation

(c) Categorisation of loan portfolios

e. Property, Plant and Equipment (PPE)

Items of property, plant, and equipment are stated at the cost of acquisition or construction less accumulated depreciation and impairment, if any. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. All repairs and maintenance are charged to the statement of profit or loss during the reporting period in which they are incurred.

Property, plant, and equipment are derecognised on disposal or when no future economic benefits are expected from its use. Any gain or loss arising on the derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included under other income/expenses in the Statement of Profit and Loss when the asset is derecognised.

f. Depreciation

Depreciation is provided on a straight-line basis over the estimated useful lives of the assets. The useful life estimated by the Company is in line with the useful life prescribed under Part C of Schedule II of the Companies Act, 2013 except in the case of mobile phones (office equipment), on which depreciation is considered as 2 years based on the technical evaluation and leased vehicles (Vehicles) have been depreciated over the lease period.

Depreciation on PPE individually costing ₹5,000/- or less is provided 100% in the year of acquisition.

An asset's carrying amount is written down immediately to its estimated recoverable amount, if the asset's carrying amount is greater than its estimated recoverable amount. Gain and losses on disposals are determined by comparing proceeds with carrying amount. These are included in the statement of profit or loss.

Depreciation on fixed assets added/disposed off during the year is calculated on pro-rata basis with reference to the date of addition/disposal.

g. Investment Property

Property that is held for long-term rental yields or for capital appreciation or both, and that is not occupied by the Company, is classified as an investment property. Investment property is measured initially at its cost, including related transaction costs and where applicable borrowing costs. Subsequent expenditure is capitalised to the assets carrying amount only when it is probable that future economic benefits associated with the expenditure will flow to the Company and the cost of the item can be measured reliably. All other repairs and maintenance costs are expensed when incurred.

(All amounts in ₹ Crore unless otherwise stated)

h. Intangible Assets

Intangible assets acquired are recorded at their acquisition cost and are amortised on straight-line basis over its useful life. Software is amortised over 3 years period or the license period whichever is lower on straight-line basis.

i. Financial Assets and financial Liabilities

1) Classification

The Company classifies its financial assets in the following categories, those to be measured subsequently at

(a) Amortised cost,

(b) Fair value through other comprehensive income (FVOCI), and

(c) Fair value through profit or loss (FVTPL)

The classification depends on the entity's business model for managing the financial assets and the contractual terms of the cash flows. For assets measured at fair value, gains and losses will either be recorded in profit or loss or other comprehensive income. For investments in debt instruments, this will depend on the business model in which the investment is held. For investments in equity instruments, this will depend on whether the Company has made an irrevocable election at the time of initial recognition to account for the equity investment at fair value through other comprehensive income.

Business Model Assessment

The Company makes an assessment of the objective of a business model in which an asset is held at a portfolio level because it reflects the best way the business is managed, and information is provided to the management.

Assessment of whether contractual Cash Flows are solely payments of principal and interest (SPPI)

For the purpose of this assessment, 'principal' is defined as the fair value of the financial asset on initial recognition. 'Interest' is defined as consideration for the time value of money and for the credit risk associated with the principal amount outstanding during a particular period of time and for other basic lending risks and costs, as well as profit margin.

In assessing whether the contractual cash flows are SPPI, the Company considers the contractual terms of the instrument. This includes assessing whether the financial asset contains a contractual term that could change the timing or amount of contractual cash flows such that it would not meet this condition.

Reclassifications

Financial assets are not reclassified subsequent to their initial recognition, except in the period after the Company changes its business model for managing financial assets.

Financial Liabilities

The Company classifies its financial liabilities, other than fully hedged foreign currency loans, financial guarantees, and loan commitments, as measured at amortised cost or fair value through profit or loss.

2) Measurement

At initial recognition, the Company measures financial assets that are not at FVTPL at its fair value plus/ (minus), transaction costs/origination Income that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at FVTPL are expensed in profit or loss.

Debt Instruments:

Subsequent measurement of debt instruments depends on the Company's business model for managing the asset and the cash flow characteristics of the asset. There are two measurement categories into which the Company classifies its debt instruments.

i Amortised Cost:

Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. A gain or loss on debt investment that is subsequently measured at amortised cost and is not part of a hedging relationship is recognised in profit or loss when the asset is derecognised or impaired. Interest income from these financial assets is included in finance income using the effective interest rate method.

(All amounts in ₹ Crore unless otherwise stated)

The effective interest rate is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the gross carrying value of a financial asset. While calculating the effective interest rate, the Company estimates the expected cash flows by considering all the contractual terms of the financial instrument (for example, prepayment, extension, call, and similar options), but does not consider the expected credit losses.

ii. Fair Value through Other Comprehensive Income (FVOCI):

A financial asset is measured at FVTOCI if it is held within a business model whose 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 on the principal amount outstanding.

iii. Fair Value through Profit or Loss (FVTPL):

Assets that do not meet the criteria for amortised cost or Fair Value through Other Comprehensive Income (FVOCI) are measured at fair value through profit or loss. A gain or loss on a debt investment that is subsequently measured at fair value through profit or loss and is not part of a hedging relationship is recognised in profit or loss and presented in the statement of profit and loss within other gains/(losses) in the period in which it arises. Interest income from these financial assets is included in other income.

iv. Investment in Subsidiaries:

Investments in Subsidiary and Associate are measured at cost as per IND-AS 27 – Separate Financial Statements.

3) Revenue Recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured and there exists reasonable certainty of its recovery.

A) Interest Income:

(1) Interest income is recognised using the Effective Interest Rate (EIR) method for all financial assets measured at amortised cost. The EIR is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset, to its gross carrying amount. The calculation of the effective interest rate includes transaction costs and transaction income that is directly attributable to the acquisition of a financial asset.

(2) Income by way of additional interest on account of delayed payment by the customers is recognised on realisation basis, due to uncertainty in collection.

B) Dividend Income:

Dividend income is recognised when the Company's right to receive the payment is established, it is probable that the economic benefits associated with the dividend will flow to the Company and the amount of the dividend can be measured reliably.

C) Fees and Commission Income:

(1) Fees and commission income that are not integral part of the effective interest rate on the financial asset are recognised as the performance obligations are performed and there is no significant financing component of the consideration.

(2) Incomes in the nature of bounce and related charges are recognised on realisation, due to uncertainty in collection.

(3) The Company recognises revenue from contracts with customers based on five-step model as set out in IND-AS 115, Revenue from Contracts with Customers to determine when to recognise revenue and at what amount. Revenue is measured based on the consideration specified in the contract with a customer. Revenue from contracts with customers is recognised when services are provided and it is highly probable that a significant reversal of revenue is not expected to occur.

D) Other Income:

Other Income represents income earned from the activities incidental to the business and is recognised when the right to receive the income is established as per the terms of the contract.

(All amounts in ₹ Crore unless otherwise stated)

4) Impairment of Financial Assets

The Company recognises loss allowance for Expected Credit Loss "ECL" on the following financials instruments that are not measured at FVTPL:

i. Loans

ii. Trade Receivables and Other Financial Assets

i. Loans

Expected credit losses are measured through a loss allowance at an amount equal to:

1) The 12-months expected credit losses (expected credit losses that result from those default events on the financial instrument that are possible within 12 months after the reporting date); or

2) Full lifetime expected credit losses (expected credit losses that result from all possible default events over the expected life of the financial instrument).

Both Life Time ECLs (LTECL) and 12 months ECLs are calculated on collective basis.

The assessment of whether lifetime ECL should be recognised is based on significant increases in the likelihood or risk of a default occurring since initial recognition. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

The Company categorises loan assets into stages based on the Days Past Due status:

Stage	Past due	ECL
Stage 1	Up to 30 Days Past due	12-Month ECL
Stage 2	31-90 Days Past Due	Life-time ECL
Stage 3	More than 90 Days Past Due	Life-time ECL

Measurement of ECL

ECL is a probability-weighted estimate of credit losses. They are measured as follows:

- Financial assets that are not credit-impaired at the reporting date: as the present value of all cash shortfalls (i.e. the difference between the cash flows due to the Company in accordance with the contract and the cash flows that the Company expects to receive);
- Financial assets that are credit-impaired at the reporting date: as the difference between the gross carrying amount and the present value of estimated future cash flows.

ii. Trade Receivables and Other Financial Assets

The Company follows a 'simplified approach' for recognition of impairment loss allowance on trade receivable and other financial assets. The application of simplified approach does not require the Company to track changes in credit risk and calculated on a case by case approach, taking into consideration different recovery scenarios.

Presentation of Allowance for ECL in the Statement of Financial Position

Loss allowances for ECL are presented in the statement of financial position for financial assets measured at amortised cost as a deduction from the gross carrying amount of the assets.

Collateral Repossessed:

The Company does the regular repossession of collateral provided against the loans in case of default in agreed payments. The Company generally sells the asset repossessed to recover the underlying loan and does not use it for internal operation. As per the Company's accounting policy, collateral repossessed is not recorded on the balance sheet.

Write-Off:

Loans are written off when there is no reasonable expectation of recovering in its entirety or a portion thereof. This is generally the case when the Company determines that the borrower does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off. This assessment is carried out at the individual asset level. Financial assets that are written off could still be subject to enforcement activities in order to comply with the Company's procedures for recovery of amounts due.

(All amounts in ₹ Crore unless otherwise stated)

5) Derecognition of Financial Assets and Financial Liabilities

A financial asset is derecognised only when:

- The Company has transferred the contractual rights to receive cash flows from the financial asset or the Company retains the contractual rights to receive the cash flows of the financial asset, but assumes a contractual obligation to pay the cash flows to one or more recipients.
- Where the entity has transferred an asset, the Company evaluates whether it has transferred substantially all risks and rewards of ownership of the financial asset. In such cases, the financial asset is derecognised. Where the entity has not transferred substantially all risks and rewards of ownership of the financial asset, the financial asset is not derecognised.
- Where the entity has neither transferred a financial asset nor retains substantially all risks and rewards of ownership of the financial asset, the financial asset is derecognised, if the Company has not retained control of the financial asset. Where the Company retains control of the financial asset, the asset is continued to be recognised to the extent of continuing involvement in the financial asset.
- On derecognition of a financial asset, the difference between the carrying amount of the asset (or the carrying amount allocated to the portion of the asset derecognised) and the sum of (i) The consideration received (including any new asset obtained less any new liability assumed) and (ii) Any cumulative gain or loss that had been recognised in OCI is recognised in profit or loss.

A financial liability is derecognised when its contractual obligations are discharged or cancelled, or expires.

6) Derivatives

Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured to their fair value at the end of each reporting period. The accounting for subsequent changes in fair value depends on whether the derivative is designated as a hedging instrument, and if so, the nature of the item being hedged.

The Company designates derivatives taken on External Commercial Borrowings (ECB) as Cashflow Hedges (hedges of a particular risk associated with the cash flows of recognised assets and liabilities and highly probable forecast transactions).

The Company documents at the inception of the hedging transaction the relationship between hedging instruments and hedged items, as well as its risk management objective and strategy for undertaking various hedge transactions.

The Company also documents its assessment, both at hedge inception and on an ongoing basis, of whether the derivatives that are used in hedging transactions have been and will continue to be highly effective in offsetting changes in cash flows of hedged items.

The fair values of various derivative financial instruments used for hedging purposes are disclosed in Note 33. Movements in the hedging reserve in Shareholders' equity are shown in Note 21.

The effective portion of changes in the fair value of derivatives that are designated and qualify as cash flow hedges is recognised in the "other comprehensive income". The gain or loss relating to the ineffective portion is recognised immediately in profit or loss.

7) Offsetting Financial Instruments

Financial assets and liabilities are offset and the net amount is reported in the balance sheet where there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously.

j. Trade and other Payables

These amounts represent liabilities for goods and services provided to the Company prior to the end of financial year which are unpaid. The amounts are unsecured. They are recognised initially at their fair value and subsequently measured at amortised cost.

k. Cash and Cash Equivalents

For the purpose of presentation in the statement of Cash flows, Cash and Cash equivalents includes cash on hand, deposits with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value, and positive balance in bank cash credit. Bank cash credit with negative balances are shown within borrowings in the balance sheet.

(All amounts in ₹ Crore unless otherwise stated)

l. Taxation

The income tax expense or credit for the period is the tax payable on the current period's taxable income based on the applicable income tax rate for each jurisdiction adjusted by the changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses. The current income tax charge is calculated on the basis of the tax laws enacted on substantively enacted at the end of the reporting period. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

(i) Deferred income tax provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. However, deferred tax liabilities are not recognised if they arise from the initial recognition of goodwill. Deferred income tax is also not accounted for if it arises from the initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting profit nor taxable profit or loss. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the end of the reporting period and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

(ii) Deferred tax assets are recognised only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis or to realise the asset and settle the liability simultaneously.

Current and deferred tax is recognised in the statement of profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

A deferred tax asset is recognised for unclaimed tax credits that are carried forward as deferred tax assets.

m. Employee Benefits

(a) 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 recognised in respect of employees' services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled.

(b) The liabilities for earned leave are not expected to be settled wholly within 12 months after the end of the period in which the employees render the related service. They are therefore measured as the present value of the expected future payments to be made in respect of services provided by employees up to the end of 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 profit or loss.

(c) Post-Employment Obligation:

The Company operates the following post-employment schemes:

- Defined benefit plans such as gratuity for its eligible employees, pension plan for its senior managers; and
- Defined contribution plans such as provident fund.

(i) Pension and Gratuity Obligation:

The liability or asset recognised in the balance sheet in respect of defined benefit pension and gratuity plan is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets. The defined benefit obligation is calculated annually by actuaries using the projected unit credit method.

The present value of the defined benefit obligation denominated in INR is determined by discounting the estimated future cash outflows by reference to market yields at the end of the reporting period on the Government bonds that have terms approximating to the terms of the related obligation.

The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets. This cost is included in employee benefits expense in the statement of profit and loss.

(All amounts in ₹ Crore unless otherwise stated)

Re-measurement gains and losses arising from experience adjustments and changes in actuarial assumptions are recognised in the period in which they occur, directly in other comprehensive income. They are included in retained earnings in the statement of changes in equity and in the balance sheet.

Changes in the present value of the defined benefit obligation resulting from plan amendments or curtailments are recognised immediately in profit or loss as past service cost.

(ii) Provident Fund:

Contributions to Provident Fund made to Regional Provident Fund Commissioner in respect of Employees' Provident Fund based on the statutory provisions are charged to Statement of Profit and Loss on accrual basis.

n. Functional Currency

(a) Functional and presentation currencies:

Items included in the financial statements are measured using the currency of the primary economic environment in which the Company operates ('the functional currency'). i.e., in Indian rupees (INR), and all values are rounded off to the nearest lakh except where otherwise indicated.

(b) Transactions and balances:

- Foreign currency transactions are translated into functional currency using exchange rates at the date of transaction.
- Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at year-end exchange rates are generally recognised in profit or loss.

o. Borrowings

Borrowings are initially recognised at fair value, net of transaction cost incurred. Borrowings are subsequently measured at amortised cost. Any difference between the proceeds (net of transaction cost) and the redemption amount is recognised in profit or loss over the period of the borrowings, using the effective interest rate method. Fees paid on the established loan facilities are recognised as the transaction cost of the loan, to the extent that it is probable that some or all of the facility will be drawn down.

Borrowings are removed from the balance sheet when the obligation specified in the contract is discharged, canceled or expired. The difference between the carrying amount of a financial liability that has been extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss as other gain/(loss).

p. Borrowings Cost

Borrowing costs are expensed in the period in which they are incurred.

q. Cash Flow Statement

Cash flows are reported using the indirect method, whereby profit/(loss) before tax is adjusted for the effects of the transactions of non-cash nature.

r. Earnings Per Share

The basic earnings per share is computed by dividing the net profit/loss attributable to the equity shareholders for the period by the weighted average number of equity shares outstanding during the reporting period. The number of shares used in computing diluted earnings per share comprises the weighted average number of shares considered for deriving earnings per share, and also the weighted average number of equity shares, which could have been issued on the conversion of all dilutive potential shares. In computing diluted earnings per share, only potential equity shares that are dilutive and that reduce profit per share are included.

s. Impairment of Non-Financial Assets

Assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less the costs of disposal and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels

(All amounts in ₹ Crore unless otherwise stated)

for which there are separately identifiable cash inflows that are largely independent of the cash inflows from other assets or groups of assets (cash-generating units). Non-financial assets other than goodwill that suffered impairment are reviewed for possible reversal of the impairment at the end of each reporting period.

t. Lease

The Company evaluates each contract or arrangement, and whether it qualifies as lease as defined under IND-AS 116. The Company as a lessee, 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,

(c) The right to direct the use of the identified asset.

The Company at the inception of the lease contract recognises a Right-of-Use (RoU) asset at cost and a corresponding lease liability, except for leases with a term of less than twelve months (short term) and low-value assets.

The cost of the right-of-use assets comprises the amount of the initial measurement of the lease liability, any lease payments made at or before the inception date of the lease plus any initial direct costs, less any lease incentives received. Subsequently, the right-of-use assets are measured at cost less any accumulated depreciation and accumulated impairment losses, if any. The right-of-use assets are depreciated using the straight-line method from the commencement date over the shorter lease term or useful life of right-of-use assets.

For lease liabilities at inception, the Company measures the lease liability at the present value of the lease payments that are not paid at that date.

The lease payments are discounted using the incremental borrowing rate.

For short-term leases and low-value assets (assets of less than ₹500,000 in value), the Company recognises the lease payments as an operating expense on a straight-line basis over the lease term.

The Company has also elected not to reassess whether a contract is, or contains a lease at the date of initial application. Instead, for contracts entered into before the transition date the Group relied on its assessment made by applying IND-AS 17.

Lease payments have been classified as cash flow used in financing activities.

u. Segment Reporting

There is no separate reportable segment as per IND-AS 108 on 'Operating Segments' in respect of the Company.

v. Provisions

A provision is recorded when the Company has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation and the amount can be reasonably estimated.

w. Contingent Liabilities

Wherever there is a possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity or a present obligation that arises from past events but is not recognised because (a) It is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation, or (b) The amount of the obligation cannot be measured with sufficient reliability are considered as contingent liabilities. Show cause notices are not considered Contingent Liabilities unless converted into demand.

x. Equity

Equity shares are classified as equity. Distributions to holders of an equity instrument are recognised by the entity directly in equity. Transaction costs of an equity transaction shall be accounted for as a deduction from equity.

(All amounts in ₹ Crore unless otherwise stated)

NOTE 2 Cash and Cash Equivalents

S.No.	Description	As at 31st March, 2023	As at 31st March, 2022
a)	Cash on hand*	2.49	5.69
b)	Balance with banks		
	- Current accounts	1,522.84	950.78
	- Deposits	14.60	13.99
	Total	**1,539.93**	**970.46**

* Represents cash collected from borrowers as on Balance Sheet date subsequently deposited with Bank.

Cash and Cash Equivalents for the purpose of Cash Flow Statement

S.No.	Description	As at 31st March, 2023	As at 31st March, 2022
a)	Cash and Cash equivalents as shown above	1,539.93	970.46
b)	Less: Overdrafts utilised	0.16	8.62
	(Grouped under Borrowings (other than debt securities) - Note 15)		
	Total	**1,539.77**	**961.84**

NOTE 3 Bank Balance other than Cash and Cash equivalents*

S.No.	Description	As at 31st March, 2023	As at 31st March, 2022
a)	Bank Balance other than Cash and Cash equivalents	5.72	6.00
	Total	**5.72**	**6.00**

* Balance maintained in Fixed Deposits as Cash Collateral towards Cash Credit (CC) facilities.

NOTE 4 Derivative Financial Instruments

S.No.	Description	As at 31st March, 2023		
		Notional Amounts	Fair Value - Assets	Fair Value - Liabilities
a)	Other Derivatives - Cross Currency Swap Derivatives designated as cash flow hedges	1,473.21	170.86	-
	Total	**1,473.21**	**170.86**	**-**
S.No.	Description	As at 31st March, 2022		
		Notional Amounts	Fair Value - Assets	Fair Value - Liabilities
b)	Other Derivatives - Cross Currency Swap Derivatives designated as cash flow hedges	2,108.05	64.06	-
	Total	**2,108.05**	**64.06**	**-**

The Company has a Board approved policy for entering into derivative transactions. Derivative transactions comprises of Cross Currency Interest Rate Swaps (CCIRS). The Company undertakes such transactions for hedging interest/foreign exchange risk on borrowings. The Asset Liability Management Committee periodically monitors and reviews the risks involved.

The notional amount for CCIRS represents underlying foreign currency borrowings for which the Company has entered to hedge the variable interest rate and foreign exchange risks.

(All amounts in ₹ Crore unless otherwise stated)

NOTE 5 Trade Receivables

S.No.	Particulars	Outstanding for following periods from due date of payment as at 31st March, 2023					
		Less than 6 months	6 months -1 year	1-2 years	2-3 years	More than 3 years	Total
i.	Undisputed Trade Receivables – considered good	64.36	-	-	-	-	64.36
ii.	Undisputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-
iii.	Undisputed Trade Receivables – credit impaired	-	-	-	-	-	-
iv.	Disputed Trade Receivables – considered good	-	-	-	-	-	-
v.	Disputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-
vi.	Disputed Trade Receivables – credit impaired	-	-	-	-	-	-
	Total	**64.36**	**-**	**-**	**-**	**-**	**64.36**

S.No.	Particulars	Outstanding for following periods from due date of payment as at 31st March, 2022					
		Less than 6 months	6 months -1 year	1-2 years	2-3 years	More than 3 years	Total
i.	Undisputed Trade Receivables – considered good	37.90	-	-	-	-	37.90
ii.	Undisputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-
iii.	Undisputed Trade Receivables – credit impaired	-	-	-	-	-	-
iv.	Disputed Trade Receivables – considered good	-	-	-	-	-	-
v.	Disputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-
vi.	Disputed Trade Receivables – credit impaired	-	-	-	-	-	-
	Total	**37.90**	**-**	**-**	**-**	**-**	**37.90**

NOTE 6 Loans

S.No.	Description	As at 31st March, 2023	As at 31st March, 2022
		Amortised Cost	
a)	Term Loans		
	i) Automobile Financing	15,449.23	11,143.54
	ii) Consumer Lending	4,793.90	2,519.56
	iii) Small Business Lending	1,012.02	739.87
	Total Loans - Gross	**21,255.15**	**14,402.97**
b)	Less: Impairment Loss Allowance	710.06	388.66
c)	**Total Loans - Net (a) - (b)**	**20,545.09**	**14,014.31**
	Nature		
a)	Secured by Tangible Assets	15,893.44	11,212.16
b)	Unsecured Loans	5,361.71	3,190.81
c)	**Total Gross (a) + (b)**	**21,255.15**	**14,402.97**
d)	Less: Impairment Loss Allowance	710.06	388.66
e)	**Total - Net (c) - (d)**	**20,545.09**	**14,014.31**

(All amounts in ₹ Crore unless otherwise stated)

NOTE 6 Loans (Contd.)

S.No.	Description	As at 31st March, 2023	As at 31st March, 2022
i)	Loans in India		
	Public Sector	-	-
	Others	21,255.15	14,402.97
	Total Gross	**21,255.15**	**14,402.97**
	Less: Impairment Loss Allowance	710.06	388.66
	Total - Net	**20,545.09**	**14,014.31**
ii)	Loans Outside India	-	-
iii)	**Total Loans (i) +(ii)**	**20,545.09**	**14,014.31**

a. Secured indicates loans secured, wholly or partly, by way of hypothecation of automobile assets and/or equitable mortgage of property and/or equipment.

b. The stock of loan (automobile finance) includes 6,958 nos repossessed vehicles as at the Balance Sheet date. (31st March, 2022: 11,926 nos)

c. The term loans include loans given to related parties (refer Note 37) and these loans which have been granted to related parties are specified with terms or periods of repayment. These loans have been classified under the Stage 1 category at the various reporting periods and related impairment provision as per the Company's accounting policy has been created.

d. There is no divergence in asset classification and provisioning in the financial statement in the previous year assessed by RBI.

NOTE 7 Other Financial Assets

S.No.	Description	As at 31st March, 2023	As at 31st March, 2022
a)	Employees Related Receivables	7.97	4.85
b)	Security Deposit for Leased Premises	9.65	8.27
c)	Advances to Related Parties	-	38.10
d)	Other Financial Assets - Non Related Parties	9.74	10.24
e)	Deposit with Service Providers	5.19	6.39
	Total Gross (A)	32.55	67.85
	Less: Allowance for Impairment Loss (B)	9.73	9.41
	Total (A)-(B)	**22.82**	**58.44**

NOTE 8 Current Tax Assets

S.No.	Description	As at 31st March, 2023	As at 31st March, 2022
a)	Opening Balance	7.10	17.26
b)	Add: Taxes Paid	181.27	54.85
c)	Less: Taxes Payable	(197.96)	(65.01)
	Total	**(9.59)**	**7.10**

(All amounts in ₹ Crore unless otherwise stated)

NOTE 9 Deferred Tax Assets/(Liabilities)

The balance comprises temporary differences attributable to:

S.No.	Description	As at 31st March, 2021	Charge/ (Credit) to profit and loss	Charge/ (Credit) to OCI	As at 31st March, 2022	Charge/ (Credit) to profit and loss	Charge/ (Credit) to OCI	As at 31st March, 2023
	Deferred Tax Assets/(Liabilities) on account of:							
a)	Impairment allowance for financial instruments	78.31	22.81	-	101.12	74.04	-	175.16
b)	Difference between depreciation as per Books of Account and the Income Tax Act, 1961	5.07	0.17	-	5.24	(0.40)	-	4.84
c)	Provision for Compensated Absences and Gratuity	5.55	1.50	0.15	7.20	3.17	1.44	11.81
d)	Provision for Pension	2.93	0.26	0.28	3.47	0.19	(1.20)	2.46
e)	Expenses Disallowed under Section 40 (a) (ia)	6.10	4.47	-	10.57	11.93	-	22.50
f)	Impact of effective interest rate adjustment on Financial Assets	8.56	9.12	-	17.68	(12.78)	-	4.90
g)	Impact of unwinding the advances to related parties	2.38	(1.57)	-	0.81	(0.81)	-	0.00
h)	Mark-to-market on derivatives	5.94	-	(10.25)	(4.30)	-	(2.20)	(6.50)
i)	Impact of effective interest rate adjustment on Financial Liabilities	-	(2.52)	-	(2.52)	(0.30)	-	(2.82)
j)	Impact of Lease Accounting as per IND-AS 116	0.84	0.12	-	0.96	0.14	-	1.10
	Total Deferred Tax Assets/(Liabilities)	**115.69**	**34.36**	**(9.82)**	**140.23**	**75.18**	**(1.96)**	**213.45**

NOTE 10 Investment Property

Description	Land	Building	Total
Year ended 31st March, 2023			
Gross carrying amount as of 1st April, 2022	85.16	-	85.16
Additions	-	-	-
Sub-total	**85.16**	**-**	**85.16**
Disposals	-	-	-
Closing gross carrying amount (A)	**85.16**	**-**	**85.16**
Depreciation and Amortisation	-	-	-
Opening Accumulated Depreciation	-	-	-
Depreciation/Amortisation charge during the year	-	-	-
Sub-total	**-**	**-**	**-**
Disposals	-	-	-
Closing Accumulated Depreciation and Amortisation (B)	**-**	**-**	**-**
Net carrying value as at 31st March, 2023 (A)-(B)	**85.16**	**-**	**85.16**
Net carrying value as at 31st March, 2022	**85.16**	**-**	**85.16**

(All amounts in ₹ Crore unless otherwise stated)

NOTE 10 Investment Property (Contd.)

Description	Land	Building	Total
Year ended 31st March, 2022			
Gross carrying amount as of 1st April, 2021	85.16	0.00	85.16
Additions	-	-	-
Sub-total	**85.16**	**0.00**	**85.16**
Disposals	-	-	-
Closing gross carrying amount (A)	**85.16**	**0.00**	**85.16**
Depreciation and Amortisation	-	-	-
Opening Accumulated Depreciation	-	-	-
Depreciation/Amortisation charge during the year	-	-	-
Sub-total	-	-	-
Disposals	-	-	-
Closing accumulated depreciation and amortisation (B)	-	-	-
Net carrying value as at 31st March, 2021 (A)-(B)	**85.16**	**0.00**	**85.16**

(i) Fair value

	As at 31st March, 2023	As at 31st March, 2022
Investment Properties	451.09	451.09

a) The fair value of the investment property is based on the independent valuation obtained by the Company.

b) The title deed of the investment property is in the name of the Company.

NOTE 11 Property, Plant and Equipment and Intangible Assets

Description	Property, Plant and Equipment					Right-to-use Asset	Intangible Assets (Computer Software)
	Computer	Furniture & fixtures	Office equipment	Vehicles	Total		
Year ended 31st March, 2023							
Gross carrying Amount as on 31st March, 2022	32.74	12.56	14.59	1.17	61.06	39.57	16.18
Additions	17.89	0.84	2.61	1.57	22.91	17.29	2.19
Adjustment due to revaluation and acquisitions through business combinations	-	-	-	-	-	-	-
Sub-total	**50.63**	**13.40**	**17.20**	**2.74**	**83.97**	**56.86**	**18.37**
Disposals	7.53	0.14	1.75	1.25	10.67	-	-
Closing gross carrying amount (A)	**43.10**	**13.26**	**15.45**	**1.49**	**73.30**	**56.86**	**18.37**
Depreciation and Amortisation	-	-	-	-	-	-	-
Opening accumulated depreciation	22.35	8.56	9.77	0.16	40.84	21.45	14.82
Depreciation/Amortisation charge during the year	8.50	1.34	2.80	0.49	13.13	6.68	1.60
Sub-Total	**30.85**	**9.90**	**12.57**	**0.65**	**53.97**	**28.13**	**16.42**
Disposals	7.53	0.13	1.70	0.55	9.91	-	-
Closing accumulated depreciation and amortisation (B)	**23.32**	**9.77**	**10.87**	**0.10**	**44.06**	**28.13**	**16.42**
Net carrying value as at 31st March, 2023 (A)-(B)	**19.78**	**3.49**	**4.58**	**1.39**	**29.24**	**28.73**	**1.95**
Net carrying value as at 31st March, 2022	**10.39**	**4.00**	**4.82**	**1.01**	**20.22**	**18.12**	**1.36**

(All amounts in ₹ Crore unless otherwise stated)

NOTE 11 Property, Plant and Equipment and Intangible assets (Contd.)

Description	Property, Plant and Equipment					Right-to-use Asset	Intangible Assets (Computer Software)
	Computer	Furniture & fixtures	Office equipment	Vehicles	Total		
Year ended 31st March, 2022							
Gross Carrying Amount as on 31st March, 2021	23.41	11.87	13.08	0.02	48.38	33.08	16.08
Additions	9.38	0.83	1.64	1.15	13.00	6.49	0.10
Adjustment due to revaluation and acquisitions through business combinations	-	-	-	-	-	-	-
Sub-total	**32.79**	**12.70**	**14.72**	**1.17**	**61.38**	**39.57**	**16.18**
Disposals	0.05	0.14	0.13	-	0.32	-	-
Closing gross carrying amount (A)	**32.74**	**12.56**	**14.59**	**1.17**	**61.06**	**39.57**	**16.18**
Depreciation and Amortisation							
Opening accumulated depreciation	16.85	7.30	7.69	0.01	31.85	14.40	12.04
Depreciation/Amortisation charge during the year	5.54	1.38	2.21	0.15	9.28	7.05	2.78
Sub-Total	**22.39**	**8.68**	**9.90**	**0.16**	**41.13**	**21.45**	**14.82**
Disposals	0.04	0.12	0.13	-	0.29	-	-
Closing accumulated depreciation and amortisation (B)	**22.35**	**8.56**	**9.77**	**0.16**	**40.84**	**21.45**	**14.82**
Net carrying value as at 31st March, 2022 (A)-(B)	**10.39**	**4.00**	**4.82**	**1.01**	**20.22**	**18.12**	**1.36**

There are no proceedings that have been initiated or pending against the Company for holding any Benami Property under the Benami Transactions (Prohibition) Act, 1998 and rules made there under.

NOTE 12 Other Non-Financial Assets

S.No.	Description	As at 31st March, 2023	As at 31st March, 2022
a)	Dealer Commission Advance	0.55	0.17
b)	Prepaid Expenses	27.37	24.11
c)	Vendor Advance	9.24	9.30
d)	Balance with GST/ Service Tax Department	5.86	3.42
e)	Gratuity	2.31	2.81
	Total	**45.33**	**39.81**

NOTE 13 Trade Payables

S.No.	Description	As at 31st March, 2023	As at 31st March, 2022
(a)	Total outstanding dues of micro enterprises and small enterprises	19.13	3.55
(b)	Total outstanding dues of creditors other than micro enterprises and small enterprises	616.56	331.10
	Total	**635.69**	**334.65**

(All amounts in ₹ Crore unless otherwise stated)

NOTE 13 Trade Payables (Contd.)

NOTE 13.1 Trade Payables (Ageing Schedule)

The following schedules reflect ageing of trade payables with respect to the date of transactions:

S.No.	Particulars	Outstanding for following periods from due date of payment as at 31st March, 2023				
		<1 year	1-2 years	2-3 years	More than 3 years	Total
(i)	Undisputed dues - MSME*	19.13	-	-	-	19.13
(ii)	Undisputed dues - Others	616.52	-	0.04	-	616.56
(iii)	Disputed dues - MSME*	-	-	-	-	-
(iv)	Disputed dues - Others	-	-	-	-	-
	Total	**635.65**	**-**	**0.04**	**-**	**635.69**

S.No.	Particulars	Outstanding for following periods from due date of payment as at 31st March, 2022				
		<1 Year	1-2 years	2-3 years	More than 3 years	Total
(i)	Undisputed dues - MSME*	3.55	-	-	-	3.55
(ii)	Undisputed dues - Others	325.13	1.15	0.03	4.79	331.10
(iii)	Disputed dues - MSME*	-	-	-	-	-
(iv)	Disputed dues - Others	-	-	-	-	-
	Total	**328.68**	**1.15**	**0.03**	**4.79**	**334.65**

* Dues to Micro and Small Enterprises have been determined to the extent such parties have been identified on the basis of information received by the management. The entire closing balance represents the principal amount payable to these enterprises. There are no interests due or outstanding on the same.

Disclosure under Micro, Small and Medium Enterprises Development Act, 2006

Under the Micro, Small and Medium Enterprises Development Act, 2006, (MSMED) which came into force from 2nd October, 2006 certain disclosures are required to be made relating to Micro, Small and Medium enterprises. On the basis of the information and records available with management and confirmation sought from suppliers on registration with specified authority under MSMED, the principal amount, interest accrued and remaining unpaid and interest paid during the year to such enterprise is Nil.

Particulars	As at 31st March, 2023	As at 31st March, 2022
The principal amount and the interest due thereon (to be shown separately) remaining unpaid to any supplier as at the end of each accounting period		
- Principal	-	-
- Interest	-	-
The amount of interest paid by the buyer in terms of Section 16 of the Micro, Small and Medium Enterprises Development Act, 2006 along with the amount of the payment made to the supplier beyond the appointed day during each accounting year;	-	-
The amount of interest due and payable for the period of delay in making payment (which has been paid but beyond the appointed day during the year) but without adding the interest specified under the Micro, Small and Medium Enterprises Development Act, 2006;	-	-
The amount of interest accrued and remaining unpaid at the end of each accounting year; and	-	-
The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprise, for the purpose of disallowance of a deductible expenditure under Section 23 of the Micro, Small and Medium Enterprises Development Act, 2006.	-	-

(All amounts in ₹ Crore unless otherwise stated)

NOTE 14 Debt Securities

Description	As at 31st March, 2023	As at 31st March, 2022
At Amortised Cost		
Commercial Paper (Unsecured)	1,382.04	1,788.69
Non-Convertible Debentures (Secured)	1,225.00	424.99
Total (A)	**2,607.04**	**2,213.68**
Debt Securities in India	2,607.04	2,213.68
Debt Securities outside India	-	-
Total (B)	**2,607.04**	**2,213.68**

NOTE 15 Borrowings (Other Than Debt Securities)

Description	As at 31st March, 2023	As at 31st March, 2022
At Amortised Cost		
(a) Term Loans (Secured)		
i) From Banks	10,243.50	6,069.73
ii) From other Parties	200.00	4.93
iii) External Commercial Borrowings	1,615.27	2,169.82
(b) Loans Repayable on Demand		
i) Cash Credit from Banks (Secured)	0.16	8.62
ii) Working Capital Demand Loan (Secured)	2,195.00	1,189.00
iii) Working Capital Demand Loan (Unsecured)	265.00	15.00
Total (A)	**14,518.93**	**9,457.10**
Borrowings in India	12,903.66	7,287.28
Borrowings outside India	1,615.27	2,169.82
Total (B)	**14,518.93**	**9,457.10**

NOTE 16 Subordinated Liabilities

Description	As at 31st March, 2023	As at 31st March, 2022
At Amortised Cost - Unsecured		
(a) Perpetual Debt Instruments to the extent that do not qualify as equity	99.88	99.86
(b) Other Subordinated Liabilities		
(i) From Banks	100.00	199.98
(ii) From Others	1,544.92	993.50
Total (A)	**1,744.80**	**1,293.34**
Subordinated Liabilities in India	1,744.80	1,293.34
Subordinated Liabilities outside India	-	-
Total (B)	**1,744.80**	**1,293.34**

a. Refer Annexure for the terms of the debt securities, borrowings and subordinated liabilities.
b. The Company has utilised the borrowed funds for the purposes for which the fund is obtained.
c. The Company has not been declared a wilful defaulter by any Bank or Financial Institution or other lenders.
d. There are no charges or satisfaction yet to be registered with ROC beyond the statutory time period.
e. There is no unhedged foreign currency exposures.
f. The Company has not breached any covenant of loan availed or debt securities issued.

(All amounts in ₹ Crore unless otherwise stated)

Annexure

Institution	Amount Outstanding as on 31st March, 2023	Type of Security	Interest Rate	Total Installment	No. of Installments Remaining	Frequency	Repayable From	Repayable To
Debt Securities								
Commercial Paper	396.25	Unsecured	7.75%	1	1	Bullet	16/05/2023	16/05/2023
Commercial Paper	345.18	Unsecured	8.27%	1	1	Bullet	02/06/2023	02/06/2023
Commercial Paper	147.93	Unsecured	8.27%	1	1	Bullet	02/06/2023	02/06/2023
Commercial Paper	246.39	Unsecured	8.27%	1	1	Bullet	05/06/2023	05/06/2023
Commercial Paper	246.28	Unsecured	8.27%	1	1	Bullet	07/06/2023	07/06/2023
Non-Convertible Debentures	500.00	Secured	8.30%	2	2	Bullet	14/08/2025	12/09/2025
Non-Convertible Debentures	120.00	Secured	8.30%	2	2	Bullet	14/08/2025	12/09/2025
Non-Convertible Debentures	100.00	Secured	8.30%	2	2	Bullet	14/08/2025	12/09/2025
Non-Convertible Debentures	80.00	Secured	8.30%	2	2	Bullet	14/08/2025	12/09/2025
Non-Convertible Debentures	300.00	Secured	8.15%	2	2	Bullet	19/09/2024	18/10/2024
Non-Convertible Debentures	75.00	Secured	8.15%	2	2	Bullet	19/09/2024	18/10/2024
Non-Convertible Debentures	50.00	Secured	8.15%	2	2	Bullet	19/09/2024	18/10/2024
	2,607.03							
Loan repayable on demand	2,195.16	Secured	7.40% - 8.10%	Repayable on demand				
	265.00	Unsecured						
	2,460.16							
Term Loan								
Bank	74.99	Secured	8.40%	8.00	3.00	Quaterly	18/02/2022	18/11/2023
Bank	149.98	Secured	7.85%	8.00	4.00	Quarterly	29/06/2022	29/03/2024
Bank	187.47	Secured	6.30%	8.00	6.00	Quarterly	21/12/2022	30/09/2024
Bank	250.00	Secured	6.30%	8.00	8.00	Quarterly	31/05/2023	28/02/2025
Bank	499.92	Secured	7.00%	10.00	10.00	Quarterly	30/04/2023	30/07/2025
Bank	698.56	Secured	7.59%	10.00	10.00	Quaterly	01/07/2023	01/10/2025
Bank	416.63	Secured	7.70%	12.00	10.00	Quarterly	26/11/2022	26/08/2025
Bank	149.91	Secured	7.90%	12.00	6.00	Quarterly	30/09/2024	31/12/2025
Bank	249.84	Secured	7.80%	10.00	10.00	Quaterly	31/07/2023	31/10/2025
Bank	166.53	Secured	8.00%	12.00	8.00	Quarterly	25/09/2022	25/03/2025
Bank	200.00	Secured	7.00%	1.00	1.00	Bullet	27/10/2024	27/10/2024
Bank	24.99	Secured	7.25%	10.00	1.00	Quarterly	04/08/2022	04/05/2023
Bank	199.97	Secured	8.00%	1.00	1.00	Bullet	01/05/2024	01/05/2024
Bank	150.00	Secured	8.76%	1.00	1.00	Bullet	25/10/2024	25/10/2024
Bank	50.00	Secured	8.76%	6.00	2.00	Half Yearly	12/08/2022	01/02/2024
Bank	300.00	Secured	7.25%	4.00	4.00	Quarterly	20/11/2023	20/05/2025
Bank	41.67	Secured	8.40%	36.00	5.00	Monthly	21/09/2020	21/08/2023
Bank	50.00	Secured	8.57%	36.00	9.00	Monthly	31/01/2021	31/12/2023
Bank	208.31	Secured	7.75%	36.00	15.00	Monthly	25/07/2021	24/06/2024
Bank	250.00	Secured	7.50%	36.00	18.00	Monthly	28/10/2021	27/09/2024
Bank	145.80	Secured	8.37%	36.00	21.00	Monthly	31/01/2022	30/12/2024
Bank	337.76	Secured	5.60%	37.00	25.00	Monthly	30/04/2022	29/04/2025
Bank	567.53	Secured	6.35%	37.00	28.00	Monthly	29/07/2022	28/07/2025
Bank	457.58	Secured	7.25%	12.00	11.00	Quaterly	23/03/2023	21/01/2026
Bank	91.74	Secured	7.60%	37.00	34.00	Monthly	02/02/2023	21/01/2026
Bank	60.00	Secured	7.75%	12.00	12.00	Quaterly	20/05/2023	21/03/2026
Bank	87.57	Secured	7.75%	37.00	36.00	Monthly	20/03/2023	21/03/2026
Bank	374.18	Secured	7.25%	12.00	12.00	Quaterly	30/06/2023	28/04/2026
Bank	120.00	Secured	8.50%	10.00	6.00	Quarterly	29/04/2022	29/07/2024
Bank	120.00	Secured	8.50%	10.00	6.00	Quarterly	13/05/2022	13/08/2024

(All amounts in ₹ Crore unless otherwise stated)

Institution	Amount Outstanding as on 31st March, 2023	Type of Security	Interest Rate	Total Installment	No. of Installments Remaining	Frequency	Repayable From	Repayable To
Bank	249.95	Secured	7.50%	1.00	1.00	Bullet	30/09/2025	30/09/2025
Bank	499.91	Secured	7.65%	10.00	10.00	Quarterly	02/06/2023	02/09/2025
Bank	100.00	Secured	7.75%	10.00	10.00	Quarterly	29/06/2023	29/09/2025
Bank	399.91	Secured	7.75%	10.00	10.00	Quarterly	01/07/2023	01/10/2025
Bank	180.00	Secured	7.00%	10.00	9.00	Quarterly	31/01/2023	30/04/2025
Bank	33.32	Secured	8.50%	36.00	12.00	Monthly	30/04/2021	30/03/2024
Bank	199.91	Secured	8.03%	10.00	10.00	Quarterly	30/06/2023	30/09/2025
Bank	300.00	Secured	8.03%	10.00	10.00	Quarterly	31/07/2023	31/10/2025
Bank	499.90	Secured	8.10%	10.00	10.00	Quarterly	30/09/2023	30/12/2025
Bank	249.86	Secured	7.60%	8.00	8.00	Quarterly	23/06/2023	23/03/2025
Bank	250.00	Secured	7.60%	8.00	8.00	Quarterly	20/07/2023	20/04/2025
Bank	499.82	Secured	7.50%	12.00	12.00	Quarterly	10/05/2023	10/02/2026
Bank	99.98	Secured	8.75%	10.00	4.00	Quarterly	19/12/2021	19/03/2024
Others	200.00	Secured	7.60%	5.00	5.00	Quarterly	05/05/2023	30/06/2024
Bank-ECB	410.43	Secured	6.94%	1.00	1.00	Bullet	13/07/2023	13/07/2023
Bank-ECB	385.94	Secured	6.94%	1.00	1.00	Bullet	19/10/2023	19/10/2023
Bank-ECB	818.90	Secured	6.92%	1.00	1.00	Bullet	02/12/2024	02/12/2024
	12,058.77							
Subordinated Liabilities								
Perpertual Debt	99.88	Unsecured	11.50%	1	1	Bullet	25/11/2027	25/11/2027
Other Subordinated Liabilities:								
Bank	50.00	Unsecured	9.70%	1	1	Bullet	29/05/2023	29/05/2023
Bank	50.00	Unsecured	10.48%	1	1	Bullet	24/07/2023	24/07/2023
Others	99.60	Unsecured	10.90%	1	1	Bullet	07/08/2024	07/08/2024
Others	99.00	Unsecured	8.85%	1	1	Bullet	02/06/2027	02/06/2027
Others	35.00	Unsecured	8.85%	1	1	Bullet	11/06/2027	11/06/2027
Others	35.00	Unsecured	8.85%	1	1	Bullet	11/06/2027	11/06/2027
Others	30.00	Unsecured	8.85%	1	1	Bullet	11/06/2027	11/06/2027
Others	200.00	Unsecured	8.85%	1	1	Bullet	11/06/2027	11/06/2027
Others	50.00	Unsecured	8.85%	1	1	Bullet	11/06/2027	11/06/2027
Others	64.20	Unsecured	9.40%	1	1	Bullet	10/06/2026	10/06/2026
Others	34.57	Unsecured	9.40%	1	1	Bullet	10/06/2026	10/06/2026
Others	49.39	Unsecured	9.40%	1	1	Bullet	10/06/2026	10/06/2026
Others	128.40	Unsecured	9.40%	1	1	Bullet	26/08/2026	26/08/2026
Others	19.76	Unsecured	9.40%	1	1	Bullet	26/08/2026	26/08/2026
Others	95.00	Unsecured	9.50%	1	1	Bullet	18/01/2028	18/01/2028
Others	80.00	Unsecured	9.50%	1	1	Bullet	31/01/2028	31/01/2028
Others	115.00	Unsecured	9.50%	1	1	Bullet	31/01/2028	31/01/2028
Others	110.00	Unsecured	9.50%	1	1	Bullet	31/01/2028	31/01/2028
Others	50.00	Unsecured	9.35%	1	1	Bullet	29/08/2028	29/08/2028
Others	50.00	Unsecured	9.35%	1	1	Bullet	29/08/2028	29/08/2028
Others	50.00	Unsecured	9.35%	1	1	Bullet	29/08/2028	29/08/2028
Others	50.00	Unsecured	9.35%	1	1	Bullet	29/08/2028	29/08/2028
Others	100.00	Unsecured	10.00%	1	1	Bullet	01/07/2026	01/07/2026
Total	**1,644.92**							
Subordinated Liabilities Total	**1,744.80**							

(All amounts in ₹ Crore unless otherwise stated)

Institution	Amount Outstanding as on 31st March, 2022	Type of Security	Interest Rate	Total Installment	No. of Installments Remaining	Frequency	Repayable From	Repayable To
Debt Securities								
Commercial Paper	299.28	Unsecured	4.41%	1	1	Bullet	21/04/2022	21/04/2022
Commercial Paper	199.43	Unsecured	4.41%	1	1	Bullet	25/04/2022	25/04/2022
Commercial Paper	199.40	Unsecured	4.41%	1	1	Bullet	26/04/2022	26/04/2022
Commercial Paper	49.85	Unsecured	4.41%	1	1	Bullet	26/04/2022	26/04/2022
Commercial Paper	298.15	Unsecured	4.65%	1	1	Bullet	20/05/2022	20/05/2022
Commercial Paper	148.98	Unsecured	4.65%	1	1	Bullet	25/05/2022	25/05/2022
Commercial Paper	247.48	Unsecured	4.90%	1	1	Bullet	16/06/2022	16/06/2022
Commercial Paper	148.37	Unsecured	4.90%	1	1	Bullet	22/06/2022	22/06/2022
Commercial Paper	98.91	Unsecured	4.90%	1	1	Bullet	22/06/2022	22/06/2022
Commercial Paper	49.42	Unsecured	4.90%	1	1	Bullet	28/06/2022	28/06/2022
Commercial Paper	49.42	Unsecured	4.90%	1	1	Bullet	28/06/2022	28/06/2022
Non-Convertible Debentures	300.00	Secured	8.35%	1	1	Bullet	22/03/2023	22/03/2023
Non-Convertible Debentures	25.00	Secured	8.35%	1	1	Bullet	22/03/2023	22/03/2023
Non-Convertible Debentures	99.99	Secured	7.40%	1	1	Bullet	08/04/2022	08/04/2022
	2,213.68							
Loan repayable on demand	1,197.62	Secured	5.80% - 7.85%	Repayable on demand				
	15.00	Unsecured						
	1,212.62							
Term Loan								
Bank	199.98	Secured	7.35%	1.00	1.00	Bullet	19/11/2022	19/11/2022
Bank	97.50	Secured	6.30%	8.00	6.00	Quarterly	24/12/2021	24/09/2023
Bank	174.98	Secured	5.90%	8.00	7.00	Quarterly	18/02/2022	18/11/2023
Bank	299.96	Secured	5.60%	8.00	8.00	Quarterly	29/06/2022	29/03/2024
Bank	249.96	Secured	6.30%	8.00	8.00	Quarterly	21/12/2022	21/09/2024
Bank	250.00	Secured	6.30%	8.00	8.00	Quarterly	31/05/2023	28/02/2025
Bank	83.32	Secured	7.40%	11.00	4.00	Quarterly	06/08/2020	06/02/2023
Bank	249.95	Secured	7.45%	12.00	10.00	Quarterly	31/12/2021	24/09/2024
Bank	22.50	Secured	6.90%	10.00	3.00	Quarterly	15/07/2020	15/10/2022
Bank	79.98	Secured	6.90%	10.00	4.00	Quarterly	24/11/2020	24/02/2023
Bank	50.00	Secured	7.90%	4.00	2.00	Half yearly	18/06/2021	18/12/2022
Bank	41.66	Secured	5.17%	36.00	5.00	Monthly	30/09/2019	30/08/2022
Bank	33.33	Secured	6.28%	36.00	6.00	Monthly	30/10/2019	29/09/2022
Bank	166.67	Secured	5.85%	36.00	12.00	Monthly	19/04/2020	19/03/2023
Bank	141.67	Secured	5.90%	36.00	17.00	Monthly	21/09/2020	21/08/2023
Bank	116.67	Secured	5.29%	36.00	21.00	Monthly	31/01/2021	31/12/2023
Bank	374.96	Secured	5.25%	36.00	27.00	Monthly	25/07/2021	24/06/2024
Bank	416.67	Secured	5.00%	36.00	30.00	Monthly	28/10/2021	28/09/2024
Bank	229.17	Secured	5.29%	36.00	33.00	Monthly	31/01/2022	31/12/2024
Bank	499.89	Secured	5.60%	37.00	37.00	Monthly	30/04/2022	30/04/2025
Bank	249.78	Secured	6.10%	8.00	8.00	Quarterly	28/06/2023	28/03/2025
Bank	150.00	Secured	6.95%	1.00	1.00	Bullet	25/10/2024	25/10/2024
Bank	100.00	Secured	7.40%	6.00	4.00	Half yearly	12/08/2021	01/02/2024
Bank	249.77	Secured	6.80%	12.00	12.00	Quarterly	25/06/2022	25/03/2025
Bank	99.93	Secured	7.35%	10.00	4.00	Quarterly	20/12/2020	20/03/2023
Bank	124.94	Secured	7.25%	10.00	5.00	Quarterly	04/02/2021	04/05/2023
Bank	39.99	Secured	7.25%	10.00	4.00	Quarterly	31/12/2020	30/03/2023
Bank	199.96	Secured	7.30%	10.00	8.00	Quarterly	19/12/2021	19/03/2024
Bank	66.63	Secured	7.40%	36.00	24.00	Monthly	30/04/2021	30/03/2024
Bank	200.00	Secured	6.95%	10.00	10.00	Quarterly	29/04/2022	29/07/2024
Bank	200.00	Secured	6.95%	10.00	10.00	Quarterly	13/05/2022	13/08/2024

(All amounts in ₹ Crore unless otherwise stated)

Institution	Amount Outstanding as on 31st March, 2022	Type of Security	Interest Rate	Total Installment	No. of Installments Remaining	Frequency	Repayable From	Repayable To
Bank	189.38	Secured	8.57%	1.00	1.00	Bullet	31/05/2022	31/05/2022
Bank	189.38	Secured	8.57%	1.00	1.00	Bullet	10/06/2022	10/06/2022
Bank	151.51	Secured	8.06%	1.00	1.00	Bullet	26/08/2022	26/08/2022
Bank	151.51	Secured	8.06%	1.00	1.00	Bullet	16/09/2022	16/09/2022
Bank	59.99	Secured	7.35%	10.00	2.00	Quarterly	20/05/2020	20/08/2022
Bank	200.00	Secured	7.00%	1.00	1.00	Bullet	27/10/2024	27/10/2024
Bank	199.94	Secured	6.45%	1.00	1.00	Bullet	24/05/2024	24/05/2024
Others	4.93	Secured	6.43%	10.00	1.00	Quarterly	10/03/2020	10/06/2022
Bank	378.07	Secured	6.94%	1.00	1.00	Bullet	13/07/2023	13/07/2023
Bank	356.04	Secured	6.94%	1.00	1.00	Bullet	19/10/2023	19/10/2023
Bank	753.93	Secured	6.92%	1.00	1.00	Bullet	02/12/2024	02/12/2024
Bank	150.00	Secured	6.10%	1.00	1.00	Bullet	23/09/2022	23/09/2022
	8,244.48							
Subordinated Liabilities								
Perpertual Debt	99.86	Unsecured	11.50%	1	1	Bullet	25/11/2027	25/11/2027
Other Subordinated Liabilities:								
Bank	49.99	Unsecured	8.60%	1	1	Bullet	29/05/2023	29/05/2023
Bank	50.00	Unsecured	8.94%	1	1	Bullet	24/07/2023	24/07/2023
Bank	25.00	Unsecured	9.70%	1	1	Bullet	01/09/2022	01/09/2022
Bank	24.99	Unsecured	9.70%	1	1	Bullet	01/09/2022	01/09/2022
Others	99.30	Unsecured	10.90%	1	1	Bullet	07/08/2024	07/08/2024
Others	112.91	Unsecured	9.40%	1	1	Bullet	10/06/2026	10/06/2026
Others	34.36	Unsecured	9.40%	1	1	Bullet	10/06/2026	10/06/2026
Others	99.00	Unsecured	8.85%	1	1	Bullet	02/06/2027	02/06/2027
Others	35.00	Unsecured	8.85%	1	1	Bullet	11/06/2027	11/06/2027
Others	35.00	Unsecured	8.85%	1	1	Bullet	11/06/2027	11/06/2027
Others	30.00	Unsecured	8.85%	1	1	Bullet	11/06/2027	11/06/2027
Others	200.00	Unsecured	8.85%	1	1	Bullet	11/06/2027	11/06/2027
Others	50.00	Unsecured	8.85%	1	1	Bullet	11/06/2027	11/06/2027
Others	50.00	Unsecured	10.02%	1	1	Bullet	28/04/2022	28/04/2022
Others	147.93	Unsecured	9.40%	1	1	Bullet	26/08/2026	26/08/2026
Others	50.00	Unsecured	11.25%	1	1	Bullet	01/05/2022	01/05/2022
Others	100.00	Unsecured	10.00%	1	1	Bullet	01/07/2026	01/07/2026
Total	**1,193.48**							
Subordinated Liabilities Total	**1,293.34**							

Details of Security

i. Non-Convertible Debentures of ₹1,225.00 Cr inclusive of Current and Non-Current Dues (Previous Year: ₹424.99 Cr as on 31st March, 2022) are fully secured by an exclusive floating charge against hypothecation of receivables under the financing activity of the Company.

ii. Term Loan received from Banks and Other Parties of ₹12,058.77 Cr inclusive of Current and Non-Current Dues (Previous Year: ₹8,244.47 Cr as on 31st March 2022) is fully secured by an exclusive floating charge against hypothecation of receivables under the financing activity of the Company.

iii. Working Capital Demand Loan and Cash Credit of ₹2,195.16 Cr (Previous Year: ₹1,197.62 Cr as at 31st March, 2022) is fully secured by an exclusive floating charge against hypothecation of receivables under the financing activity of the Company.

External Commercial Borrowings

During the previous year, the Company had raised funds in the overseas market amounting to ₹751.50 Cr (equivalent to USD 100 million) under External Commercial Borrowings (ECB) accessed through an automatic route after receiving the Loan Registration Number from RBI as per ECB Master Directions. These are unlisted instruments, for a total duration of 3 years and the loan has been fully hedged. The net proceeds from the issue of these ECB were applied for the purpose of on-lending, in accordance with the directions issued by the RBI.

(All amounts in ₹ Crore unless otherwise stated)

NOTE 17 Other Financial Liabilities

S.No.	Description	As at 31st March, 2023	As at 31st March, 2022
a)	Interest Accrued But Not Due	154.78	69.69
b)	Employee Related Liabilities	139.40	57.69
c)	Security Deposit	64.39	81.37
d)	Lease Liability (refer Note 36)	33.11	21.96
	Total	**391.68**	**230.71**

NOTE 18 Provisions

S.No.	Description	As at 31st March, 2023	As at 31st March, 2022
a)	Pension	9.78	13.80
b)	Compensated Absences	42.89	24.54
	Total	**52.67**	**38.34**

NOTE 19 Other Non-Financial Liabilities

S.No.	Description	As at 31st March, 2023	As at 31st March, 2022
a)	Statutory Dues	31.39	29.54
	Total	**31.39**	**29.54**

NOTE 20 Equity Share Capital

S.No.	Description	As at 31st March, 2023	As at 31st March, 2022
a)	**Authorised Share Capital:**		
	250,000,000 Equity Shares of ₹10 each	250.00	250.00
	(Previous Year 250,000,000 Equity Shares)		
		250.00	**250.00**
b)	**Issued, Subscribed and Fully Paid-up Share Capital:**		
	228,223,926 number of Equity shares of ₹10 each	228.22	201.20
	(Previous year 201,196,900 Equity Shares of ₹10 each)		
c)	**Par Value per Share**	₹10 each	₹10 each
d)	**Number of Equity Shares at the beginning of the year**	201,196,900	191,937,700
	Changes in Equity Share Capital due to prior period errors	-	-
	Restated number of Equity Shares at the beginning of the year	201,196,900	191,937,700
	Add: Preferential Allotment made during the year	27,027,026	9,259,200
	Number of Equity Shares at the end of the year	228,223,926	201,196,900
e)	**Equity Shares held by Holding Companies**		
	Particulars	**No. of Shares**	**No. of Shares**
	Holding Company - TVS Motor Company Limited	195,424,754	168,397,728
	Sundaram-Clayton Limited (Holding Company of TVS Motor Company Limited)	5,266,650	2,180,250

(All amounts in ₹ Crore unless otherwise stated)

NOTE 20 Equity Share Capital (Contd.)

f) Number of shares held by Shareholders more than 5% of total shares as at the end of the year

Name of the Shareholders	As at 31st March, 2023		As at 31st March, 2022	
	No. of Shares	% of Holding	No. of Shares	% of Holding
TVS Motor Company Limited	195,424,754	85.63%	168,397,728	83.70%
Lucas-TVS Limited	11,337,297	4.97%	11,337,297	5.63%

g) Shares held by Promoters at the end of year

S.No.	Promoter Name	No. of Shares	% of Total Shares	% change during the year
1	TVS Motor Company Limited	195,424,754	85.63%	1.93%
2	Sundaram-Clayton Limited	5,266,650	2.31%	1.22%
3	TVS Motor Services Limited	1,090,125	0.48%	-0.06%

NOTE 21 Other Equity

Description	As at 31st March, 2023	As at 31st March, 2022
a) Securities Premium Reserves	1,336.35	863.38
b) Statutory Reserve	242.03	164.30
c) Retained Earnings	934.94	624.12
d) Other Reserves	19.32	12.80
Total Reserves and Surplus	**2,532.64**	**1,664.60**

a) Securities Premium Reserves	As at 31st March, 2023	As at 31st March, 2022
Opening balance	863.38	722.64
Additions during the year	472.97	140.74
Deductions/Adjustments during the year	-	-
Closing balance	**1,336.35**	**863.38**

b) Statutory Reserve	As at 31st March, 2023	As at 31st March, 2022
Opening balance	164.30	140.15
Transfer from retained earnings	77.73	24.15
Deductions/Adjustments during the year	-	-
Closing balance	**242.03**	**164.30**

c) Retained earnings	As at 31st March, 2023	As at 31st March, 2022
Opening balance	624.11	528.31
Net profit for the year	389.27	121.20
Items of other comprehensive income recognised directly in retained earnings		
- Remeasurements of post-employment benefit obligation net-off tax	(0.72)	(1.25)
Transfer to Statutory Reserve	(77.73)	(24.15)
Closing balance	**934.94**	**624.11**

d) Other Reserves - Hedge Reserve	As at 31st March, 2023	As at 31st March, 2022
Opening balance	12.80	(17.66)
Add: Change in fair value of hedging instruments, net of tax for the year	6.52	30.46
Closing balance	**19.32**	**12.80**

(All amounts in ₹ Crore unless otherwise stated)

NOTE 21 Other Equity (Contd.)

Securities Premium

The reserve represents premium on issue of shares. It will be utilised in accordance with the provisions of the Companies Act, 2013.

Statutory Reserves:

According to Section 45 - IC of the Reserve Bank of India Act, 1934, the Company transfers a sum not less than 20% of its net profit every year as disclosed in the statement of Profit and Loss and before declaration of any dividend to the Statutory reserves.

Retained Earnings:

Represents Company's cumulative undistributed earnings since its inception. This is available for distribution to Shareholders through dividends/capitalisation.

NOTE 22 Interest Income

Description	Year ended 31st March, 2023	Year ended 31st March, 2022
On Financial assets measured at amortised cost:		
Interest on Loans	3,736.84	2,444.16
Interest on Deposits with Bank	18.67	2.44
Total	**3,755.51**	**2,446.60**

NOTE 23 Fees and Commission Income

Description	Year ended 31st March, 2023	Year ended 31st March, 2022
Fee-based Income	316.42	255.86
Service Income	84.42	44.66
Total	**400.84**	**300.52**

NOTE 24 Other Income

Description	Year ended 31st March, 2023	Year ended 31st March, 2022
Unwinding of discount on security deposits and receivable for investments	3.92	6.80
Other Non-Operating Income	0.78	0.23
Interest on Income Tax Refund	-	1.91
Total	**4.70**	**8.94**

NOTE 25 Finance Costs

Description	Year ended 31st March, 2023	Year ended 31st March, 2022
On Financial Liabilities measured at amortised cost		
Interest Cost		
- Interest on Borrowings (other than Debt Securities)	826.56	547.34
- Interest on Debt Securities	191.67	85.47
- Interest on Subordinated Liabilities	141.51	102.12
- Interest on Lease Liabilities	2.08	1.99
Other Finance Charges	6.46	6.01
Total	**1,168.28**	**742.93**

Partnership is all about turning today's predictions into tomorrow's achievements.

Our **Business Loans** give confidence to those who venture to find their own niche. However small their businesses, we understand that their dreams are big. We walk this journey with them, always being there and ready to help when they're ready to take the next step.

UP TO 10 YEARS* LOAN TENURE | **ATTRACTIVE** INTEREST RATES | **MINIMAL** DOCUMENTATION

*Terms & conditions apply.

(All amounts in ₹ Crore unless otherwise stated)

NOTE 26 Impairment of Financial Instruments

Description	Year ended 31st March, 2023	Year ended 31st March, 2022
On Financial Insturments measured at Amortised Cost		
Bad Debts Written-off (net)	136.26	231.29
Net Loss on Sale of Repossessed Assets	171.46	216.03
Impairment Provision on Loans	321.40	98.98
Impairment Provision on Trade Receivables and Other Financial Assets	0.02	7.85
Total	**629.14**	**554.15**

NOTE 27 Employee Benefit Expenses

Description	Year ended 31st March, 2023	Year ended 31st March, 2022
Salaries and Wages	922.69	638.95
Contribution to Provident and Other Funds	49.21	40.92
Staff Welfare	67.61	31.91
Total	**1,039.51**	**711.78**

NOTE 28 Other Expenses

Description	Year ended 31st March, 2023	Year ended 31st March, 2022
Travelling and Conveyance	124.21	91.45
Communication Costs	152.60	91.45
Rent, Taxes and Energy Costs (Refer Note 36C)	33.03	25.48
Repairs & Maintenance	14.51	12.30
Insurance Expenses	0.69	0.51
Legal and Prof Charges	149.36	81.82
Auditors Fees and Expenses*	0.65	0.53
Directors Sitting Fees & Commission Expenses	0.71	0.73
Corporate Social Responsibility **	5.00	3.50
Donation	2.83	-
Printing and Stationery	9.95	5.81
Others	16.06	9.93
Total	**509.60**	**323.51**

*__Auditors Fees and Expenses__

Description	Year ended 31st March, 2023	Year ended 31st March, 2022
Statutory Audit	0.38	0.24
Tax Audit	0.08	0.07
Certification	0.04	0.15
Reimbursement of Expenses	0.15	0.07
Auditors Fees and Expenses	**0.65**	**0.53**

(All amounts in ₹ Crore unless otherwise stated)

NOTE 28 Other Expenses (Contd.)

**** Expenditure incurred on Corporate Social Responsibility activities:**

Particulars	Year ended 31st March, 2023	Year ended 31st March, 2022
(i) Amount required to be spent by the Company during the year	5.00	3.42
(ii) Amount of expenditure incurred	5.00	3.50
(iii) Shortfall at the end of the year	-	-
(iv) Total of previous years shortfall	-	-
(v) Reason for shortfall	NA	NA
(vi) Nature of CSR activities	-	-
a. Expenses incurred through Trusts	5.00	3.50
Total	**5.00**	**3.50**

NOTE 29 Income Tax Expenses

Description	Year ended 31st March, 2023	Year ended 31st March, 2022
(a) Income tax expense		
Current tax on profits for the year	197.96	65.01
Tax profits relating to prior period	-	-
Total current tax expense	**197.96**	**65.01**
Deferred tax		
Decrease/(increase) in deferred tax assets	(75.17)	(34.36)
(Decrease)/increase in deferred tax liabilities	-	-
Total deferred tax expense/(benefit)	**(75.17)**	**(34.36)**
Income tax expense for the year	**122.79**	**30.65**
(b) Reconciliation of tax expense and the accounting profit multiplied by India's tax rate:		
Profit before income tax expense	512.07	151.85
Tax at the Indian tax rate of 25.168% (previous year – 25.168%)	128.88	38.22
Tax effect of amounts which are permanent differences in nature in calculation of taxable income	(6.08)	(7.57)
Income tax expense	**122.80**	**30.65**

NOTE 30 Other Comprehensive Income

Description	Year ended 31st March, 2023	Year ended 31st March, 2022
Items that will not be reclassified to profit or loss		
Remeasurement of the defined benefit plans	(0.96)	(1.67)
Income tax relating to these items	0.24	0.42
Items that will be reclassified to profit or loss		
Fair value change on cash flow hedge	8.71	40.71
Income tax relating to these items	(2.19)	(10.25)
Other Comprehensive Income	**5.80**	**29.21**

(All amounts in ₹ Crore unless otherwise stated)

NOTE 31 Earnings Per Share

Description	Year ended 31st March, 2023	Year ended 31st March, 2022
(a) Basic earnings per share		
Basic earnings per share attributable to the equity holders of the Company	18.75	6.20
(b) Diluted earnings per share		
Diluted earnings per share attributable to the equity holders of the Company	18.75	6.20
(c) Reconciliations of earnings used in calculating earnings per share		
Basic earnings per share		
Profit attributable to equity holders of the Company used in calculating basis earnings per share	389.28	121.20
Diluted earnings per share		
Profit attributable to equity holders of the Company used in calculating diluted earnings per share	389.28	121.20
(d) Weighted average number of equity shares used as the denominator in calculating basic earnings per share	207,631,553	195,548,365
(e) Weighted average number of equity shares used as the denominator in calculating diluted earnings per share	207,631,553	195,548,365

NOTE 32 Employee Benefit Obligations

Defined Benefit Obligation

The Company provides gratuity for employees in India as per the Payment of Gratuity Act, 1972. Employees who are in continuous service for a period of 5 years are eligible for gratuity. The amount of gratuity payable on retirement/ termination is the employees last drawn basic salary per month computed proportionately for 15 days salary multiplied for the number of years of service. The gratuity plan is a funded plan and the Company makes contributions to recognised fund in India.

The Company operates a defined benefit pension plan, which provides benefits to members in the form of a guaranteed level of pension payable for life. The level of benefits provided depends on members' length of service and their salary in the final years leading up to retirement.

Particulars	Gratuity			Pension			Compensated Absences		
	Present Value of Obligation	Fair Value of Plan Assets	Total	Present Value of Obligation	Fair Value of Plan Assets	Total	Present Value of Obligation	Fair Value of Plan Assets	Total
As on 1st April, 2021	**22.13**	**(20.33)**	**1.80**	**11.68**	**-**	**11.68**	**20.27**	**-**	**20.27**
Current service cost	3.66	-	3.66	-	-	-	-	-	-
Interest expense/(income)	1.25	(1.32)	(0.06)	0.76	-	0.76	1.04	-	1.04
Total amount recognised in profit or loss	**4.91**	**(1.32)**	**3.60**	**0.76**	**-**	**0.76**	**1.04**	**-**	**1.04**
Remeasurements									
Return on plan assets, excluding amounts included in interest expense/ (income)	-	(0.79)	(0.79)	-	-	-	-	-	-
(Gain)/loss from change in financial assumptions	(0.26)	-	(0.26)	(0.29)	-	(0.29)	(0.18)	-	(0.18)
Experience (gains)/losses	1.36	-	1.36	1.65	-	1.65	5.55	-	5.55
Total amount recognised in other comprehensive (income)/losses	**1.10**	**(0.79)**	**0.31**	**1.36**	**-**	**1.36**	**5.37**	**-**	**5.37**
Employer contributions	-	(8.52)	(8.52)	-	-	-	(2.14)	-	(2.14)
Benefit payments	(0.40)	0.40	(0.00)	-	-	-	-	-	-
As on 31st March, 2022	**27.74**	**(30.56)**	**(2.81)**	**13.80**	**-**	**13.80**	**24.54**	**-**	**24.54**

(All amounts in ₹ Crore unless otherwise stated)

NOTE 32 Employee Benefit Obligations (Contd.)

Particulars	Gratuity			Pension			Compensated Absences		
	Present Value of Obligation	Fair Value of Plan Assets	Total	Present Value of Obligation	Fair Value of Plan Assets	Total	Present Value of Obligation	Fair Value of Plan Assets	Total
As on 1st April, 2022	**27.74**	**(30.56)**	**(2.81)**	**13.80**	**-**	**13.80**	**24.54**	**-**	**24.54**
Current service cost	4.52	-	4.52	-	-	-	-	-	-
Interest expense/(income)	1.99	(2.16)	(0.18)	0.75	-	0.75	2.10	-	2.10
Total amount recognised in profit or loss	**6.51**	**(2.16)**	**4.34**	**0.75**	**-**	**0.75**	**2.10**	**-**	**2.10**
Remeasurements									
Return on plan assets, excluding amounts included in interest expense/ (income)	-	2.59	2.59	-	-	-	-	-	-
(Gain)/loss from change in financial assumptions	(1.29)	-	(1.29)	(1.72)	-	(1.72)	(1.15)	-	(1.15)
Experience (gains)/losses	4.43	-	4.43	(3.06)	-	(3.06)	17.39	-	17.39
Total amount recognised in other comprehensive (income)/losses	**3.14**	**2.59**	**5.73**	**(4.78)**	**-**	**(4.78)**	**16.24**	**-**	**16.24**
Employer contributions	-	(9.57)	(9.57)	-	-	-	-	-	-
Benefit payments	(3.54)	3.54	-	-	-	-	-	-	-
As on 31st March, 2023	**33.85**	**(36.16)**	**(2.31)**	**9.77**	**-**	**9.77**	**42.88**	**-**	**42.88**

Details	Gratuity		Pension		Compensated Absences	
	31st March, 2023	31st March, 2022	31st March, 2023	31st March, 2022	31st March, 2023	31st March, 2022
Discount Rate	7.11%	5.36%	7.13%	6.13%	7.10%	5.17%
Salary Growth Rate	6.00%	6.00%	5.50%	5.50%	6.00%	6.00%
Attrition Rate	36.00%	36.00%	0.00%	0.00%	36.00%	36.00%
Retirement Age	58	58	60	60	58	58
Mortality inclusive of provision for disability	100% of Indian Assured Lives Mortality (IALM)					

(i) Sensitivity Analysis

FY 2022-23

Particulars	Gratuity			Pension			Compensated Absences		
	Change in Assumption	Due to increase in Assumption	Due to decrease in Assumption	Change in Assumption	Due to increase in Assumption	Due to decrease in Assumption	Change in Assumption	Due to increase in Assumption	Due to decrease in Assumption
Discount Rate	0.50%	33.45	34.23	1.00%	8.69	11.07	0.50%	42.46	43.34
Salary Growth Rate	0.50%	34.22	33.46	1.00%	11.13	8.63	0.50%	43.34	42.46
Mortality	5.00%	33.84	33.84	5.00%	9.71	9.85	5.00%	42.89	42.89

FY 2021-22

Particulars	Gratuity			Pension			Compensated Absences		
	Change in Assumption	Due to increase in Assumption	Due to decrease in Assumption	Change in Assumption	Due to increase in Assumption	Due to decrease in Assumption	Change in Assumption	Due to increase in Assumption	Due to decrease in Assumption
Discount Rate	0.50%	27.41	28.09	1.00%	12.05	15.91	0.50%	24.28	24.81
Salary Growth Rate	0.50%	28.08	27.41	1.00%	15.99	11.97	0.50%	24.81	24.28
Mortality	5.00%	27.74	27.74	5.00%	13.69	13.91	5.00%	24.54	24.54

(All amounts in ₹ Crore unless otherwise stated)

NOTE 32 Employee Benefit Obligations (Contd.)

(ii) The following payments are expected contributions to the defined benefit plan in future years:

Particulars	
Within the next 12 months (next annual reporting period)	11.01
Between 2 and 5 years	22.77
Beyond 5 years	5.92
Total	**39.70**

(iii) Risk Exposure:

Through its defined benefit plans, the Company is exposed to a number of risks, the most significant of which are detailed below:

Asset Volatility

The plan liabilities are calculated using a discount rate set with reference to bond yield.

Changes in Bond Yields

A decrease in bond yields will increase plan liabilities, although this will be partially offset by an increase in the value of the plans' bond holdings.

(iv) Defined Contribution Plans:

The Company's contribution to defined contribution plan viz., provident fund, of ₹30.41 Cr (31st March, 2022: ₹25.99 Cr) has been recognised in the Statement of Profit and Loss. There are numerous interpretative issues relating to the Supreme Court (SC) judgment dated 28th February, 2019 on components/allowances paid to employees that need to be taken into account while computing an employer's contribution to provident fund under the EPF Act. The Company is in the process of evaluating the method of computation of its PF contribution in relation to the above judgement and would record any further effect in its financial statements, upon receiving further clarification on the subject.

NOTE 33 Fair Value Measurements

Financial assets and financial liabilities measured at amortised cost, including their levels in the fair value hierarchy:

Particulars	Carrying Amount		Fair Value Hierarchy	Fair Value	
	31st March, 2023	31st March, 2022		31st March, 2023	31st March, 2022
Financial assets:					
Cash and Cash equivalents	1,539.93	970.46	Level 3	1,539.93	970.46
Other Bank Balances	5.72	6.00	Level 3	5.72	6.00
Trade Receivables	64.36	37.90	Level 3	64.36	37.90
Loans	20,545.09	14,014.31	Level 3	20,545.09	14,014.31
Other Financial Assets					
Employees Related Receivables	7.97	4.85	Level 3	7.97	4.85
Security Deposit for Leased Premises	9.65	8.27	Level 3	9.65	8.27
Advances to Related Parties	-	38.10	Level 3	-	38.75
Other Financial Assets Non-Related Parties	0.01	0.83	Level 3	0.01	0.83
Deposit with Service Providers	5.19	6.39	Level 3	5.19	6.39
Total	**22,177.92**	**15,087.11**		**22,177.92**	**15,087.76**

(All amounts in ₹ Crore unless otherwise stated)

NOTE 33 Fair Value Measurements (Contd.)

Particulars	Carrying Amount		Fair Value Hierarchy	Fair Value	
	31st March, 2023	31st March, 2022		31st March, 2023	31st March, 2022
Financial Liabilities:					
Trade Payables	635.69	334.65	Level 3	635.69	334.65
Debt Securities	2,607.04	2,213.68	Level 3	2,607.04	2,213.68
Borrowings other than Debt Securities	14,518.93	9,457.10	Level 3	14,518.93	9,457.10
Subordinated Liabilities	1,744.80	1,293.34	Level 3	1,744.80	1,293.34
Other financial liabilities	391.68	230.71	Level 3	391.68	230.71
Total	**19,898.14**	**13,529.48**		**19,898.14**	**13,529.48**

Financial Assets and Liabilities measured at fair value (Level 2)

Particulars	31st March, 2023	31st March, 2022
Financial Assets		
Derivative Financial Instruments	170.86	64.06
Total Financial Assets	**170.86**	**64.06**
Financial Liabilities		
Derivative Financial Instruments	-	-
Total Financial Liabilities	**-**	**-**

There were no transfers between any levels during the year.

(i) Fair value hierarchy

IND-AS 113, 'Fair Value Measurement' requires classification of the valuation method of financial instruments measured at fair value in the Statement of Balance sheet, using a three level fair-value-hierarchy (which reflects the significance of inputs used in the measurements). The hierarchy gives the highest priority to un-adjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and lowest priority to un-observable inputs (Level 3 reasurements). Fair value of derivative financial assets and liabilities are estimated by discounting expected future contractual cash flows using prevailing market interest rate curves. The three levels of the fair-value-hierarchy under IND-AS 113 are described below:

Level 1: Level 1 hierarchy includes financial instruments measured using quoted prices. This includes publicly traded derivatives and mutual funds that have a quoted price. The quoted market price used for financial assets held by the Company is the current bid price.

Level 2: The fair value of financial instruments that are not traded in an active market (for example over-the-counter derivatives) is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in Level 2.

Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in Level 3.

ii. Valuation Technique used to determine Fair Value

Specific valuation techniques used to value financial instruments include:

- The Management assessed that Cash and Cash equivalents, bank balance other than Cash and Cash equivalents, receivable, other financial assets, payables, and other financial liabilities approximate their carrying amount largely due to short-term maturities of these instruments. The fair value of the investments has been considered as the carrying value of these investments since these investments have been made in the subsidiaries of the Company.
- The majority of borrowings are floating rate borrowings, the carrying value is representative of the fair value.
- The fair values for advance to related parties and rent advance were calculated based on cash flows discounted using a current lending rate. They are classified as Level 3 fair values in the fair value hierarchy due to the inclusion of unobservable inputs including counterparty credit risk.
- The fair value of forward foreign exchange contracts and cross currency interest rate swaps (CCIRS) is determined using forward exchange rates at the balance sheet date.

(All amounts in ₹ Crore unless otherwise stated)

NOTE 34 Financial Risk Management

The Company's financial assets include loans and advances, investments, and cash and cash equivalents that derive directly from its operations. The Company's financial liabilities comprise mainly borrowings from banks, debentures, and commercial papers.

The Company is exposed to various risks such as Credit risk, Liquidity risk, Foreign Currency risks, and Interest Rate risks.

The Board of Directors have the overall responsibility for the establishment of governance and oversight in relation to the Company's risk management framework. The Board of Directors have established Committees such as the Risk Management Committee and Asset Liability Committee for developing and monitoring the Company's risk management policies and treasury policies. The Committees reports regularly to the Board of Directors on its activities.

The Company's Risk management policies are established to identify and analyse the various risks faced by the Company, to set appropriate risk benchmark limits, and controls, and to monitor risks and adherence to limits from time to time. The Risk Management Committee oversees how management monitors compliance with the risk management policies and procedures and other governance frameworks and reviews the adequacy of the risk management framework in relation to the various risks faced by the Company from time to time.

(A) Credit Risk

Credit Risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Company. The Company has adopted a policy of only dealing with creditworthy counterparties and obtaining sufficient collateral, where appropriate, as a means of mitigating the risk of financial loss from defaults. The exposure is continuously monitored to determine the significant increase in credit risk. The Company monitors the credit assessment on a portfolio basis and assesses all credit exposures in excess of designated limits. The Company does a risk grading based on the creditworthiness of the borrowers. All these factors are taken into consideration for the computation of Expected Credit Loss (ECL).

Loans

The following table sets out information about credit quality of retail loan assets measured at amortised cost based on Number of Days Past Due information. The amount represents the gross carrying value of assets as on each reporting date.

Particulars	31st March, 2023	31st March, 2022
Gross Carrying value of Loans		
Stage-1 (Up to 30 Days)	19,691.90	12,776.84
Stage-2 (31-90 Days)#	989.54	1,097.14
Stage-3 (More than 90 Days)*	573.71	528.99
Total Gross carrying value as on year end	**21,255.15**	**14,402.97**

Includes restructured contracts under one time resolution framework vide RBI circular dated 6th August, 2020 and RBI/2 021- 22/31/ DOR.STR.REC.11 /21.04.048/2021-22 dated 5th May, 2021 even though days past due is less than and equal to 30 days on the reporting date.

* Includes restructured contracts under Prudential Framework for Resolution of Stressed Assets vide circular RBI/2018-19/203 DBR. No.BP.BC.45/21.04.048/2018-19 dated 7th June, 2019 irespective of days past due on the reporting date.

Other financial assets

Credit risk with respect to other financial assets is extremely low except for "Other Financial Assets - Non-Related Parties". Based on the credit assessment the historical trend of low default is expected to continue. No provision for ECL has been created for Other Financial Assets except full provision on "Other Financial Assets - Non-Related Parties".

Credit quality

The Company has a comprehensive framework for monitoring the credit quality of its retail and other loans based on Days Past Due monitoring. Repayment by individual customers and portfolio is tracked regularly and required steps for recovery is taken through follow-ups and legal recourse.

Inputs considered in the ECL model

In assessing the impairment of loans assets under ECL model, the loan assets have been segmented into three stages.

(All amounts in ₹ Crore unless otherwise stated)

NOTE 34 Financial Risk Management (Contd.)

The three stages reflect the general pattern of credit deterioration of a financial instrument. The differences in accounting between stages relate to the recognition of expected credit losses and the calculation and presentation of interest revenue.

The Company categorises loan assets into stages based on the Days Past Due status:

— Stage 1: Up to 30 Days Past Due

— Stage 2: 31-90 Days Past Due

— Stage 3: More than 90 Days Past Due

Assumptions considered in the ECL model

The Company has made the following assumptions in the ECL Model:

— "Loss Given Default" (LGD) is common for all three stages and is based on loss in past portfolios. Actual cash flows are discounted with the average rate for arriving loss rate. EIR has been taken as the discount rate for all loans.

Estimation Technique

The Company has applied the following estimation technique in its ECL model:

— "Probability of Default" (PD) is applied in Stage 1 and Stage 2 on a portfolio basis and for Stage 3 PD is 100%.

— Probability of default for Stage 1 loan assets is calculated as an average of the historical trend from Stage 1 to Stage 3 in the next 12 months.

— Probability of default for Stage 2 loan assets is calculated based on the lifetime PD as the average of the historical trend from Stage 2 to Stage 3 for the remaining tenure.

— Loss given default is calculated based on discounted actual cash flow on the past portfolio in default along with reversals.

There is no change in estimation techniques or significant assumptions during the reporting period.

The Company considers a broad range of forward-looking information with reference to external forecasts of economic parameters such as GDP growth, Government borrowing, private consumption expenditure, policy interest rates, etc., as considered relevant so as to determine the impact of macroeconomic factors on the Company's ECL estimates. The internal estimates of PD, and LGD rates used in the ECL model may not always capture all the characteristics of the market/external environment as at the date of the financial statements. To reflect this, qualitative adjustments or overlays are made as temporary adjustments to reflect the emerging risks reasonably..

Assessment of Significant Increase in Credit Risk

When determining whether the risk of default has increased significantly since initial recognition, the Company considers both quantitative and qualitative information and analysis based on the business's historical experience, including forward-looking information. The Company considers reasonable and supportable information that is relevant and available without undue cost and effort.

The financial services business uses the number of days past due to classify a financial instrument in low credit risk category and to determine significant increase in credit risk in retail. As a backstop, the financial services business considers that a significant increase in credit risk occurs no later than when an asset is more than 30 days past due.

In accordance with the Board approved moratorium policy read with the Reserve Bank of India (RBI) guidelines dated 27th March, 2020 and 17th April, 2020 relating to 'COVID-19 – Regulatory Package', the Company has offered a moratorium up to six months on the payment of installments falling due between 1st March, 2020 and 31st August, 2020 to all eligible borrowers. The Company has extended the One-Time Resolution framework for COVID-19-related stress to eligible customers as per applicable RBI guidelines and as per the policy of the Company. The Company has classified all restructured accounts done under Prudential Framework for Resolution of Stressed Assets vide circular RBI/2018-19/203 DBR.No.BP.BC.45/21.04.048/2018-19 dated 7th June, 2019 in Stage 3 and with regard to restructured contracts done under one-time resolution framework vide RBI circular dated August 6, 2020 and RBI/2 021- 22/31/DOR.STR.REC.11/21.04.048/2021-22 dated 5th May, 2021 in Stage 2 irrespective of days past due status on the reporting date.

COVID-19 has severe impact on global as well as domestic macro and micro-economies, businesses, and consumers. Due to this uncertainty, the Company's assessments of impairment loss allowance on its loans are subject to a number of management judgments and estimates. Since the Company's impairment loss allowance estimates are inherently uncertain, actual results may differ from these estimates.

(All amounts in ₹ Crore unless otherwise stated)

NOTE 34 Financial Risk Management (Contd.)

Definition of Default

The Company considers a financial instrument is in default when the borrower becomes 90 days past due on its contractual payments. The Company considers loans under default as 'credit impaired' and classified as Stage-3 except for restructured contracts as disclosed above.

Impairment Loss

The expected credit loss allowance provision is determined as follows:

	Stage 1	Stage 2	Stage 3	Grand Total
Gross Balance as at 31st March, 2023	**19,691.90**	**989.54**	**573.71**	**21,255.15**
Expected Credit Loss	264.74	138.78	306.54	710.06
Expected Credit Loss Rate	1.34%	14.02%	53.43%	3.34%
Net of Impairment Provision	19,427.16	850.76	267.17	20,545.09

	Stage 1	Stage 2	Stage 3	Grand Total
Gross Balance as at 31st March, 2022	**12,776.84**	**1,097.14**	**528.99**	**14,402.97**
Expected Credit Loss	87.80	33.25	267.61	388.66
Expected Credit Loss Rate	0.69%	3.03%	50.59%	2.70%
Net of Impairment Provision	12,689.04	1,063.89	261.38	14,014.31

Reconciliation of Expected Credit Loss

Particulars	Stage 1	Stage 2	Stage 3	Grand Total
Balance as at 1st April 2021	**81.90**	**42.34**	**165.43**	289.67
Transfer from Stage 1	(29.74)	18.52	11.22	-
Transfer from Stage 2	2.12	(12.60)	10.48	-
Transfer from Stage 3	4.64	2.41	(7.05)	-
Loans that have derecognised during the period	(21.70)	(19.63)	(90.95)	(132.28)
New Loans originated during the year	60.76	2.65	17.14	80.55
Net Remeasurement of Loss Allowance	(10.17)	(0.44)	161.34	150.73
Balance as at 31st March, 2022	**87.81**	**33.25**	**267.61**	**388.67**
Transfer from Stage 1	(6.38)	3.96	2.42	-
Transfer from Stage 2	2.16	(8.41)	6.25	-
Transfer from Stage 3	11.64	2.96	(14.60)	-
Loan that have derecognised during the period	(22.10)	(9.86)	(141.35)	(173.31)
New Loans originated during the year	118.95	46.44	48.07	213.46
Net Remeasurement of Loss Allowance	72.66	70.44	138.14	281.24
Balance as at 31st March, 2023	**264.74**	**138.78**	**306.54**	**710.06**

Concentration of Credit Risk

The business manages concentration of risk primarily by geoghraphical region. The following details show the geographical concentrations of the loans at the year end:

Particulars	31st March, 2023	31st March, 2022
Carrying value		
Concentration by geographical region in India		
South	8,470.99	5,619.31
West	5,917.79	3,870.72
East	3,307.58	2,517.92
North	3,558.79	2,395.02
Total Loans as at reporting period	**21,255.15**	**14,402.97**

(All amounts in ₹ Crore unless otherwise stated)

NOTE 34 Financial Risk Management (Contd.)

(B) Liquidity Risk

Liquidity risk is a risk that an entity will encounter difficulty in meeting financial obligations.

As per Company's policy, management ensures the availability of sufficient funds either through Installment receivables/ sourcing through debts at each point of time. The fund requirement ascertain at the beginning of the period by taking into consideration Installment receivable, likely disbursement, loan installment payment, and other operational expenses. The Company is continuously getting good support from Bankers and Financial Institutions at the time of need.

i. Financing arrangements

The Company had access to the following undrawn borrowing facilities at the end of the reporting period:

	31st March, 2023	31st March, 2022
Floating rate		
Expiring within one year (bank overdraft and other facilities)	2,440	1,215
Expiring beyond one year (bank loans)	-	-
	2,440	1,215

The bank cash credit and other facilities may be drawn at any time and may be terminated by the bank without notice.

ii. Maturities of Financial Liabilities

The tables below analyse the Company's financial liabilities into relevant maturity groupings based on their contractual maturities for:

a. All non-derivative financial liabilities, and

b. Net and gross settled derivative financial instruments for which the contractual maturities are essential for an understanding of the timing of the cash flows.

The table below summarises the maturity profile of the Company's non-derivative financial liabilities based on contractual undiscounted payments as at the balance sheet date.

Particulars	Less than 3 months	3 to 6 months	6 months to 1 year	Between 1 and 5 years	More than 5 years	Total
As at March 31, 2023						
Financial Assets:						
Cash and Cash Equivalents	1,539.93	-	-	-	-	1,539.93
Fixed Deposits	-	-	5.72	-	-	5.72
Derivative Financial Instruments	-	35.27	46.69	88.90	-	170.86
Trade Receivables	39.34	25.02	-	-	-	64.36
Loans	4,622.32	3,218.00	5,637.25	12,889.67	22.68	26,389.92
Other Financial Assets	3.65	1.88	7.53	7.65	2.11	22.82
Total	**6,205.24**	**3,280.17**	**5,697.19**	**12,986.22**	**24.79**	**28,193.61**
Financial Liabilities:						
Borrowings	2,600.41	1,848.07	5,520.08	10,983.52	209.55	21,161.63
Security Deposit	51.81	2.85	4.90	4.83	-	64.39
Trade Payables	352.02	153.78	111.94	17.95	-	635.69
Other Financial Liabilities	158.67	2.55	140.20	24.24	7.67	333.32
Total	**3,162.91**	**2,007.25**	**5,777.12**	**11,030.54**	**217.22**	**22,195.03**

(All amounts in ₹ Crore unless otherwise stated)

NOTE 34 Financial Risk Management (Contd.)

Particulars	Less than 3 months	3 to 6 months	6 months to 1 year	Between 1 and 5 years	More than 5 years	Total
As at March 31, 2022						
Financial Assets:						
Cash and Cash Equivalents	970.46	-	-	-	-	970.46
Fixed Deposits	-	-	6.00	-	-	6.00
Derivative Financial Instruments	20.82	14.92	-	28.32	-	64.06
Trade Receivables	9.41	8.61	19.88	-	-	37.90
Loans	3,163.57	2,263.33	3,962.84	8,267.58	10.02	17,667.34
Other Financial Assets	1.42	7.42	44.51	5.09	-	58.44
Total	**4,165.68**	**2,294.28**	**4,033.23**	**8,300.99**	**10.02**	**18,804.20**
Financial Liabilities:						
Borrowings	3,192.51	1,129.72	3,314.25	6,032.30	566.63	14,235.41
Security Deposit	43.70	29.13	5.26	3.28	-	81.37
Trade Payables	149.05	75.24	98.70	11.66	-	334.65
Other Financial Liabilities	72.39	2.32	57.53	19.23	0.37	151.83
Total	**3,457.65**	**1,236.41**	**3,475.74**	**6,066.47**	**567.00**	**14,803.27**

(a) Foreign Currency Risk Exposure:

Foreign exchange risk arises on financial instruments being denominated in a currency that is not the functional currency of the entity. The Company is exposed to foreign exchange risk due to continuous fluctuation in the foreign currency(USD) of the loan originated. The Company has entered into cross currency swaps (CCS)/forward contracts/ Interest rate swaps to fully hedge all foreign currency exchange risk on the principal and interest amount payable on borrowings.

	31st March, 2023	31st March, 2022
Financial Liabilities		
Variable Foreign Currency Borrowings (USD 197 million) (PY USD 287 million)	1,473.21	2,108.05
Derivative Liabilities		
Hedged through forward contracts and CCS	1,473.21	2,108.05
Net Exposure to Foreign Currency Risk (Liabilities)	-	-

(b) Sensitivity analysis:

The Company has hedged all its foreign currency exposures by entering into CCS/ Forwards contracts, it shall not be subject to any sensitivity on settlement due to foreign currency fluctuation due to the movements in foreign exchanges i.e. USD. Forward Contracts & Cross Currency Swaps are to buy USD for Hedging Foreign Currency Loans. The Company shall not maintain as per IND-AS 109 to be considered a Foreign Currency Loan.

Impact on Profit After Tax		
USD Sensitivity	**31st March, 2023**	**31st March, 2022**
INR/USD Increases by 5%	-	-
INR/USD Decreases by 5%	-	-

(D) Fair Value Interest Rate Risk:

The Company's main interest rate risk arises from long-term borrowings with variable rates, which expose the Company to cash flow interest rate risk. During 31st March, 2023 and 31st March, 2022, the Company's borrowings at variable rate were mainly denominated in INR.

The Company's floating rate borrowings are carried at amortised cost. For NBFC business, a loan is the major source for running the business. In India, loans are generally available at a Floating rate of Interest. And there are no such options available to obtain a swap option for floating rate Interest linked to the respective bank MCLR with Fixed Interest. Hence except for foreign currency loans, other loans are not hedged.

(All amounts in ₹ Crore unless otherwise stated)

NOTE 34 Financial Risk Management (Contd.)

(a) Interest Rate Risk Exposure

The exposure of the Company's borrowing to interest rate changes at the end of the reporting period are as follows:

Particulars	31st March, 2023	31st March, 2022
Variable rate borrowings	8,211.28	6,232.48
Total borrowings	**18,870.77**	**12,964.11**

As at the end of the reporting period, the Company had the following variable rate borrowings outstanding:

Particulars	31st March, 2023		
	Weighted Average Interest Rate	Balance	% of Total Loans
Cash credits, bank loans etc.	7.88%	8,211.28	43.51%

Particulars	31st March, 2022		
	Weighted Average Interest Rate	Balance	% of Total Loans
Cash credits, bank loans etc.	6.53%	6,232.48	48.07%

An analysis by maturities is provided in note 34 B (ii) above.

(b) Sensitivity

Profit or loss is sensitive to higher/lower interest expenses from borrowings as a result of changes in interest rates. Other components of equity change as a result of an increase/decrease in the fair value of the cash flow hedges related to borrowings.

Impact on Profit After Tax		
Particulars	**31st March, 2023**	**31st March, 2022**
Interest rates – increase by 50 basis points (50 bps) *	30.72	23.32
Interest rates – decrease by 50 basis points (50 bps) *	(30.72)	(23.32)

* Holding all other variables constant

NOTE 35 Capital Management

(a) Risk management

The Risk Management policy includes the identification of elements of risks, including those which in the opinion of the Board may lead to the Company not meeting its financial objectives. The risk management process has been established across the Company and is designed to identify, access, and frame a response to threats that affect the achievement of its objectives. Further, it is embedded across all the major functions and revolves around the goals and objectives of the Company.

Maintaining optimal capital to debt is one such measure to ensure healthy returns to the Shareholders. Company envisages maintaining gearing ratio of maximum 7 times to the total equity, the Company monitors the ratio as below:

Particulars	31st March, 2023	31st March, 2022
Net Debt (total borrowings, less cash and cash equivalents)	17,330.84	11,993.65
Total Equity (as shown in the balance sheet)	2,760.86	1,865.80
Net Debt to Equity Ratio	**6.28**	**6.43**

(b) Externally Imposed Capital Restrictions

1) As per RBI requirements Capital Adequacy Ratio should be minimum 15%, not meeting RBI requirements will lead cancellation of NBFC licenses issued by RBI.
2) As per various lending arrangements with banks, TOL (Total Outside Liability) to TNW (Tangible Net Worth) ratio should be less than 8.5 times, not meeting the said requirements may lead to higher interest rates.
3) Shareholding of the promoter shall not be less than 51% without prior approval from lenders.

The Company has complied with these covenants throughout the reporting period.

(All amounts in ₹ Crore unless otherwise stated)

NOTE 36 Leases

a Lease Disclosures pertaining to Right to use Asset

Particulars	31st March, 2023	31st March, 2022
Building		
Gross Block		
Opening/(On transition to IND-AS 116)	18.12	18.68
Revaluation due to change in future lease rentals	-	-
Additions during the year	17.29	6.49
(Deletions during the year)	-	-
Closing Balance during the year	35.41	25.17
Amortisation		
Additions	-	-
Amortisation for the year	6.68	7.05
Closing Balance during the year	**28.73**	**18.12**

b The Company has offices across the country with varied lease periods. The lease term considered for arriving at the Right to use Assets and Lease liabilities is based on the non-cancellable period of the respective agreements.

c Company has exercised the option of short-term leases and low value asset exemption.

Lease Disclosures pertaining to Statement of Profit & Loss

Particulars	31st March, 2023	31st March, 2022
Finance charges		
Interest expense	2.08	1.99
Depreciation		
Amortisation of Right to use Assets	6.68	**7.05**
Other expenses		
Rent expenses		
Expense relating to short-term leases (included in other expenses)	17.75	11.65
Expense relating to leases of low-value assets that are not short-term leases (included in other expenses)	-	-
Expense relating to variable lease payments not included in the measurement of lease liabilities	-	-
Total	**26.51**	**20.69**

d Additional Disclosures in Cash Flow Statement

Particulars	31st March, 2023	31st March, 2022
Cash flow financing activities		
Principal repayments related to lease liabilities	6.11	6.56
Interest payments related to lease liabilities	2.12	1.99

(All amounts in ₹ Crore unless otherwise stated)

37. Related Party Disclosure

Disclosure in respect of Related Parties and their relationship where transaction exists:

Nature of Relationship	Parties Name
Reporting Enterprise	TVS Credit Services Limited
Holding Company	TVS Motor Company Limited Sundaram-Clayton Limited (holding company of TVS Motor Company Limited)
Ultimate Holding Company	TV Sundram Iyengar & Sons Private Limited (up to 4th February, 2022) TVS Holdings Private Limited (with effect from 4th February, 2022)
Subsidiaries	TVS Housing Finance Private Limited Harita ARC Private Limited Harita Two Wheeler Mall Private Limited TVS Micro Finance Private Limited (up to 3rd September, 2021) Harita Collection Services Private Limited (up to 3rd September, 2021) TVS Commodity Financial Solutions Private Limited (up to 9th February, 2022)
Fellow Subsidiary	TVS Motor Services Limited Sundaram Auto Components Limited TVS Automobile Solutions Private Limited
Associate of Holding Company	Emerald Haven Realty Limited Emerald Haven Development Limited Drive X Mobility Millennial Solutions Private Limited
Subsidiary of Holding Company's Associate Company	Scienaptic Systems Private Limited
Key Managerial Personnel	G Venkatraman, Director and Chief Executive Officer (up to 31st August, 2022) Ashish Sapra, Chief Executive Officer (from 1st September, 2022) V Gopalakrishnan, Chief Financial Officer (up to 26th July, 2022) Roopa Sampath Kumar, Chief Financial Officer (from 27th July, 2022) Ashwin J, Company Secretary (up to 15th March, 2022) Anand Vasudev, Company Secretary (from 26th July 2022)

Transactions with related parties and balance outstanding as at the end of the year:

S.No.	Name of the Related Party	Nature of Transactions	March 31, 2023	March 31, 2022
1	TVS Motor Services Limited	Advance received	41.33	41.33
		Unwinding of advance	3.24	6.23
		Balance outstanding [Dr/(Cr)]	-	38.10
2	TVS Motor Company Limited	Contribution towards Equity Share Capital	27.03	6.17
		Contribution towards Security Premium	472.97	93.83
		Services rendered	14.58	9.03
		Availing of services	10.25	8.34
		Balance outstanding [Dr/(Cr)]	1.57	(2.80)
3	Sundaram-Clayton Limited	Loan recovered	0.08	0.10
		Interest received	0.01	0.02
		Availing of services	2.41	3.92
		Balance outstanding [Dr/(Cr)]	(0.02)	(0.48)

(All amounts in ₹ Crore unless otherwise stated)

37. Related Party Disclosure (Contd.)

S.No.	Name of the Related Party	Nature of Transactions	March 31, 2023	March 31, 2022
4	Sundaram Auto Components Limited	Loan recovered	0.04	0.10
		Interest received	0.00	0.01
		Balance outstanding [Dr/(Cr)]	-	0.04
5	Scienaptic Systems Private Limited	Availing of services	3.03	-
		Balance outstanding [Dr/(Cr)]	0.45	-
6	Drive X Mobility Millennial Solutions Private Limited	Services rendered	0.14	-
		Sale of fixed assets	0.52	
		Balance outstanding [Dr/(Cr)]	0.44	-
7	Emerald Haven Realty Limited	Loan disbursed	3.00	-
		Loan recovered	3.00	-
		Interest received	0.06	-
		Balance outstanding [Dr/(Cr)]	-	-
8	Emerald Haven Development Limited	Loan disbursed	14.00	-
		Loan recovered	14.00	-
		Interest received	0.32	-
		Balance outstanding [Dr/(Cr)]	-	-

Remuneration to Key Managerial Personnel

Particulars	2022-23	2021-22
Short Term Benefits	9.07	6.13
Post Retirement Benefits	0.18	0.18

The Company maintains Gratuity Fund with the Life Insurance Corporation of India (LIC). Post-retirement benefits do not include yearly premiums paid by the Company to maintain the fund. The LIC has paid ₹0.66 Cr to Mr.G Venkatraman, Director and Chief Executive Officer (up to 31st August, 2022) during FY 2022-23 towards gratuity.

The Company has not granted any Loans or Advances in the nature of loans to Promoters, Directors, Key Managerial Personnel, and the related parties, either severally or jointly with any other person, which are (a) Repayable on demand; or (b) Without specifying any terms or period of repayment.

(All amounts in ₹ Crore unless otherwise stated)

37. Related Party Disclosure (Contd.)

Related Party disclosure pursuant to Scale Based Regulation (SBR) disclosure requirements vide notification no. RBI/2021-22/112 DOR.CRE.REC.No.60/03.10.001/2021-22:

Related Party Balance outstanding:

Related Party Items	Parent (as per ownership or control)		Subsidiaries		Associates/ Joint Ventures		KMP		Relatives of KMP		Others		Total	
	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year
Borrowings:														
Outstanding at the year end	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Maximum outstanding during the year	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Deposits:														
Outstanding at the year end	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Maximum outstanding during the year	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Placement of deposits:														
Outstanding at the year end	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Maximum outstanding during the year	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Advances:														
Outstanding at the year end	-	-	-	-	-	-	-	-	-	-	0.63	38.70	0.63	38.70
Maximum outstanding during the year	-	-	-	-	-	-	-	-	-	-	52.19	80.31	52.19	80.31
Investments:														
Outstanding at the year end	-	-	12.01	12.01	-	-	-	-	-	-	-	-	12.01	12.01
Maximum outstanding during the year	-	-	12.01	12.01	-	-	-	-	-	-	-	-	12.01	12.01

Related Party Transactions During the Year:

Related Party Items	Parent (as per ownership or control)		Subsidiaries		Associates/ Joint Ventures		KMP		Relatives of KMP		Others		Total	
	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year
Purchase of fixed/other assets	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Sale of fixed assets	-	-	-	-	-	-	-	-	-	-	0.52	-	0.52	-
Interest paid	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Interest received	0.01	0.02	-	-	-	-	-	-	-	-	0.38	0.01	0.39	0.03
Unwinding of advance	-	-	-	-	-	-	-	-	-	-	3.24	6.23	3.24	6.23
Services rendered	14.58	9.03	-	-	-	-	-	-	-	-	0.14	-	14.72	9.03
Availing of services	12.66	12.27	-	-	-	-	-	-	-	-	3.03	-	15.69	12.27

* There is no transaction with directors and relatives of directors

(All amounts in ₹ Crore unless otherwise stated)

38. Additional notes forming part of Consolidated Financial Statements for the year ended 31st March, 2023

1. Capital Commitments

Description	31st March, 2023	31st March, 2022
Estimated amount of contracts remaining to be executed on Capital Account not provided for	13.55	0.78

2. Other Commitments

Description	31st March, 2023	31st March, 2022
Undrawn Loans sanctioned to borrowers	43.58	48.33

3. Contingent Liabilities not provided for

Claims against the Company not acknowledged as debts.

Description	31st March, 2023	31st March, 2022
Disputed Service Tax Demand inclusive of Penalty – Commissioner order/Additional Commissioner appealed against by Company during previous years (Pre-deposit of ₹0.38 Cr)	8.34	7.70
Legal cases filed by borrowers against the Company	4.04	1.48

The Company's pending litigations comprise of claims against the Company and proceedings pending with Statutory Authorities. The future cash flows on the above items are determinable only on receipt of decisions/ judgments that are pending at various forums/authorities. The Company does not expect the outcome of these proceedings to have a materially adverse effect on its financial results..

4. Pursuant to a Business Transfer Agreement (BTA) entered into with TVS Finance and Services Limited (TVSFS) on 21st April, 2010, the Company acquired the retail finance business of TVSFS as a going concern along with the related assets (comprising of fixed assets, receivables, loans and advances and Bank balances) of ₹50.75 Cr and liabilities (comprising of borrowings from Banks and Institution, current liabilities and provisions) of ₹298.75 Cr. TVSFS issued Unsecured Redeemable Bonds to the Company, for the excess of liabilities over assets of ₹248 Cr. The bonds are redeemable between the 7th and 12th year from the date of allotment. The said bonds have been purchased by TVS Motor Services Limited (TVSMS), the Holding Company, during 2010-11 at book value and the same is repayable by TVSMS in 6 years. The TVSMS has fully paid the advance to the Company and there is no outstanding as at 31st March, 2023.

5. Pursuant to Para 2 of general instructions for the preparation of financial statements of a NBFC as mentioned in Division III of Schedule III of The Companies Act, 2013, the current and non-current classification has not been provided.

6 The Company has no transactions with companies struck off under Section 248 of the Companies Act, 2013 or Section 560 of the Companies Act, 1956.

7 The Company is in compliance with the number of layers prescribed under clause (87) of Section 2 of the Act read with the Companies (Restriction on Number of Layers) Rules, 2017.

8 There have been no events after the repoting date that require disclosure in the Financial Statements.

9 Prior period figures have been regrouped, wherever necessary, to conform to the current period presentation.

10 No funds (which are material either individually or in the aggregate) 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 or entity, including foreign entity ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

11 No funds (which are material either individually or in the aggregate) have been received by the Company from any person or entity, including foreign entity ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

12 The Company has not traded or invested in Crypto currency or Virtual Currency during the financial year.

(All amounts in ₹ Crore unless otherwise stated)

37. Additional notes forming part of Consolidated Financial Statements for the year ended 31st March, 2022 (Contd.)

13. Additional information as required by Paragraph 2 of the General Instructions for Preparation of Consolidated Financial Statements to Schedule III to the Companies Act, 2013 for the year ended 31st March, 2023

Name of the Entity	Net Assets		Share in Profit/(Loss)		Share in Other Comprehensive Income		Share in Total Comprehensive Income	
	As a % of Consolidated Net Assets	₹ in Cr	As a % of Consolidated Profit/(Loss)	₹ in Cr	As a % of Consolidated Other Comprehensive Income	₹ in Cr	As a % of Consolidated Total Comprehensive Income	₹ in Cr
Parent								
TVS Credit Services Limited	99.04%	2,758.11	99.86%	388.67	100.00%	5.80	99.86%	394.47
Subsidiaries								
TVS Housing Finance Private Limited	0.53%	14.76	0.14%	0.55	0.00%	-	0.14%	0.55
Haritha ARC Private Limited	0.00%	(0.01)	0.00%	(0.00)	0.00%	-	0.00%	(0.00)
Harita Two Wheeler Mall Private Limited	0.00%	(0.01)	0.00%	(0.00)	0.00%	-	0.00%	(0.00)
Inter Company Eliminations	0.43%	12.01	0.00%	-	0.00%	-	0.00%	-
Total	**100.00%**	**2,784.86**	**100.00%**	**389.22**	**100.00%**	**5.80**	**100.00%**	**395.02**

As per our report of even date

For Sundaram & Srinivasan
Chartered Accountants
ICAI Regn No. FRN 004207S

S. Usha
Partner
Membership No. 211785

For CNGSN & Associates LLP
Chartered Accountants
ICAI Regn No. FRN 004915S

C.N. Gangadaran
Partner
Membership No. 011205

Place : Chennai
Date : 3rd May, 2023

For and on behalf of the Board of Directors of
TVS Credit Services Limited

Sudarshan Venu
Chairman
DIN-03601690

Ashish Sapra
Chief Executive Officer

Roopa Sampath Kumar
Chief Financial Officer

Anand Vasudev
Company Secretary

Place : Chennai
Date : 3rd May, 2023

TVS CREDIT

Registered Office:

Chaitanya, No.12, Khader Nawaz Khan Road,
Nungambakkam, Chennai - 600006

Corporate Office:

No.29, Jayalakshmi Estates, Haddows Road,
Nungambakkam, Chennai - 600006

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